

April 28, 2003

Elliott Finley, Resident Agent
Hiawatha Coal Company
P.O. Box 1245
Huntington, Utah 84528

Re: Reclamation Agreement, Hiawatha Coal Company, Hiawatha Mine, C/007/011, Outgoing File

Dear Mr. Finley:

The Division is unable to locate the Reclamation Agreement for the Hiawatha Mine. Please sign the attached documents and return them to the Division by May 26, 2003.

If you have any questions, please call me at (801) 538-5268. Thank you.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
Attachment
cc: Price Field Office
Joe Helfrich
O:\007011.HIA\FINAL\REQRECAGREEMENT.DOC

**RECLAMATION AGREEMENT
(COAL)**

**State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340**

Federal

CONTENTS:

Reclamation Agreement

Exhibit "A"
Bonded Area

Exhibit "B"
Bonding Agreement
Surety Bond

Exhibit "C"
Liability Insurance

Affidavits of Qualification

Power of Attorney

Exhibit "D"
Stipulation to Revise Reclamation Agreement

Permit Number: _____
Date Original Permit Issued: _____
Effective Date of Agreement: _____

**RECLAMATION AGREEMENT
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

**COAL RECLAMATION AGREEMENT
--ooOOoo--**

This **RECLAMATION AGREEMENT** (hereafter referred to as "Agreement") is entered into by _____ (hereafter referred to as the "Permittee") and the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (hereafter referred to as the "Division").

For the purposes of this **AGREEMENT** the information provided below, shall constitute forms of definition or are for information regarding the Permittee or its operations.

"PERMIT": (Mine Permit No.) _____ (County) _____

"MINE": (Name of Mine) _____

"PERMITTEE": (Company or Name) _____

(Address) _____

"PERMITTEE'S REGISTERED AGENT" :

(Name) _____

(Address) _____

(Phone) _____

"DESIGNATED OFFICAL TO SIGN BODING INSTRUMENTS AND PERMIT" :

(Name) _____

(Phone) _____

"BOND TYPE": (Form of Bond) _____

"BOND AMOUNT": (Bond Amount-Dollars) _____

(Escalated Year-Dollars) _____

"BOND NUMBER" : _____

"INSTITUTION": (Bank or Agency) _____

POLICY OR ACCOUNT NUMBER" : _____

"LIABILITY INSURANCE": (Exp.) _____

(Insurance Company) _____

"STATE": _____

"DIVISION": _____

"DIVISION DIRECTOR": _____

EXHIBITS:

"BONDED AREA" Exhibit "A"

"BONDING AGREEMENT" Exhibit "B"

"LIABILITY INSURANCE" Exhibit "C"

"STIPULATION TO CHANGE BOND" Exhibit "D"

WHEREAS, the Permittee is ready and willing to file the Bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws under the permit; and

NOW, THEREFORE, the Division and the Permittee agree as follows:

1. The provisions of SMCRA, the Act and the Regulations are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Regulations and Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of this Agreement, the Permit (which is based upon the approved Permit Application Package), the Act and the Regulations, including the reclamation of all areas disturbed by surface coal mining and reclamation operations, despite the eventuality that the costs of actual reclamation exceeds the Bond Amount.
3. The Permit Application Package includes a legal description of the Bonded Area, including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the Permit period. For convenience, a copy of the description of the Bonded Area is attached as Exhibit "A", and is incorporated by reference.
4. The Permittee agrees to provide a Bond to the Division in the form and amount acceptable to the Division ensuring the timely performance of the reclamation obligations in the manner and by the standards set forth in this Agreement, the Permit, (which is based upon the Permit Application Package), the Act and the Regulations. The Bond is attached as Exhibit "B" and is incorporated by reference.
5. The Permittee agrees to maintain in full force and effect the Liability Insurance policy submitted as part of the Permit application and which is described in the attached Exhibit "C". The Division shall be listed as an additional insured on this policy.
6. In the event that the Disturbed Area is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the Bond as appropriate in accordance with applicable law. In the event of material damage to the surface lands, or contamination, diminution or interruption of a protected water supply, caused by subsidence from underground coal mining, the Permittee shall increase the bond amount in any amount as required by the Division in accordance with R645-301-525.550.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division, and their respective employees and agents, from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or

Permittee's agents or employees failure to abide by the terms and conditions of the approved Permit (which is based upon the approved Permit Application Package), and this Agreement. In the event the Cooperative Agreement is terminated, this paragraph will inure to the benefit of OSM with respect to Federal Lands, and otherwise to the benefit of the Division.

8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Disturbed Area in accordance with this Agreement, the approved Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve a written modification to this Agreement in accordance with applicable law.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the new Bond form meets the requirements of the Act, and the Regulations, but no Bond shall be released until the Division has approved and accepted the replacement Bond.
10. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this Agreement.
11. Any breach of the provisions of this Agreement, the Act, the Regulations, or the Permit (which is based upon the approved Permit Application Package) may, at the discretion of the Division, result in enforcement actions by the Division which include, but are not limited to, an order to cease coal mining and reclamation operations, revocation of the Permittee's Permit and forfeiture of the Bond.
12. In the event of forfeiture of the Bond, the Permittee agrees to be liable for additional costs in excess of the Bond Amount which may be incurred by the Division in order to comply with the Permit (which is based upon the approved Permit Application Package), the Act, and the Regulations. Any excess monies resulting from the forfeiture of the Bond, upon compliance with this Agreement, shall be refunded as directed by the Permittee or, if a dispute arises, as directed by a court of competent jurisdiction by interpleading the funds subject to the dispute.
13. No delay on the part of the Division in exercising any right, power, or privilege, under the Permit, the Bonding Agreement (Exhibit "B") and/or this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege thereof preclude other or further exercise of any right, power or privilege. The provisions of this Agreement are severable, and if any provision of this Agreement, or the application of any provision of this Agreement, to any circumstances is held invalid, the application of such provision to other circumstances, and the remainder of this Agreement, shall not be affected thereby.
14. Each signatory below represents that he/she is authorized to execute this Agreement on

behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached thereto.

SO AGREED this _____ day of _____, 20_____.

PERMITTEE:

By: _____

Title: _____

STATE OF UTAH:

Director,
Division of Oil, Gas and Mining

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.