

Incoming
C/007/0013
R

EXHIBIT "D"
Stipulation to Revise
Reclamation Agreement
(Federal)

RECEIVED
JUL 27 2010
DIV. OF OIL, GAS & MINING

Mine Name: Horse Canyon Mine
Permit Number: C/007/0013
Effective Date: 06/30/2010
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)

As a result of the approval of the Design Changes amendment (Task ID #3541), the bond is increased by \$113,000 (from \$1,694,000 to \$1,807,000).

Bonded area contains 42.6 acres more or less.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.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.
- Additional Bond- Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$1,694,000 to \$1,807,000

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
\$ _____ to \$ _____.

IN WITNESS WHEREOF, Utah American Energy, Inc. the PERMITTEE has hereunto set
its signature and seal this 26th day of July, 2010.

Utah American Energy, Inc.
PERMITTEE

By: Dail W. Hebler

Title: President

ACCEPTED BY THE STATE OF UTAH this 29th day of July, 2010.

John R. Burr

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.

UtahAmerican Energy, Inc.



Lila Canyon Project
P. O. Box 910
East Carbon, Utah 84501
Phone: (435) 888-4000
(435) 650-3157
Fax: (435) 888-4002

July 19, 2010

Angela Nance
Business Analyst
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: UtahAmerican Energy, Inc. Horse Canyon Mine, Part "B" Lila Canyon
Dear Mr. Haddock,

Attached you will find the original bond increase for Lila Canyon.

Should you have any questions please call.

Sincerely,

A handwritten signature in cursive script that reads "R. Jay Marshall".

R. Jay Marshall
Chief Engineer/Project Manager

RECEIVED

JUL 20 2010

DIV. OF OIL, GAS & MINING

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number

**EXHIBIT "B"
SURETY BOND
(FEDERAL COAL)
--ooOoo--**

RECEIVED
JUL 10 2010
PAUL PICCOLINI

This **SURETY BOND** entered into and by and between the undersigned **PERMITTEE/PRINCIPAL** Utah American Energy, Inc. and **SURETY** Rockwood Casualty, Ins. Co. hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of \$113,000.00 (\$) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Bonded Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the _____ day of _____, 20____ by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/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** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

RECEIVED
JUL 20 2010
DIV. OF OIL, GAS & MINING

Exhibit "B"
Federal Surety Bond
Federal

Surety Bond Number _____
Mine Name/Number Horse Canyon Mine C/007/0013

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 19th day of July, 2010.

UtahAmerican Energy, Inc.
PERMITTEE/PRINCIPAL
By: Dail W. Hells
Title: President

IN WITNESS WHEREOF, the **SURETY** has hereunto set its signature and seal this 30th day of June, 2010.

Rockwood Casualty Insurance Company
SURETY
By: John P. Yediny
Title: President & Atty-in-Fact

SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:

John R. Bay
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 the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "A"

**Bonded Area
Legal Description**

(Federal Coal)

Exhibit "A"
Legal Description
Federal

Bond Number _____

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

See Attached Plate 5-2

Legal description of BONDED AREA:

Section 15
Portions of W2SE4; Portions of NE4SW4; Portions of SE4SW4;
Containing 42.6 acres more or less

