



# ENVIRONMENTAL INDUSTRIAL SERVICES

435-472-3814 • 800-641-2927 • FAX 435-472-8780 • EIS@CASTLENET.COM • 31 NORTH MAIN STREET HELPER, UTAH 84526

0035

March 30, 2001

Pamela Grubaugh-Littig  
Division of Oil Gas and Mining  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

*Bond to fireproof file*

*J. T. Paluso*  
~~C/007/013~~

RE: Permit Renewal, UtahAmerican Energy Inc., Horse Canyon Mine, C/007/013

Dear Pam:

As per our telephone conversation, I have enclosed the Increase Rider to Bond Number SU004892. This rider now increases the bond to \$1,253,000 as per DOGM's request.

As mentioned on the phone, I will also forward the violation information to you as soon as I receive the completed documentation from Clyde Borrell. He still needs to send me information on two mines.

Thank you for all of your help on this matter. Please call me if you have any questions

Sincerely,

*Tom*

J. T. Paluso P.E.  
Senior Engineer

Enclosure:

RECEIVED

APR 02 2001

DIVISION OF  
OIL, GAS AND MINING

**Lincoln General**  
**Insurance Company**



Phone 717-757-0000

FAX # 717-751-0165

3350 Whiteford Rd., York, PA 17402-9032

### INCREASE RIDER

To be attached to Bond Number SUR004892, issued by **LINCOLN GENERAL INSURANCE COMPANY (as Surety)** for UtahAmerican Energy, Inc.

State of Utah, Division of Oil, Gas and Mining (Division) and the (as Named Insured), in favor of Gas and Mining (Division) and the

U. S. Department of Interior, Office of Surface Mining Reclamation & Enforcement (as Obligee) in the amount of One Million One Hundred Thirt

Seven Thousand Seven Hundred Twenty Six and 00/100 DOLLARS (\$1,137,726.00), effective

the 15th day of September, 1998.

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Named Insured and the Surety that, the bond amount is hereby increased from the above to: One Million Two Hundred Fifty Three Thousand and 00/100 DOLLARS (\$ 1,253,000.00).

All other items, limitations and conditions of said bond except as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 24th day of January, ~~19~~ 2001

Principal: UtahAmerican Energy, Inc.

Address: Box 187, St. Clairsville, OH 43950

Signature: [Handwritten Signature] President

**LINCOLN GENERAL INSURANCE COMPANY**  
3350 Whiteford Road  
York, Pennsylvania 17402

Attorney-In-Fact: [Handwritten Signature]  
Karen Williams

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Lincoln General Insurance Company, organized and existing by virtue of the Laws of the Commonwealth of Pennsylvania does hereby nominate, constitute and appoint:

Roger Reschini, Daniel Jack, Colleen M. Mazey and Karen Williams of Indiana, in the State of Pennsylvania,

its true and lawful attorney(s)-in-fact to make, execute, attest, seal and deliver for and on its behalf, as surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof

Such bonds and undertakings, when duly executed by the aforesaid Attorney(s)-in-fact shall be binding upon the said Company as fully and to the same extent as if such bonds and undertakings were signed by the President and Secretary of the Company and sealed with its corporate seal. This Power of Attorney is granted and is signed by the authority of the following Resolution adopted by the Board of Directors of the Company on the 6th day of February, 1991.

"Resolution that the President, or any Vice President, in conjunction with any Secretary or Assistant Secretary, be and they are hereby authorized and empowered to appoint Attorneys-in-Fact of the Company in its name and as its acts to execute and acknowledge for and on its behalf as Surety any and all Bonds, recognizances, contract of indemnity, waivers of citation and all other writings obligatory in the nature thereof, with power to attach thereto the seal of the Company. Any such writings so executed by any of said Attorney-in-fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company in their own proper persons."

IN WITNESS WHEREOF, Lincoln General Insurance Company has caused its corporate seal to be affixed, and these presents to be signed by its duly authorized officers this 20th day of May, 1999.

Attest: [Signature] Gary Qindorff, Secretary

By: [Signature] William G. Star, President 1977 LINCOLN GENERAL INSURANCE COMPANY PENNSYLVANIA CORPORATE SEAL

The Commonwealth of Pennsylvania York County

On this 20th day of May, 1999, before me personally came William G. Star to me known, who being duly sworn, did depose and say: that he is President of the Corporation described in and which executed the above instrument: that he knows the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto by order and authority of the Board of Directors of said Company; and that he executed the said instrument by like order and authority and the same was his free act and deed.

The Commonwealth of Pennsylvania York County

Kristie L. Coulson, Notary Public Springettsbury Twp., York County My Commission Expires Apr. 7, 2003 Member, Pennsylvania Association of Notaries

[Signature] Notary Public

I, Gary Qindorff, Secretary of Lincoln General Insurance Company, a corporation of the Commonwealth of Pennsylvania do hereby certify that the above and foregoing is a full, true and correct copy of Power of Attorney issued by said Company, and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney is now in force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at Indiana, Pennsylvania this 24th day of January, 2001.

[Signature] Gary Qindorff, Secretary 1977 LINCOLN GENERAL INSURANCE COMPANY PENNSYLVANIA CORPORATE SEAL