

0005

From: Dana Dean
To: mreynolds@etv.net, efinley@efinley.com
CC: Haddock, Daron, Nance, Angela
Date: 1/12/2009 5:52 PM
Subject: RV: Hiawatha/Bear Bond info
Attachments: Re: Hiawatha/Bear Bond info

Outgoing
C/007/0011
C/015/0025
Q

Elliot and Mark,

Please see the attached email for forms and an explanation of what we need to update the Hiawatha and Bear Canyon bonds.

I am asking our attorney to let me know how R645-301-880.220 might apply in this case, and will let you know what happens next.

Thank you,
Dana

From: Angela Nance
To: Dana Dean
CC: Daron Haddock; Steve Alder
Date: 1/12/2009 4:50 PM
Subject: Re: Hiawatha/Bear Bond info
Attachments: Exhibit_D.doc; AFFIDAVI.QUA.doc; 20090112154337.pdf

Hi Dana,

Attached are the forms that Hiawatha Coal Company will need to complete in order to reduce their bond amount. Exhibit D - Stipulation to Revise Reclamation Agreement will need to indicate the revised bond amount with a brief description of the reason for the reduction (bond release). We will also need an Addendum to the Letter of Credit with the new amount. In addition, we need an Affidavit of Qualification for the Permittee and the Bank.

As far as the funds being dedicated to Bear Canyon - that will need to be arranged by Hiawatha Coal Company. I have the company's paperwork (attached) to revise the Officers and Agents of the Bear Canyon Mine which will simply be attached to the original Bear Canyon Reclamation Agreement. Also, Exhibit D (The Stipulation to Revise the Reclamation Agreement) indicates that the company is getting a Surety Rider changing the Principal from C.W. Mining Company to Hiawatha Coal Company, Inc. to be attached to the original Surety Bond. If this is no longer their plan for the bond then we will need to re-do the paperwork.

Let me know if you need more information.

Thanks!
Angela

>>> Dana Dean 1/12/2009 2:47 PM >>>
Angela,

Could you please send me all of the paperwork that Hiawatha Coal Company needs to complete to reduce the amount of coverage on the Hiawatha Mine, per our bond release, and to dedicate those funds to the Bear Canyon Bond?

Thanks!
Dana

EXHIBIT “D”

**Stipulation to Revise
Reclamation Agreement
(Federal)**

Permit Number: _____
Effective Date: _____
Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

_____ Replace the Reclamation agreement in its entirety.

_____ Replace Exhibit "A"- bonded area.

_____ Replace Exhibit "B"- bonding agreement

_____ Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ to \$ _____.

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acre to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed from
from \$ _____ to \$ _____.

IN WITNESS WHEREOF, _____ the PERMITTEE has hereunto set
its signature and seal this _____ day of _____, 20__.

PERMITTEE

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH this ___ day of _____, 20__.

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 or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS
OF
QUALIFICATION**

Bond Number _____

POWER OF ATTORNEY

Bond Number _____

POWER OF ATTORNEY

--ooOOoo--

The _____ (Corporation), having its principal office in _____ (Location), does hereby make, constitute and appoint _____ [Attorney(s)], as its true and lawful Attorney(s)-in-fact in their separate capacity, if more than one is named above, to make, execute, sign, seal and deliver for and on its behalf as surety and as its act and deed (without power of re-delegation) any and all bonds and undertakings and other writings obligatory in the nature thereof provided in the amount of no one bond or undertaking exceeding (\$)_____.

The execution of such bonds and undertakings shall be as binding upon said _____ (Corporation) as fully and to all intents and purposes as if the same had been duly executed and acknowledged by its regularly elected officers.

IN WITNESS THEREOF, this ____ day of _____, 20 ____.

Secretary

President

Subscribed and sworn to before me this ____ day of _____, 20 ____.

Notary Public

My Commission Expires:

_____, 20 ____.

Attest:

STATE OF _____)

) ss:

COUNTY OF _____)

EXHIBIT "D"

**Stipulation to Revise
Reclamation Agreement
(Federal)**

RECEIVED
DEC 01 2008
DIV. OF OIL, GAS & MINING

Permit Number: _____
Effective Date: _____
Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

Attached, as Exhibit "E", are the revised Officers and Agents of Bear Canyon Mine. Exhibit "E" shall be incorporated as part of the original Reclamation Agreement subject to clearance through the Applicant Violator System (AVS).

Also, to be attached to and form part of Bond No. L-0601-C/015/025 is a Surety Rider changing the Principal from C.W. Mining Company dba Co-Op Mining Company to Hiawatha Coal Company, Inc.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- _____ Replace the Reclamation agreement in its entirety.
- _____ Replace Exhibit "A"- bonded area.
- X Replace Exhibit "B"- bonding agreement
(Add Surety Rider changing Principal to Hiawatha Coal Company, Inc.)
- _____ Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ to \$ _____.

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acre to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

Exhibit "D"
Stipulation to Revise
Reclamation Agreement
Federal

The amount of insurance coverage for bodily injury and property damage is changed
from
\$ _____ to \$ _____.

IN WITNESS WHEREOF, Hirawatha Coal Company the PERMITTEE has hereunto set
its signature and seal this 26th day of November 2008

Hirawatha Coal Company
PERMITTEE

By: E. Finley

Title: Pres.

ACCEPTED BY THE STATE OF UTAH this ___ day of _____, 20__.

