

**PLATEAU MINING COMPANY**

A Subsidiary of Cyprus Coal Company
P.O. Drawer PMC Price, Utah 84501
Telephone (801) 637-2875

June 24, 1986

RECEIVED
JUN 25 1986

Utah State Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

**DIVISION OF
OIL, GAS & MINING****FILE COPY**

Attention Mr. Wayne Hedberg:

This letter is a response to conditions stated in the June 17 stipulated approval of Plateau Mining Company's Coal Exploration Application 86-1 (copy enclosed); responses are numbered the same as questions asked.

Response 1

Operator will protect topsoil to comply with the requirements of SMC 817.22, .23, .24, and .25.

Response 2

Class III roads will not be used if climatic conditions are such that usage may cause degradation of water quality.

Response 3

Sediment control will comply with SMC 817.42 and 817.45, and SMC 817.173(a)(2).

Response 4

Operator will recontour disturbed drainage channels to a configuration at least equal to the capacity of the unmodified stream channel immediately upstream and downstream of the crossing.

Response 5

Operator will provide as-built plans for the small section of road to be re-aligned around the wet area.

Response 6 (a)

Operator will delay road building and drilling activities until July 1, 1986 to assure parturation for deer and elk in the area.

Response 6 (b)

Operator will delay road building and drilling until July 15, 1986 in the immediate vicinity of the occupied eagle nest (Nest C) to assure successful fledging.

June 24, 1986
Mr. Wayne Hedberg
Page Two

Response 7

Operator shall instruct contractors to make conscious efforts to avoid impacting any historical or archeological sites which may be encountered during exploration activities. Construction shall be suspended if a site of questionable artifacts are unearthed.

Response 8

Enclosed please find a copy of the road use permit and extension for the 1986 season.

Response 9

A completion notice shall be provided to D.O.G.M. as soon as is practical following completion of the project.

Respectfully,



Greg Hunt

GH:sd

Enclosures

cc: Ben Grimes, w/encl.
Allen Klein, w/o encl.
Reed Christensen, w/o encl.
Larry Dalton, w/o encl.
Lowell Braxton, w/o encl.

File: GEO 2-2-1

Road Use Permit

United States
Department of
Agriculture

Forest
Service

Manti-LaSal
National Forest

599 West Price River Dr.
Price, Utah 84501

7730
Reply to: 2820

Date: June 6, 1986

Ben Grimes
Environmental Coordinator
Plateau Mining Company
P.O. Box PMC
Price, Utah 84501

Dear Ben:

At your request, we hereby add 3.1 miles of Forest Development Road No. 50249, Star Point Road, to your existing road use permit so you may access your coal lease drilling project on private land. We understand that you will be completing maintenance and not using some of the roads, therefore, the bond amount will not be altered.

The short work road leading onto private land is to be restored to the "before use" condition.

Sincerely,



for
REED C. CHRISTENSEN
Forest Supervisor



PLATEAU MINING COMPANY

A Subsidiary of Cyprus Coal Company
P.O. Drawer PMC Price, Utah 84501
Telephone (801) 637-2875

June 4, 1986

Mr. Ira Hatch
Manti-LaSal National Forest
599 West Price River Drive
Price, Utah 84501

Re: Road Use Permit - Modification To Permit Issued
July 11, 1985 To Getty Oil Company Coal Department

Dear Mr. Hatch:

Cyprus Western Coal Company recently acquired the assets of Getty Oil Company Coal Department. Plateau, being a wholly owned subsidiary of Getty Oil Company Coal Department, is now a wholly owned subsidiary of Cyprus Western Coal Company. As such, Plateau has assumed all permits held by Getty Oil Company Coal Department that relate to Plateau.

Plateau wishes to continue the drilling program begun in 1985. The Road Use Permit issued to Getty Oil Company dated July 11, 1985 for coal exploration drilling has been transferred to Plateau Mining Company. The Road Use Permit Bond for \$5000 has been assumed by Plateau and reissued through a different bonding company, Aetna Casualty and Surety Company, and carries the number 64S50650-2, replacing Insurance Company of North America bond number M 30 15 05 G 1294.

