



0047

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

ACT/007/016

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 8, 1987

Ms. Laura Martinez
Surety Department
Chubb Group of Insurance Companies
6500 Wilshire Boulevard
Los Angeles, California 90048-9911

Dear Ms. Martinez:

Re: Non-Cancellable Bonds for Beaver Creek Coal Company
Operations, Gordon Creek #2 & #7, ACT/007/016, Gordon
Creek #3 & #6, ACT/007/017, C. V. Spur, ACT/007/022,
Huntington #4, ACT/015/004, Carbon and Emery counties, Utah

The Division has received "cancellation" notices for the reclamation bonds for the above mines. These bonds are "noncancellable" and cannot be released by the Division until they are replaced.

I have enclosed copies of the reclamation bonds (with the "noncancellable clause") for your information.

If you have any questions, please call Pamela Grubaugh-Littig or myself.

Sincerely,

Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

PGL/djh
Enclosure
cc: D. Guy, BCCC
J. Whitehead
P. Grubaugh-Littig
9075R/15

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

RECEIVED
DEC 4 1984

THE MINED LANDS RECLAMATION ACT

BOND

DIVISION OF
OIL, GAS & MINING

The undersigned Beaver Creek Coal Company
as principal, and FEDERAL INSURANCE COMPANY as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining, and the U. S. Department of the Interior, Office of Surface Mining
in the penal sum of Six hundred forty one thousand four hundred forty three and no/100
dollars (\$641,443.00). Such sum shall be payable to
one, but not both, of the above-named agencies.

The principal estimated in a "Notice of Intention to Commence Mining
Operations and a Mining and Reclamation Plan," filed with the Division of Oil,
Gas and Mining on the 2nd day of February,
19 83, that 2,286.05 acres of land will be affected by this mining
operation in the State of Utah. A description of the affected land is attached
hereto as Exhibit "A."

If the principal shall satisfactorily reclaim the above-mentioned lands
affected by mining by the said principal in accordance with the Mining and
Reclamation Plan and shall faithfully perform all requirements of the Mined
Land Reclamation Act, and comply with the Rules and Regulations adopted in
accordance therewith, then this obligation shall be void; otherwise it shall
remain in full force and effect until the reclamation is completed as outlined
in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

one signs by virtue of Power of Attorney for a surety
power of Attorney must be filed with this bond. If the
corporation, the bond shall be executed by its duly authorized
seal of the corporation affixed.

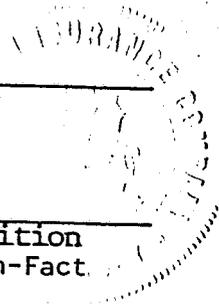
BEAVER CREEK COAL COMPANY
Principal (Company)

By J. Merickhoff - President
Company Official - Position

28, 1984

FEDERAL INSURANCE COMPANY
Surety (Company)

By Norman D. Squires
Official of Surety - Position
Norman D. Squires, Attorney-in-Fact
447 East First South
Salt Lake City, Utah 84111



28, 1984

M:
Roberts
General

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Norman D. Squires, Richard G. Taylor and George L. Williams, Salt Lake City, Utah----- each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

- 1. Bonds and Undertakings filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking.
2. Surety bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds; Lease bonds, Workers' Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 12th day of December 19 83

Corporate Seal



Richard D. O'Connor

Assistant Secretary

FEDERAL INSURANCE COMPANY

By

George McClellan

Assistant Vice-President

STATE OF NEW JERSEY
County of Somerset

ss.

On this 12th day of December 19 83, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



STATE OF NEW JERSEY
County of Somerset

ss.

Acknowledged and Sworn to before me on the date above written.

