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EIS ENVIRONMENTAL & ENGINEERING CONSULTING435-472-3914 / 800-641-2927 / FAX 435-472-8780 / ees@eem.com / 31 NORTH MAIN STREET HELPER, UTAH 84526**FAX MESSAGE****DATE:** January 2, 2001**TO:** Wayne Western - DOGM & *PAM***FAX:** (801) 359-3940**FROM:** Tom Paluso *Tom***SUBJECT:** Horse Canyon Permit Renewal**NUMBER OF PAGES INCLUDING COVER SHEET: 8**

As per our phone conversation, I have enclosed copies of the existing insurance and bond for the Horse Canyon Permit. We are trying to start the process of permit renewal by January 6, 2001. Would you please review these two documents and please let me know what the new amounts will be for renewal.

Your quick attention to this matter is greatly appreciated. Thanks again for your help.

ACORD

DATE (MM/DD/YYYY)
06/01/2000

PRODUCER (724)349-1300 FAX (724)349-1446
Eschini Agency Inc
22 Philadelphia Street
P.O. Box 449
Indiana, PA 15701

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY A	Federal Insurance Co.
COMPANY B	National Union
COMPANY C	
COMPANY D	

Insured
UtahAmerican Energy, Inc.
#39, 30799 Pinetree Road
Pepper Pike, OH 44124

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

ID	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNERS & CONTRACTORS PROT	37104410	06/01/2000	06/01/2001	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 1,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 100,000 MED EXP (Any one person) \$ 10,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	73171037	06/01/2000	06/01/2001	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY \$ EACH ACCIDENT \$ AGGREGATE \$
B	UMBRELLA LIABILITY <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	BE 701 63 50	06/01/2000	06/01/2001	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY THE PROPRIETOR/PARTNER/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				SEE STATE TOY LIMITS EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATION/VOLUNTARY SPECIAL ITEMS
 Insured holder is an additional insured under the Auto and General Liability per attached.

Los Angeles Department of Water & Power
 Risk Management Section
 Post Office Box 51111
 Room 465
 Los Angeles, CA 90051-0100

IF ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

[Signature]

Bond Number: STR004892**EXHIBIT "B"****SURETY BOND
(FEDERAL COAL)**

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, and SURETY company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the penal sum of \$1,137,726.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION and OSM from any and all expenses which the DIVISION and OSM may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

*copy to
dnp
9/17/90*

Exhibit B
Federal Surety Bond
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IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this ___ day of _____, 19__.

UtahAmerican Energy, Inc.

PERMITTEE

By: _____

Title: _____

IN WITNESS WHEREOF, the SURETY has hereunto set its signature and seal
this 15th day of September, 19 98.

Lincoln General Insurance Company

SURETY

By: Michelle Miller

Title: Michelle Miller, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH

this ___ day of _____, 19__.

Lowell P. Braxton, Acting 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 PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS
OF
QUALIFICATION**



No 9635

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: Raymond S. Burchini, Daniel Jack, Michelle Miller, Colleen M. Mandy of Residual Insurance Agency of Indiana, in the state of Pennsylvania its true and lawful attorney(s)-in-fact to make, execute, amend, 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 no more than FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00):

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 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 to be seen to execute and acknowledge for and on its behalf as Surety any and all Bonds, recognizances, recognizances of indemnity, waivers of claims 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 18th day of June 1996.

Attest: [Signature]
Secretary

By: [Signature]
President

The Commonwealth of Pennsylvania
York County

On this 18th day of June 1996, before me personally came Kenneth R. Taylor 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

[Signature]
Notarial Seal
Daniel J. Burchini, Notary Public
No. 123456789, York County
My Commission Expires Sept. 17, 1999

I, Richard Kahlbaugh, 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 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 the City of York, this 15th day of September 1996.

[Signature]
Secretary