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

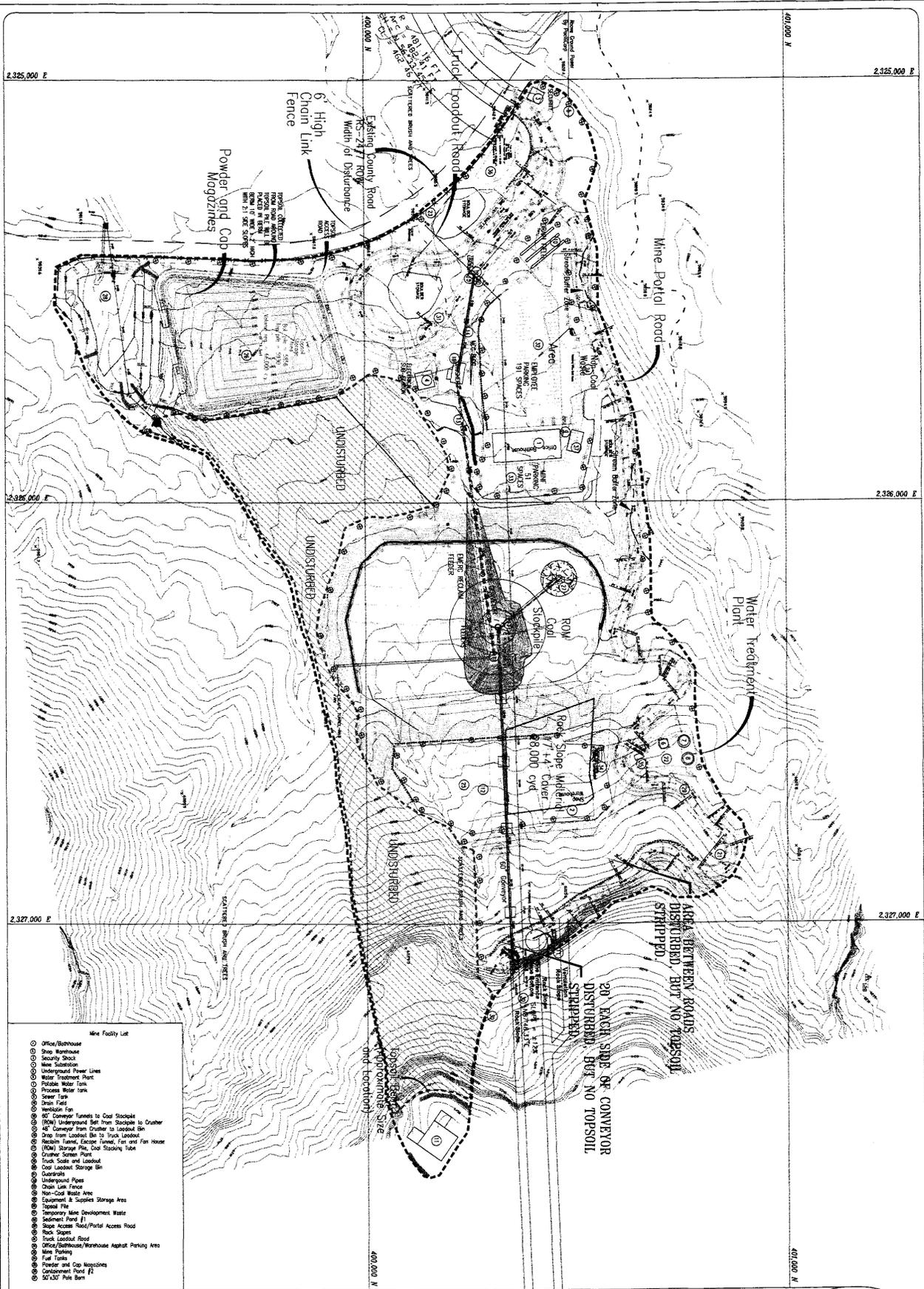
IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

30th day of June, 2010.

Rockwood Casualty Insurance Company
SURETY


By: John P. Yediny

President & Atty-in-Fact
Title:



- MINE FACILITY LIST**
- Office/Bathroom
 - Shop Warehouse
 - Security Shack
 - Mine Substation
 - Underground Power Lines
 - Water Treatment Plant
 - Portable Water Tank
 - Process Water Tank
 - Diesel Tank
 - Diesel Fuel
 - Ventilation Fan
 - RC Conveyor/Tunnels to Coal Stockpile
 - (RM) Underground Belt from Stockpile to Crusher
 - AC Conveyor from Crusher to Loadout Bin
 - Drop from Loadout Bin to Truck Loadout
 - Mainline Tunnel (Escape Tunnel, Fan and Fan House)
 - (RM) Storage Pile, Coal Stacking Tube
 - Crusher Screen Plant
 - Truck Scale and Loadout
 - Coal Loadout Storage Bin
 - Overlays
 - Underground Pipes
 - Chain Link Fence
 - Non-Cool Waste Area
 - Equipment & Supplies Storage Area
 - Topsoil Pile
 - Temporary Mine Development Waste
 - Sediment Pond #1
 - Stake Access Road/Portal Access Road
 - Rock Slope
 - Truck Loadout Road
 - Office/Bathroom/Reception Asphalt Parking Area
 - Mine Parking
 - Fuel Tanks
 - Powder and Cap Magazines
 - Containment Pond #1
 - 50'x30' Pole Barn

LEGEND:

UNDISTURBED WITHIN THE DISTURBED AREA:

DISTURBED AREA BOUNDARY:

NATURAL DRAINAGE:

6' HIGH CHAIN LINK FENCE:

INCIDENTAL ROCK DISTRIBUTION:

STREAM BUFFER ZONE SIGNS:

NOTES:
(1) REFER TO PLATE 5-748B FOR CROSS-SECTIONS.