Alice Leonard

Notary Public

CERTIFICATION

ALICE LEONARD

NOTARY PUBLIC OF NEW JERSEY,

My Commission Expires June 28, 1988

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 28th day of November 19 84

Corporate Seal



A. Stanton
Assistant Secretary

File ACT/007/016
#5

GORDON CREEK NO. 2 & 7 MINES

Exhibit A

Attach to Bond
Copy to PAM

Affected Area

Federal Coal

Lease #U-8319

T. 13S., R.8E., Sec.18: Lots 1-4, NW 1/4 NE 1/4,
S 1/2 NE 1/4, E 1/2 NW 1/4, NE 1/4 SW 1/4.

T. 13S., R.7E., Sec.12: E 1/2, E 1/2 NW 1/2.
Sec.12: NE 1/4 NE 1/4, N 1/2 NW 1/4, NE 1/4,
N 1/2 S 1/2 NW 1/4 NE 1/4.

Lease #U-47975

T. 13S., R.7E., Sec.13: S 1/2 S 1/2 NW 1/4 NE 1/4,
S 1/2 NE 1/4, E 1/2 NW 1/2, SE 1/4.
Sec.24: N 1/2 NE 1/4, NE 1/4 NW 1/4.

T. 13S., R.8E., Sec.19: Lots 1 & 2, SE 1/4 NW 1/4.

Permit to Mine (U.S.G.S.)

T. 13S., R.8E., Sec. 7: W 1/2 SW 1/4, SE 1/2 SW 1/4.

Private Coal

Columbo Lease

T. 13S., R.8E., Sec.17: SW 1/4 SW 1/4.
Sec.18: SW 1/4, SE 1/2 SW 1/4.
Sec.19: NE 1/4, NE 1/2 NW 1/4, N 1/2 SW 1/4, NW 1/4 SE 1/4

(Revised August 1985)
(Non-Federal)

Bond Number 8094-24-79
Permit Number INA/007/017

Borden Creek #3: #6

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

12-85

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned BEAVER CREEK COAL COMPANY as principal, and FEDERAL INSURANCE COMPANY as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining in the penal sum of THREE HUNDRED FORTY SIX THOUSAND AND NO/100 dollars (\$ 346,000.00).

The principal estimated in the Mining and Reclamation Plan filed with the Division of Oil, Gas and Mining on the 22nd day of April, 19 83, that acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by a duly authorized officer.

BEAVER CREEK COAL COMPANY
Principal (Company)

By *J. M. Smith* President
Company Officer - Position
1-2-86

Date: December 26, 1985

FEDERAL INSURANCE COMPANY
Surety (Company)

By *Norman D. Squires*
Surety Company Officer - Position
Norman D. Squires
447 East First South
Salt Lake City, Utah 84111

DATE: December 26, 1985

APPROVED AS TO FORM:

By *Burton W. Roberts*
Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

Norman D. Squires, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; 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.

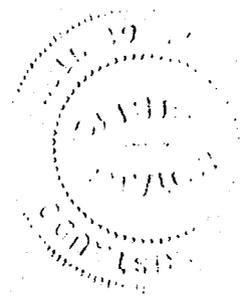
(Signed) By *Norman D. Squires*
Surety Company Officer - Position
Norman D. Squires, Attorney-in-Fact

Subscribed and sworn to before me this 26th day of December, 1985.

Mary Cristanda
Notary Public

My Commission Expires:

July 4, 1987.



POWER OF ATTORNEY

Know all Men by these Presents, That the **FEDERAL INSURANCE COMPANY**, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint **Norman D. Squires, Richard G. Taylor and George L. Williams, Salt Lake City, Utah**-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

1. Bonds and Undertakings filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking.
2. Surety bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds; Lease bonds, Workers' Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

In Witness Whereof, the said **FEDERAL INSURANCE COMPANY** has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 12th day of December 19 83

Corporate Seal



Richard D. O'Connor

Assistant Secretary

FEDERAL INSURANCE COMPANY

By

George McClellan

Assistant Vice-President

STATE OF NEW JERSEY
County of Somerset

SS.

On this 12th day of December 19 83, before me personally came **Richard D. O'Connor** to me known and by me known to be Assistant Secretary of the **FEDERAL INSURANCE COMPANY**, the corporation described in and which executed the foregoing Power of Attorney, and the said **Richard D. O'Connor** being by me duly sworn, did depose and say that he is Assistant Secretary of the **FEDERAL INSURANCE COMPANY** and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with **George McClellan** and knows him to be the Assistant Vice-President of said Company, and that the signature of said **George McClellan** subscribed to said Power of Attorney is in the genuine handwriting of said **George McClellan** and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



STATE OF NEW JERSEY
County of Somerset

SS.