A copy of the new bond is attached to this letter; the original bond document is enclosed for your file. Also enclosed is a copy of the exploration licence bond which has been transferred to Plateau and held by BLM.

Twelve holes were proposed in 1985, of which three were drilled. This year's program consists of drilling one hole previously planned (26-4) on forest land and three new holes (18-1, 18-2 and 18-3) on private property in Section 18 as shown on the attached location map.

Access to Holes 18-1, 18-2 and 18-3 on private property is by Forest Development Road FDR50111 to the junction of FDR50249, then on FDR50249. Holes 18-1 and 18-2 will be accessed on FDR50249 to the non-system road shown on the attached location map, then on this road to private property. Hole 18-3 will be accessed on FDR50249 to private property.

June 4, 1986
Mr. Ira Hatch
Page Two

Plateau proposes adding the roads discussed above (shown in yellow on the attached map) to the existing Road Use Permit. We further propose that the \$5000 bond remain the same based on the following:

1. No additional holes will be drilled on FDR50252 and FDR50253; 8 holes proposed, 2 drilled.
2. Plateau will regrade FDR50252 to pre-drilling condition, and to Forest Service standards.
3. Roads FDR50252 and FDR50253 will be deleted from program after maintenance; length of roads is 3.2 miles, shown in blue on the attached location map.
4. Road FDR50249 and non-system road to be added are 3.1 miles long; nearly a trade-off with those deleted.

Equipment to be used for 1986 drilling and road maintenance is the same as proposed in the original Road Use Permit application.

In addition to coal quality data, Holes 26-4 and 18-2 will be used for permanent groundwater monitoring wells. The lack of groundwater information in the area makes it desirable to develop these holes into monitoring wells for mine permit purposes. Hole 26-4 will be fitted with a locking cap that will be close to ground level, making it as inconspicuous as possible.

We are planning to start drilling at Hole 26-4 around the 15th of June since this hole is already covered under the existing Road Use Permit. Upon completion of this hole, about June 25, we will move to Hole 18-2 on private property. This would require modification of the Road Use Permit by June 25.

We hope this timing does not put an undue burden on the Forest Service. We think the groundwater information gained from the holes will enhance our knowledge of the area and will be beneficial to us and the Forest Service.

Respectfully,

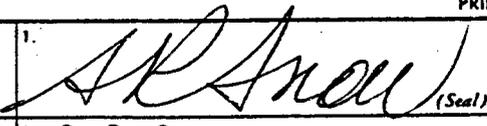
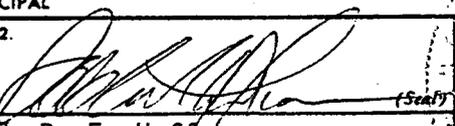