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 or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS
OF
QUALIFICATION**

**RECEIVED
DEC 01 2008
DIV. OF OIL, GAS & MINING**

Bond Number _____

**AFFIDAVIT OF QUALIFICATION
PERMITTEE**

--ooOOoo--

I, Elliot Finley, being first duly sworn under oath, deposes and says that he/she is
the (officer or agent) Officer of Hiawatha Coal Company;
and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said
PERMITTEE is authorized to execute the same and has complied in all respects with the laws of
Utah in reference to commitments, undertakings and obligations herein.

E. Finley, Pres.
(Signed)
Name - Position

Attest: R Finley
Secretary of the Corporation

STATE OF Ut)

) ss:

COUNTY OF Emery)

Subscribed and sworn to before me this 26 day of November, 2008.

Mark Reynolds
Notary Public

My Commission Expires:

6-4, 20 10



Bond Number _____

POWER OF ATTORNEY

--ooOOoo--

The Hiawatha Coal Company (Corporation), having its principal office in Huntington (Location), does hereby make, constitute and appoint Elliot Finley [Attorney(s)], as its true and lawful Attorney(s)-in-fact in their separate capacity, if more than one is named above, to make, execute, sign, seal and deliver for and on its behalf as surety and as its act and deed (without power of re-delegation) any and all bonds and undertakings and other writings obligatory in the nature thereof provided in the amount of no one bond or undertaking exceeding (\$) 1,825,000.

The execution of such bonds and undertakings shall be as binding upon said Hiawatha Coal Company (Corporation) as fully and to all intents and purposes as if the same had been duly executed and acknowledged by its regularly elected officers.

IN WITNESS THEREOF, this ___ day of _____, 20 ___.

R Finley
Secretary

E. Finley
President

Subscribed and sworn to before me this 26 day of November, 2008.

Mark Reynolds
Notary Public

My Commission Expires:

6-4, 2010

Attest:

STATE OF Ut)

COUNTY OF End)

) SS:

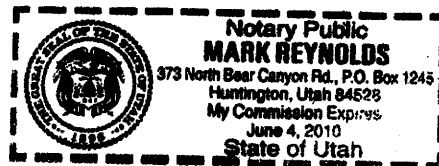


EXHIBIT "E"

**Revised Officers and Agents
(Federal)**

Permit Number: C/015/0025
Effective Date: _____
Bond Number: L-0601-C/015/025

Exhibit "E"
REVISED OFFICERS AND AGENTS
--ooOOoo--

"PERMIT": (Mine Permit Number) C/015/0025 (County) Emery

"MINE": (Name of Mine) Bear Canyon Mine

"OPERATOR": Hiawatha Coal Company, Inc.

"PERMITTEE": (Company Name and Address)
Hiawatha Coal Company, Inc
5550 West Bear Canyon Road
Huntington, Utah 84528
(435) 687-5777

"PERMITTEE'S REGISTERED AGENT":
Elliot Finley
5550 West Bear Canyon Road
Huntington, Utah 84528
(435) 687-5777

"COMPANY OFFICERS":
Elliot Finley
Nathaniel Finley

"BOND TYPE": (Form of Bond) Surety Bond

"BOND": (Amount) \$1,825,000

"INSTITUTION": (Bank or Agency) Lyndon Property Insurance Company

"POLICY OR ACCOUNT NUMBER": 1-0601-C/015/025

"LIABILITY INSURANCE": AIG (expires 01/01/09)

"STATE": Utah (Department of Natural Resources)

"DIVISION": Division of Oil, Gas and Mining

"DIVISION DIRECTOR": John R. Baza

Contact List

December 11, 2008

Hiawatha Coal Company
5550 West Bear Canyon Road
P.O. Box 1240
Huntington, Utah 84528-1240
(435) 687-5777
Fax (435) 687-5724

Elliot Finley, President (efinley@efinley.com)(435) 636-0069
Nate Finley, Vice President (nate.finley@Hiawathacoal.com) (435) 687-5777 ext 3027
Charles Reynolds, General Mine Manager (charles.reynolds@Hiawathacoal.com) .. (435) 687-5777 ext 1083

TECHNICAL PERSONNEL

Mark Reynolds, Chief Engineer (mark.reynolds@Hiawathacoal.com) (435) 687-5777 ext 2034
Shawn Baker, Environmental Coordinator (shawn.baker@Hiawathacoal.com) (435) 687-5777 ext 2501
Miles Stephens, Mining Engineer (miles.stephens@hiawathacoal.com) (435) 687-5777 ext 3034

SUPPORT PERSONNEL

Melissa Reynolds, Engineering Secretary (melissa.reynolds@Hiawathacoal.com) (435) 687-5777 ext 2076
Lori Voorhees, Environmental Secretary (lori.voorhees@Hiawathacoal.com) (435) 687-5777 ext 2501

SAFETY PERSONNEL

Kenny Defa, Safety Director (ken.defa@Hiawathacoal.com) (435) 687-5777 ext 1082
Clark Atwood, Safety Technician (clark.atwood@Hiawathacoal.com) (435) 687-5777 ext 2502

PRODUCTION PERSONNEL

Patrick Peterson, Planner (patrick.peterson@Hiawathacoal.com) (435) 687-5777 ext 1084
Cyril Jackson, Production Coordinator (cyril.jackson@Hiawathacoal.com) (435) 687-5777 ext 1073
Jared Stephens, Maintenance Coordinator (jared.stephens@Hiawathacoal.com) (435) 687-5777 ext 4034