Acknowledged and Sworn to before me
on the date above written.

Alice Leonard

Notary Public

CERTIFICATION

ALICE LEONARD

NOTARY PUBLIC OF NEW JERSEY.

My Commission Expires June 28, 1988

I, the undersigned, Assistant Secretary of the **FEDERAL INSURANCE COMPANY**, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said **FEDERAL INSURANCE COMPANY** is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of **FEDERAL INSURANCE COMPANY**, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 26th day of December 19 85

Corporate Seal



R. Stanton
Assistant Secretary

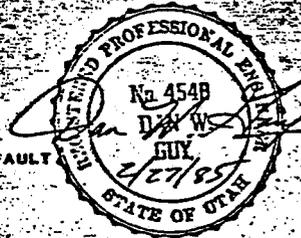
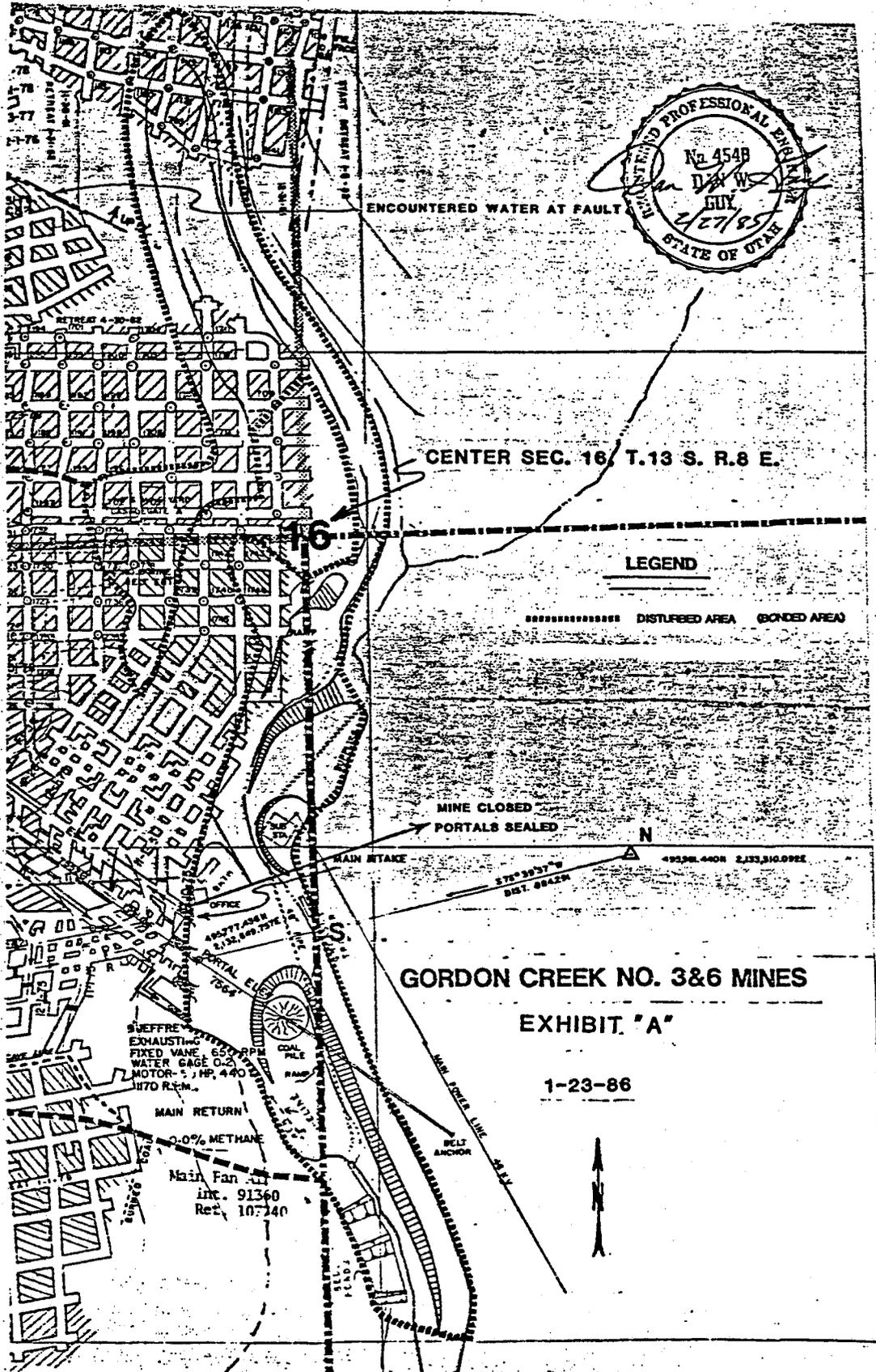
GORDON CREEK NO. 3/6 MINES
EXHIBIT "A"