Ben Grimes
Environmental Coordinator

BG:sd

Attachment/Enclosures

cc: Bob Lauman
Greg Hunt

STANDARD FORM 25 JUNE 1947 EDITION GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41 CFR) 1-16.801		PERFORMANCE BOND <i>(See Instructions on reverse)</i>		DATE BOND EXECUTED <i>(Must be same or later than date of contract)</i> June 2, 1986									
PRINCIPAL <i>(Legal name and business address)</i> Plateau Mining Company 7200 South Alton Way Englewood, Colorado 80112			TYPE OF ORGANIZATION <i>("X" one)</i> <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION STATE OF INCORPORATION Delaware										
SURETY(IES) <i>(Name(s) and business address(es))</i> The Aetna Casualty and Surety Company Hartford, Connecticut			PENAL SUM OF BOND <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">MILLION(S)</td> <td style="width:25%;">THOUSAND(S)</td> <td style="width:25%;">HUNDRED(S)</td> <td style="width:25%;">CENT(S)</td> </tr> <tr> <td></td> <td style="text-align: center;">5</td> <td style="text-align: center;">000</td> <td style="text-align: center;">00</td> </tr> </table> CONTRACT DATE CONTRACT NO. July 11, Road Use Permit 1985			MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENT(S)		5	000	00
MILLION(S)	THOUSAND(S)	HUNDRED(S)	CENT(S)										
	5	000	00										
<p>KNOW ALL MEN BY THESE PRESENTS, That we, the Principal and Surety(ies) hereto, are firmly bound to the United States of America (hereinafter called the Government) in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally: <i>Provided</i>, That, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.</p> <p>THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the Principal entered into the contract identified above;</p> <p>NOW, THEREFORE, if the Principal shall:</p> <p>(a) Perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the Government, with or without notice to the Surety(ies), and during the life of any guaranty required under the contract, and shall also perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the Surety(ies) being hereby waived; and</p> <p>(b) If the said contract is subject to the Miller Act, as amended (40 U.S.C. 270a-270e), pay to the Government the full amount of the taxes imposed by the Government which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished; then the above obligation shall be void and of no effect.</p> <p>IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this performance bond and have affixed their seals on the date set forth above.</p>													
PRINCIPAL													
Signature(s)		1.  (Seal)		2.  (Seal)									
Name(s) & Title(s) <i>(Typed)</i>		1. S. R. Snow Vice President		2. D. E. Huffman Assistant Secretary									
INDIVIDUAL SURETY(IES)													
Signature(s)		1. (Seal)		2. (Seal)									
Name(s) <i>(Typed)</i>		1.		2.									
CORPORATE SURETY(IES)													
SURETY A	Name & Address		STATE OF INC.		LIABILITY LIMIT								
	The Aetna Casualty And Surety Company		Connecticut										
	Signature(s)		1. 		2.								
Name(s) & Title(s) <i>(Typed)</i>		1. Richard C. Rose Attorney-in-Fact		2.									

CORPORATE SURETY(IES) (Continued)

SURETY B	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	
SURETY C	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	
SURETY D	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	
SURETY E	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	
SURETY F	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	
SURETY G	Name & Address	STATE OF INC.	LIABILITY LIMIT	<i>Corporate Seal</i>
	Signature(s)	1.	2.	
	Name(s) & Title(s) (Typed)	1.	2.	

BOND PREMIUM	▶	RATE PER THOUSAND \$ 5.00	TOTAL \$ 25.00
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INSTRUCTIONS

1. This form is authorized for use in connection with contracts for construction work or the furnishing of supplies or services. There shall be no deviation from this form without approval by the Administrator of General Services.

2. The full legal name and business address of the Principal shall be inserted in the space designated "Principal" on the face of this form. The bond shall be signed by an authorized person. Where such person is signing in a representative capacity (e.g., an attorney-in-fact), but is not a member of the firm, partnership, or joint venture, or an officer of the corporation involved, evidence of his authority must be furnished.

3. (a) Corporations executing the bond as sureties must be among those appearing on the Treasury Department's list of approved sureties and must be acting within the limitations set forth therein. Where more than a single corporate surety is involved, their names and addresses (city and State) shall be inserted in the spaces

(Surety A, Surety B, etc.) headed "CORPORATE SURETY(IES)", and in the space designated "SURETY(IES)" on the face of this form only the letter identification of the Sureties shall be inserted.

(b) Where individual sureties execute the bond, they shall be two or more responsible persons. A completed Affidavit of Individual Surety (Standard Form 28), for each individual surety, shall accompany the bond. Such sureties may be required to furnish additional substantiating information concerning their assets and financial capability as the Government may require.

4. Corporations executing the bond shall affix their corporate seals. Individuals shall execute the bond opposite the word "Seal"; and, if executed in Maine or New Hampshire, shall also affix an adhesive seal.

5. The name of each person signing this performance bond should be typed in the space provided.



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint Richard G. Anderson, Tom H. McCarley, III, Richard C. Rose, Lavonne Sherrod, Janice Fennell or Margaret Lauria, Knoxville, Tennessee, Mary H. Tibbetts, Memphis, Tennessee or Douglas L. Ball, Daniels, West Virginia - -

of XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated the following instrument(s):
by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its Assistant Vice President, and its corporate seal to be hereto affixed this 31st day of March, 19 86



THE AETNA CASUALTY AND SURETY COMPANY

By Joseph P. Kiernan
Joseph P. Kiernan
Assistant Vice President

State of Connecticut }
County of Hartford } ss. Hartford

On this 31st day of March, 19 86, before me personally came JOSEPH P. KIERNAN, to me known, who, being by me duly sworn, did depose and say: that he/she is Assistant Vice President of THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf of the corporation by authority of his/her office under the Standing Resolutions thereof.



