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From: Angela Nance
To: jmarshall@coalsource.com
CC: OGMCOAL
Date: 6/29/2010 10:29 AM
Subject: Bond - Horse Canyon Mine
Attachments: Exhibit_D.doc; PERMITTEEAFFIDAVIT OF QUALIFICATION.doc; SURETYAFFIDAVIT OF QUALIFICATION.doc

Hi Jay,

It looks like the bond for the Horse Canon Mine needs to be increased by \$113,000 (6.25%). You can do this by submitting any type of bond you would like - Cash, LOC, Surety Rider, etc. Or to make it even more simple you can just increase one of your current surety bonds by the required amount and provide a Surety Rider showing the increased amount.

In addition to the surety rider, please complete and return the following attachments:

1. Exhibit "D" - Stipulation to Revise Reclamation Agreement (simply stating that the bond amount is changed from \$1,694,000 to \$1,807,000)
2. Affidavits of Qualification for the Surety Company and the Permittee

If you have any questions, please feel free to contact me.

Thank you,

Angela Nance
Business Analyst
angelanance@utah.gov

EXHIBIT "D"

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

Mine Name: _____
Permit Number: _____
Effective Date: _____
Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
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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In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.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.
- Rider added to existing 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 \$ _____ 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.