Disturbed Area - 7.98 acres

Bonded Area - 28.0 Acres (Includes affected areas to be revegetated)

Located in the following described lands:

T. 13 S, R. 8 E., SLBM, Utah
Sec. 16: SE $\frac{1}{4}$ NW $\frac{1}{4}$ (10.36 acres)
Sec. 16: SW $\frac{1}{4}$ NE $\frac{1}{4}$ (1.40 acres)
Sec. 16: NE $\frac{1}{4}$ SW $\frac{1}{4}$ (11.20 acres)
Sec. 16: NW $\frac{1}{4}$ SE $\frac{1}{4}$ (2.80 acres)
Sec. 16: SW $\frac{1}{4}$ SE $\frac{1}{4}$ (2.24 acres)



CENTER SEC. 16, T.13 S. R.8 E.

LEGEND

----- DISTURBED AREA (BONDED AREA)

MINE CLOSED
PORTALS SEALED

**GORDON CREEK NO. 3&6 MINES
EXHIBIT. "A"**

1-23-86

SUEFFRE
EXHAUSTING
FIXED VANE 650 RPM
WATER GAGE 0-2
MOTOR 1 HP, 440
INTO Retm.

MAIN RETURN
0.0% METHANE
Main Fan All
int. 91360
Ret. 107340

495,361.440N 2,133,510.092E
S76°39'37" W
DIST. 6842M

(Revised January 1983)
(Non-Federal)

C. V. Spur Preparation Plant

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
DIVISION OF OIL, GAS AND MINING
4241 State Office Building
Salt Lake City, Utah 84114

RECEIVED

JUL 30 1984

DIVISION OF OIL
GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Beaver Creek Coal Company
as principal, and FEDERAL INSURANCE COMPANY as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining in the penal sum of Two Million, Seventeen Thousand, Six Hundred &
Sixty Nine dollars (\$2,017,669.00).

The principal estimated in a "Notice of Intention to Commence Mining
Operations and a Mining and Reclamation Plan," filed with the Division of Oil,
Gas and Mining on the 23rd day of September,
1983, that 160.0 acres of land will be affected by this mining
operation in the State of Utah. A description of the affected land is attached
hereto as Exhibit "A."

If the principal shall satisfactorily reclaim the above-mentioned lands
affected by mining by the said principal in accordance with the Mining and
Reclamation Plan and shall faithfully perform all requirements of the Mined
Land Reclamation Act, and comply with the Rules and Regulations adopted in
accordance therewith, then this obligation shall be void; otherwise it shall
remain in full force and effect until the reclamation is completed as outlined
in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Norman D. Squires, Richard G. Taylor and George L. Williams, Salt Lake City, Utah----- each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

- 1. Bonds and Undertakings filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking.
2. Surety bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds; Lease bonds, Workers' Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 12th day of December 19 83

Corporate Seal



Richard D. O'Connor

Assistant Secretary

FEDERAL INSURANCE COMPANY

By

Signature of George McClellan

George McClellan

Assistant Vice-President

STATE OF NEW JERSEY
County of Somerset

ss.

On this 12th day of December 19 83, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Acknowledged and Sworn to before me on the date above written.

Signature of Alice Leonard

Notary Public

CERTIFICATION

ALICE LEONARD

NOTARY PUBLIC OF NEW JERSEY.