Johanna M. Degnan
My commission expires March 31, 19 89 Notary Public
Johanna M. Degnan

CERTIFICATE

I, the undersigned, Secretary of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut, on this 2nd day of June, 19 86

By Vincent A. Walsh
Vincent A. Walsh, Secretary

BOND UNDER LICENSE TO EXPLORE
FOR COAL DEPOSITS

Bond Number 64S50650-1
Replaces Insurance Company of North
America Bond No. 301505G1296

KNOW ALL MEN BY THESE PRESENTS, That Plateau Mining Company
of 7200 South Alton Way
and Englewood, Colorado 80112 , as Principal,
of The Aetna Casualty and Surety Company
Hartford, Connecticut , as Surety,

are held and firmly bound unto the United States in the sum of one hundred forty thousand and 00/100 Dollars (\$140,000.00), lawful money of the United States, to be paid to the United States, for the use and benefit of (1) the United States and (2) any owner of all or any portion of the land encompassed in the coal exploration license with the above serial number, who has a statutory right to compensation in connection with a reservation of the above mentioned coal deposits to the United States. For such payment, well and truly to be made, we bind ourselves and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally, by these presents.

The condition of the foregoing obligation is such that, whereas by a coal exploration license bearing the above serial number, the principal has been granted the right to explore the above mentioned coal deposits on or under the land mentioned in the license; and whereas any owner of the land who has a statutory right to compensation as specified herein is entitled to security for payment of certain damages caused to the land by reason of exploring the above mentioned coal deposits.

NOW THEREFORE, if the said principal, his heirs, executors, administrators, or successors, shall fully comply with all of the terms and conditions of said license, use all reasonable precautions to prevent damage to the deposits, leave the premises in a safe condition upon the termination of the license, and compensate the surface owner or claimant, if any, for damages to the land, including crops and livestock, as by law required, then this obligation shall be Null and Void; otherwise to remain in Full Force and Effect.

Signed on this 28th day of April

, 1986, in the presence of:
Plateau Mining Company



[Signature]
(Signature of Witness)
D. E. Huffman, Assistant Secretary
7200 South Alton Way
Englewood, Colorado 80112

[Signature]
(Signature of Principal)
S. R. Snow, Vice President
7200 South Alton Way
Englewood, Colorado 80112

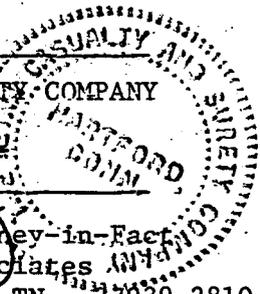
L.S.

(Address of Witness)

(Address of Principal)

[Signature]
(Signature of Witness)
Janice Fennell
P. O. Box 19810
Knoxville, TN. 37939-2810