STRUCTURAL FILL:

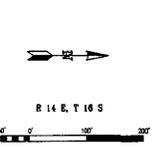
TEMP. REFUSE PILE (COAL MINE WASTE):

TOPSOIL BERM:

Stream Buffer Zone:

Ditch:

Culvert:



REVISION DATE:

NO.	DATE	BY	FOR
1	JUN 2008	PLM	
2	APR 2009	PLM	
3	JUN 2009	TJS	
4	DEC 2009	PLM	



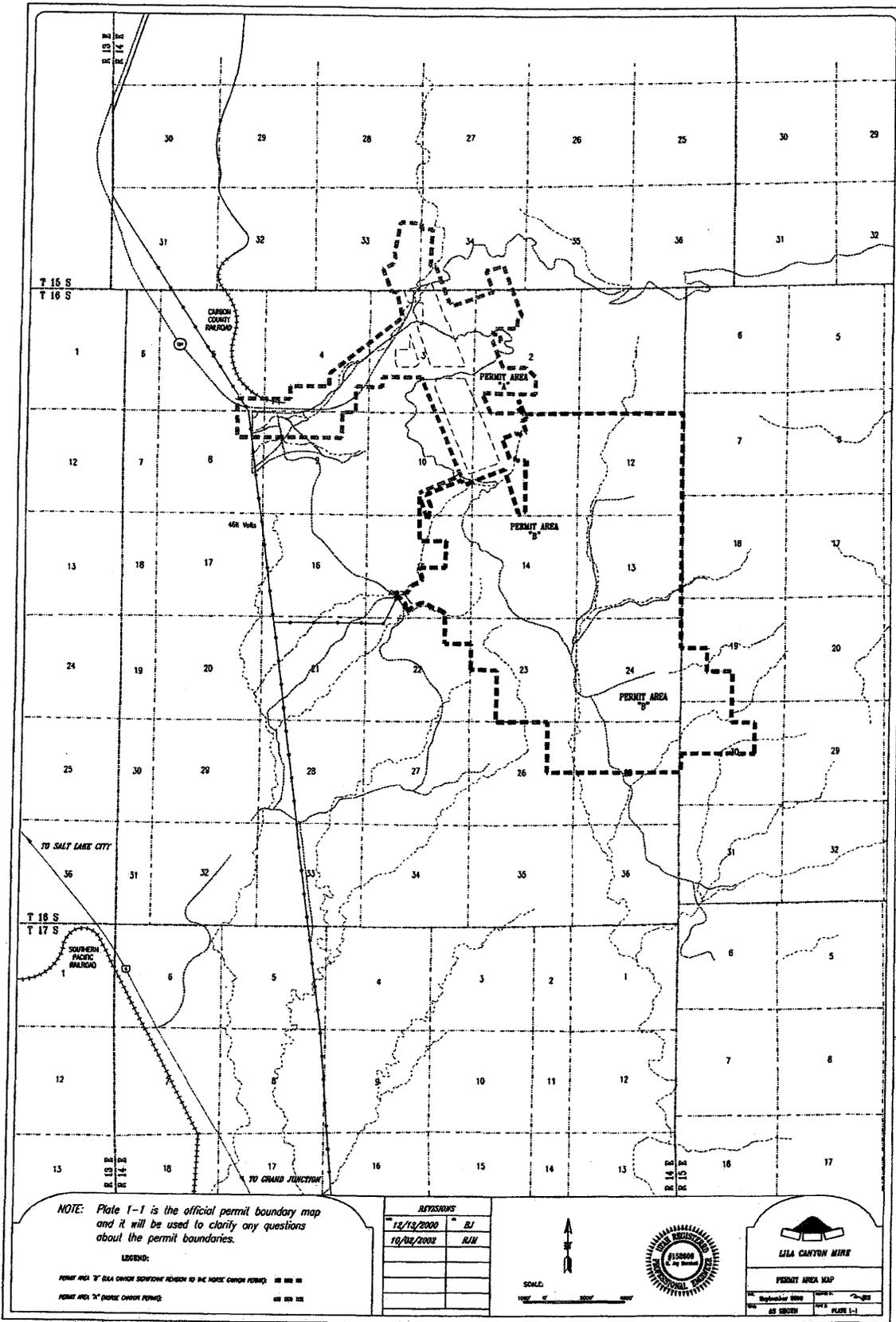
LILA CANYON MINE

SURFACE AREA
Official Disturbed Boundary Map

DATE: January 2008
DRAWN BY: R. Jay Marshall

AS SHOWN

5-2

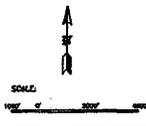


NOTE: Plate 1-1 is the official permit boundary map and it will be used to clarify any questions about the permit boundaries.

LEGEND:
 PERMIT AREA "A" (SALT LAKE COUNTY PERMIT) TO THE HORSE CANYON PERMIT: SEE PERMIT
 PERMIT AREA "B" (HORSE CANYON PERMIT): SEE PERMIT

REVISIONS

12/13/2000	BJ
10/04/2008	RLW



LILA CANYON MINE

PERMIT AREA MAP

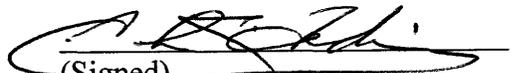
DATE: September 2008
 DRAWN BY: RLW
 SHEET: 1-1

Bond Number _____

**AFFIDAVIT OF QUALIFICATION
SURETY COMPANY**

--ooOOoo--

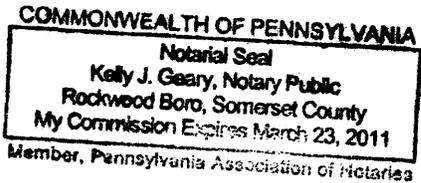
I, John P. Yediny, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) officer of Rockwood Casualty Ins. Company and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

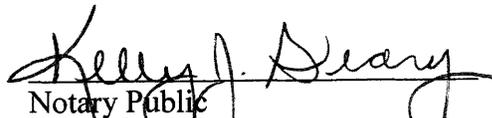

(Signed)
Surety Company Officer - Position

Attest:

STATE OF Pennsylvania)
) ss:
COUNTY OF Somerset)

Subscribed and sworn to before me this 30th day of June, 2010.




Notary Public

My Commission Expires:
_____, 20____.

ROCKWOOD CASUALTY INSURANCE COMPANY

654 Main Street
Rockwood, PA 15557

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ROCKWOOD CASUALTY INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal office in the Borough of Rockwood, PA does hereby nominate, constitute and appoint:

John P. Yediny