My Commission Expires June 28, 1988

STATE OF NEW JERSEY
County of Somerset

ss.

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

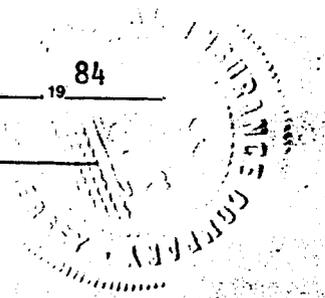
I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 30th day of July 19 84

Corporate Seal



Signature of Assistant Secretary



C.V. SPUR PROCESSING & LOADOUT FACILITY

Exhibit A

Affected Area

SW $\frac{1}{4}$, Section 11, T. 15S., R. 10E., SLM, Utah
(160 Acres, more or less)

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

Beaver Creek Coal Company
Principal (Company)

By J.A. Herickhoff
Company Official - Position
J.A. Herickhoff
General Manager

Date: July 30, 1984

FEDERAL INSURANCE COMPANY
Surety (Company)

By Norman D. Squires
Official of Surety - Position
Norman D. Squires, Attorney-in-Fact
447 East First South
Salt Lake City, Utah 84111

DATE: July 30, 1984

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Dwight B. White

DATE: August 23, 1984



CHUBB GROUP of Insurance Companies

15 Mountain View Road, Warren, NJ 07060

RECEIVED
DEC 31 1986

FEDERAL INSURANCE COMPANY

DIVISION OF
OIL, GAS & MINING

RIDER to be attached to and form a part of Reclamation Performance
Bond No. 8082-89-88 wherein
FEDERAL INSURANCE COMPANY
is named as Surety, on behalf of
Beaver Creek Coal Company
as Principal, in favor of

The State of Utah, Division of Oil, Gas and Mining, and the
in the sum of Three Hundred Sixty Thousand, One Hundred Four and No/100
dated 3/25/85 effective 3/25/85 (\$360,104.00) Dollar

U.S. Department of the
Interior, Office of Surface
Mining

IT IS HEREBY UNDERSTOOD AND AGREED that effective the 10th day of November, 1986
the penalty of this bond is decreased
from Three Hundred Sixty Thousand, One Hundred Four and NO/100 Dollars (\$360,104.00)
to One Hundred Forty Four Thousand Forty One and 60/100 Dollars (\$144,041.60)
as to losses occurring after the 10th day of November, 1986

Provided, however, that the liability of the Principal and Surety hereon shall not be cumulative or in any event
exceed the larger amount referred to herein.

The attached bond shall be subject to all its agreements, limitations and conditions except as herein express-
ly modified.

Signed, sealed and dated this 1st day of December, 1986

Beaver Creek Coal Company

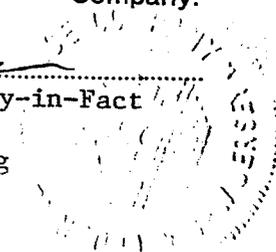
By: *J. Herickhoff*, President
(Principal)

Federal Insurance Company:

By: *Frank E. Robertson*
Frank E. Robertson, Attorney-in-Fact

ACCEPTED The State of Utah, Division of Oil, Gas and
Mining, and the U.S. Department of the Interior, Office of Surface Mining

By: *Deanne R. Nelson*
(Obligee)
Director, Utah Division of Oil,
Gas and Mining
12-31-86



ACKNOWLEDGMENT OF ANNEXED INSTRUMENT

RECEIVED
DEC 31 1986

DIVISION OF
OIL, GAS & MINING

STATE OF CALIFORNIA
COUNTY OF Los Angeles }

ss.:

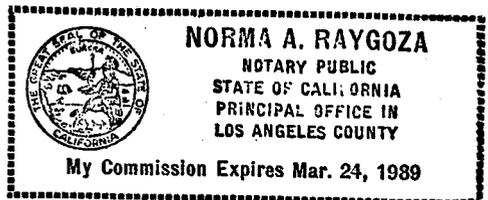
On this 1st day of December in the year Nineteen Hundred Eighty Six
before me, Norma A. Raygoza, a Notary Public, State
of California, duly commissioned and sworn, personally appeared Frank E. Robertson

personally known to me (or proved to me on the basis of satisfactory evidence) to be the _____
Attorney-in-Fact of the corporation that
executed the within instrument, and also known to me to be the person _____
who executed the within instrument on behalf of the corporation therein named, and acknowledged
to me that such corporation executed the same. Federal Insurance Company

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the _____
State of California County of Los Angeles
_____ on the date set forth above in this
certificate.