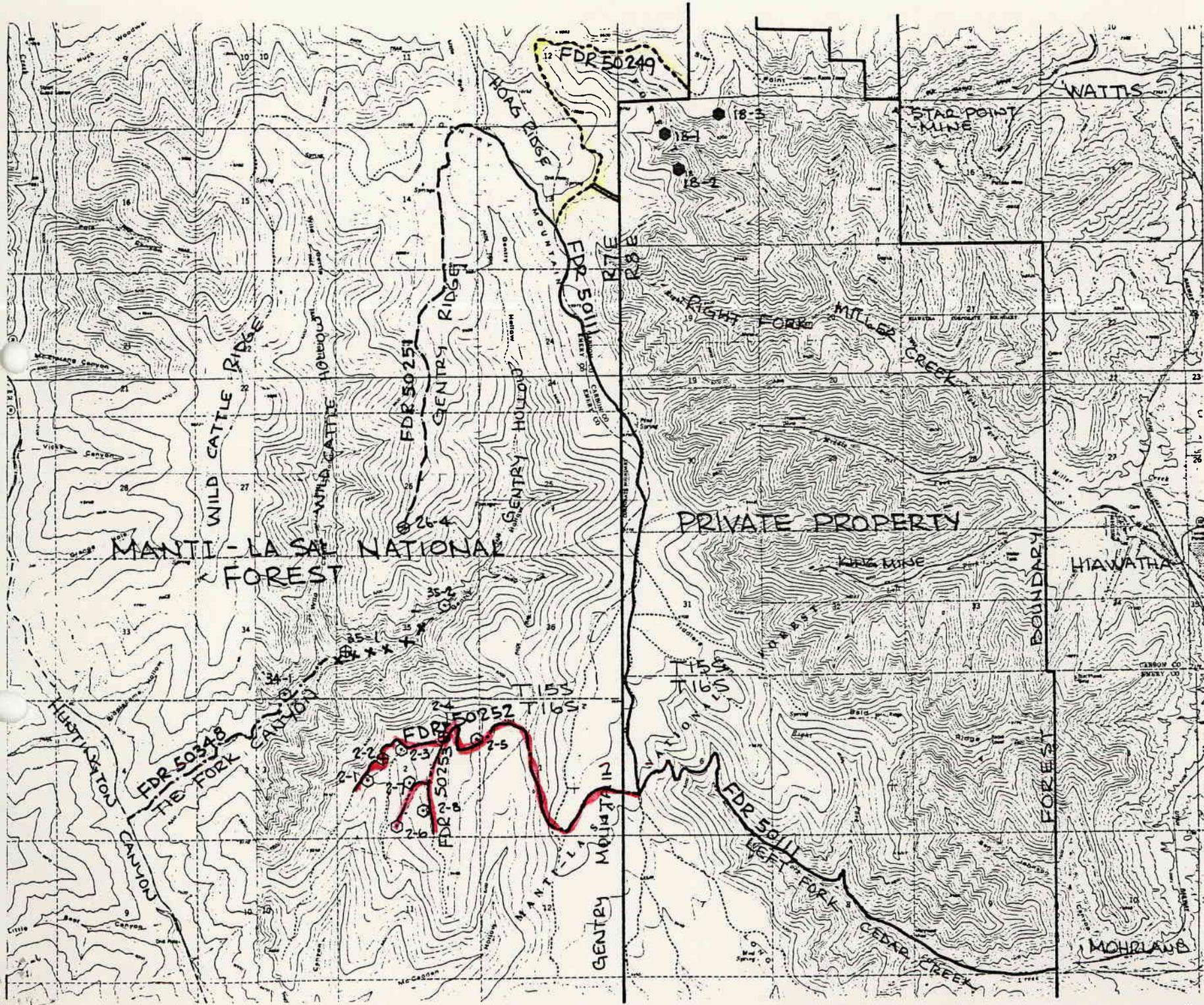
[Signature]
(Signature of Surety)
Tom H. McCarley, III, Attorney-in-Fact
c/o Broadus Anderson & Associates
P. O. Box 19810, Knoxville, TN. 37939-2810



(Address of Witness)

(Business Address of Surety's Agent)

If this bond is executed by a corporation, as Principal, it must bear the corporate seal of such corporation. The surety's seal must be affixed to all bonds and a current power of attorney demonstrating the authority of the surety's attorney in fact should be attached to this bond when filed with the Bureau of Land Management.



LOCATION MAP

ROAD USE PERMIT

SCALE
 1 MILE
 JUNE 1986



LEGEND

- FDR 5011 GENTRY MTN.
- FDR 50251 GENTRY RIDGE
- · — · FDR 50252 MCCADDEN RIDGE
- · - · - · FDR 50348 TIE FORK
- FDR 50249 STAR POINT
- ==== NON SYSTEM ROAD
- xxxxxxx FDT 5128 GENTRY HOLLOW TRAIL
- · — · FDR 50253 MCCADDEN FLAT
- ⊙ HOLES PROPOSED IN 1985
- ⊕ HOLES DRILLED IN 1985
- HOLES TO BE DRILLED IN 1986
- ⊗ HOLES PROPOSED IN 1985-TO BE DRILLED IN 1986