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship (NOT INCLUDING bonds without a fixed penalty or financial guarantee) provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

Five hundred thousand and 00/100-----(\$500,000.00)

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of ROCKWOOD CASUALTY INSURANCE COMPANY:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the ROCKWOOD CASUALTY INSURANCE COMPANY, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, ROCKWOOD CASUALTY INSURANCE COMPANY has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer the 30th day of March, 2007.

ROCKWOOD CASUALTY INSURANCE COMPANY

By

Philip S. Kift, Vice President

STATE OF PENNSYLVANIA
COUNTY OF SOMERSET SS:

On this 30th day of March A.D. 2007, before me, a Notary Public of the Commonwealth of Pennsylvania, in and for the County of Somerset, duly commissioned and qualified, came ~~THE ABOVE OFFICER OF THE COMPANY~~, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the Borough of Rockwood, the day and year first above written.

COMMONWEALTH OF PENNSYLVANIA

Notarial Seal

Kelly J. Geary, Notary Public
Rockwood Boro, Somerset County
My Commission Expires March 23, 2011

Member, Pennsylvania Association of Notaries

Kelly J. Geary
(Notary Public)

I, the undersigned Officer of the ROCKWOOD CASUALTY INSURANCE COMPANY, a Pennsylvania Corporation of Rockwood, PA, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 30th day of June, 2010.

Kurt D. Tipton, Sr. Vice President

Bond Number

State of Utah)
) ss:
County of Carbon)

On this 20th day of July, 2010, before me a Notary Public for the State of Utah, in and for the County of Carbon, came David W. Hibbs, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the President of UtahAmerican Energy, Inc.

In Testimony whereof, I have hereunto set my hand and affixed my Official Seal.



Mary V. Kava

Notary Public