Norma A. Raygoza
Notary Public, State of California

My commission expires March 24, 1989



POWER OF ATTORNEY

Know all Men by these Presents, That the FEDERAL INSURANCE COMPANY, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint Frank E. Robertson, E.J. Nielsen, Paul Wickersham, William F. Mitchell, Patrick F. Evans and Norma A. Raygoza of Los Angeles, California-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds or obligations given or executed in the course of its business, and any instruments amending or altering the same, and consents to the modification or alteration of any instruments referred to in said bonds or obligations.

In Witness Whereof, the said FEDERAL INSURANCE COMPANY has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 10th day of July 19 85

Corporate Seal



Richard D. O'Connor
Richard D. O'Connor
Assistant Secretary

FEDERAL INSURANCE COMPANY
By *George McClellan*
George McClellan
Assistant Vice-President

STATE OF NEW JERSEY }
County of Somerset } ss.

On this 10th day of July 19 85, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the FEDERAL INSURANCE COMPANY, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of the FEDERAL INSURANCE COMPANY and knows the corporate seal thereof; that the seal affixed to the foregoing Power of Attorney is such corporate seal and was thereto affixed by authority of the By-Laws of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Acknowledged and Sworn to before me
on the date above written.
Patricia A. Holt
Notary Public

STATE OF NEW JERSEY }
County of Somerset } ss.

CERTIFICATION

PATRICIA A. HOLT
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March 14, 1990

I, the undersigned, Assistant Secretary of the FEDERAL INSURANCE COMPANY, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said FEDERAL INSURANCE COMPANY is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of FEDERAL INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 1st day of December 19 86

Corporate Seal



J. Thomas
Assistant Secretary

File ACT/015/004 #5
Copy to PAM
(Revised December 1984)

Bond Number 8082-89-88
Permit Number ACT/015/004
Mine Name Huntington Cyn. #4 Mine

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

APR 08 1985

DIVISION OF OIL
GAS & MINING

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Beaver Creek Coal Company as principal, and Federal Insurance Company as surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the U. S. Department of the Interior, Office of Surface Mining in the penal sum of Three Hundred Sixty Thousand, One Hundred Four dollars (\$ 360,104.00). Such sum shall be payable to one, but not both, of the above-named agencies.

The principal estimated in the Mining and Reclamation Plan filed with the Division of Oil, Gas and Mining on the 20th day of June, 19 83, that 12.5 acres of land will be disturbed by this mining operation in the State of Utah. A description of the disturbed land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily reclaimed the above-mentioned lands affected by mining in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and the land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is noncancellable by the surety at any time for any reason including, but not limited to nonpayment of premium or bankruptcy of the permittee during the period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.



Beaver Creek Coal Company
Principal (Company)

By J.A. Herickhoff
Company Official - Position
J.A. Herickhoff
General Manager

Date: March 25, 1985

FEDERAL INSURANCE COMPANY
Surety (Company)

By Norman D. Squires
Official of Surety - Position
Norman D. Squires, Attorney-in-Fact
447 East First South
Salt Lake City, Utah 84111

DATE: March 25, 1985

APPROVED AS TO FORM:

By Barbara W. Roberts
Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

Norman D. Squires, being first duly sworn, on oath deposes and says that ~~she~~ is the (officer or agency) Attorney-in-Fact of said Company, and that ~~she~~ is duly authorized to execute and deliver the foregoing obligations; that said 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.

(Signed) *Norman D. Squires*
Norman D. Squires

Subscribed and sworn to before me this 25th day of March, 1985.

Mary Cristando
Notary Public

My Commission Expires:

July 4, 1987.

