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From: Angela Nance
To: jaymarshall@coalsource.com; Pete Hess
CC: OGMCOAL
Date: 7/26/2010 10:43 AM
Subject: Fwd: Re: New Additional Bond Documents for Lila Canyon Mine
Attachments: Exhibit_D07142010.doc; PERMITTEEAFFIDAVIT OF QUALIFICATION.doc

Hi Jay,

We received the original bond documents in the mail last week - thank you! However, I don't see an Exhibit "D". This form is needed to document the changes that are being made to the Reclamation Agreement. Please have it signed and returned to me as soon as possible. In the meantime, I will forward the surety bond to our Director for signature.

Thank you,

Angela Nance
Business Analyst
angelanance@utah.gov

>>> Angela Nance 7/14/2010 10:01 AM >>>

Everything looks great with the bond. We do need to have an Exhibit "D" - which just documents the change that is being made. I have attached an Exhibit "D", as well as an Affidavit of Qualification for the Permittee.

So - the following original items need to be returned to me:

- Exhibit "D" - Stipulation to Revise Reclamation Agreement
- Exhibit "B" - Bonding Agreement
- Exhibit "A" - Bonded Area
- Affidavits of Qualification for the Permittee and the Surety Company

Thank you!

Angela
Business Analyst
angelanance@utah.gov

>>> Pete Hess 7/14/2010 7:04 AM >>>

Here are the new bond and reclamation agreement documents which I received from Jay Marshall yesterday.

Every thing looks OK, with the exception of the empty blanks which will be filled in during final processing.

Please look this over and let Jay know if he needs anything else to proceed.

Thank you !

EXHIBIT “D”

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

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In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.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