POWER OF ATTORNEY

Know all Men by these Presents, That the **FEDERAL INSURANCE COMPANY**, 15 Mountain View Road, Warren, New Jersey, a New Jersey Corporation, has constituted and appointed, and does hereby constitute and appoint **Norman D. Squires, Richard G. Taylor and George L. Williams, Salt Lake City, Utah**-----

each its true and lawful Attorney-in-Fact to execute under such designation in its name and to affix its corporate seal to and deliver for and on its behalf as surety thereon or otherwise, bonds of any of the following classes, to-wit:

1. Bonds and Undertakings filed in any suit, matter or proceeding in any Court, or filed with any Sheriff or Magistrate, for the doing or not doing of anything specified in such Bond or Undertaking.
2. Surety bonds to the United States of America or any agency thereof, including those required or permitted under the laws or regulations relating to Customs or Internal Revenue; License and Permit Bonds or other indemnity bonds under the laws, ordinances or regulations of any State, City, Town, Village, Board or other body or organization, public or private; bonds to Transportation Companies, Lost Instrument bonds; Lease bonds, Workers' Compensation bonds, Miscellaneous Surety bonds and bonds on behalf of Notaries Public, Sheriffs, Deputy Sheriffs and similar public officials.
3. Bonds on behalf of contractors in connection with bids, proposals or contracts.

In Witness Whereof, the said **FEDERAL INSURANCE COMPANY** has, pursuant to its By-Laws, caused these presents to be signed by its Assistant Vice-President and Assistant Secretary and its corporate seal to be hereto affixed this 12th day of December 19 83

Corporate Seal



Richard D. O'Connor

Assistant Secretary

FEDERAL INSURANCE COMPANY

By

George McClellan

Assistant Vice-President

STATE OF NEW JERSEY
County of Somerset

} SS.

On this 12th day of December 19 83, before me personally came Richard D. O'Connor to me known and by me known to be Assistant Secretary of the **FEDERAL INSURANCE COMPANY**, the corporation described in and which executed the foregoing Power of Attorney, and the said Richard D. O'Connor being by me duly sworn, did depose and say that he is Assistant Secretary of said Company, and that he signed said Power of Attorney as Assistant Secretary of said Company by like authority; and that he is acquainted with George McClellan and knows him to be the Assistant Vice-President of said Company, and that the signature of said George McClellan subscribed to said Power of Attorney is in the genuine handwriting of said George McClellan and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Acknowledged and Sworn to before me
on the date above written.

Alice Leonard

Notary Public

STATE OF NEW JERSEY
County of Somerset

} SS.

CERTIFICATION

ALICE LEONARD

NOTARY PUBLIC OF NEW JERSEY.

My Commission Expires June 28, 1988

I, the undersigned, Assistant Secretary of the **FEDERAL INSURANCE COMPANY**, do hereby certify that the following is a true excerpt from the By-Laws of the said Company as adopted by its Board of Directors on March 11, 1953 and most recently amended March 11, 1983 and that this By-Law is in full force and effect.

"ARTICLE XVIII.

Section 2. All bonds, undertakings, contracts and other instruments other than as above for and on behalf of the Company which it is authorized by law or its charter to execute, may and shall be executed in the name and on behalf of the Company either by the Chairman or the Vice-Chairman or the President or a Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations, except that any one or more officers or attorneys-in-fact designated in any resolution of the Board of Directors or the Executive Committee, or in any power of attorney executed as provided for in Section 3 below, may execute any such bond, undertaking or other obligation as provided in such resolution or power of attorney.

Section 3. All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the Vice-Chairman or the President or a Vice-President or an Assistant Vice-President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed."

I further certify that said **FEDERAL INSURANCE COMPANY** is duly licensed to transact fidelity and surety business in each of the States of the United States of America, District of Columbia, Puerto Rico, and each of the Provinces of Canada with the exception of Prince Edward Island; and is also duly licensed to become sole surety on bonds, undertakings, etc., permitted or required by law.

I, the undersigned Assistant Secretary of **FEDERAL INSURANCE COMPANY**, do hereby certify that the foregoing Power of Attorney is in full force and effect.

Given under my hand and the seal of said Company at Warren, N.J., this 25th day of March, 19 85

Corporate Seal



N. Stanton
Assistant Secretary