

0024

07/018 Vault

Energy Insurance International, Inc.
2000 Bering Drive, Suite 900
Houston, Texas 77057
(713) 783-6640

M E M O R A N D U M

September 8, 1993

TO: Sylvia Blackshear
The Coastal Corporation

FROM: Shelly Ulery
Energy Insurance International, Inc.

RE: Soldier Creek Coal Company
Bond No. U1712871-1

Please find attached the original of the captioned.

If you should have any questions, please feel free to give me a call.

enclosure



Bond Number U1712871-1
Permit Number ACT/007/018 UT-0023
Mine Name Soldier Canyon Wine

This bond supersedes bond no. 8107 37 63

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 84160-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Soldier Creek Coal Company
as principal, and United Pacific 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 Five Hundred Twenty-two Thousand Five Hundred Ninety-two & no/100
dollars (\$ 522,592.00-----). 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 15th day of September
19 93, that 11.5 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 officer.

Soldier Creek Coal Company
Principal (Company)

By Donald J. Appleman VP
Company Officer - Position

Date: September 15, 1993

United Pacific Insurance Company
Surety (Company)

By Michelle M. Ulery
Surety Company Officer - Position
Michelle M. Ulery, Attorney-in-Fact

DATE: September 15, 1993

APPROVED AS TO FORM:

COUNTERSIGNED BY:

Stirling Broadhead
Stirling Broadhead, Utah Resident Agent

By Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

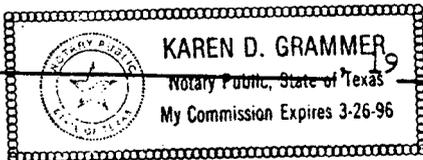
Michelle M. Ulery, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

(Signed) Michelle M. Ulery Attorney-in-Fact
Surety Company Officer - Position

Subscribed and sworn to before me this 15th day of September, 19 93.

Karen D. Grammer
Notary Public

My Commission Expires:



UNITED PACIFIC INSURANCE COMPANY

HEAD OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, That the UNITED PACIFIC INSURANCE COMPANY, a corporation duly organized under the laws of the State of Pennsylvania, does hereby make, constitute and appoint William N. Burke, Dan W. Burton, Mary C. Jones, Michelle M. Ulery, Karen D. Grammer., individually, of Houston, Texas, its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on its behalf, and as its act and deed any and all bonds and undertakings of suretyship and to bind the UNITED PACIFIC INSURANCE COMPANY thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the UNITED PACIFIC INSURANCE COMPANY and sealed and attested by one other of such officers, and hereby ratifies and confirms all that its said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by authority of Article VII of the By-Laws of UNITED PACIFIC INSURANCE COMPANY which became effective September 7, 1978, which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKING

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following Resolution adopted by the Board of Directors of UNITED PACIFIC INSURANCE COMPANY at a meeting held on the 5th day of June, 1979, at which a quorum was present, and said Resolution has not been amended or repealed:

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the UNITED PACIFIC INSURANCE COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed, this 5 day of April, 1993

UNITED PACIFIC INSURANCE COMPANY



Charles B. Schmalz
Vice President

STATE OF Pennsylvania
COUNTY OF Philadelphia

} ss.

On this 5 day of April, 1993 personally appeared Charles B. Schmalz to me known to be the Vice President of the UNITED PACIFIC INSURANCE COMPANY, and acknowledged that he executed and attested the foregoing instrument and affixed the seal of said corporation thereto, and that Article VII, Section 1, 2, and 3 of the By-Laws of said Company, and the Resolution, set forth therein, are still in full force.



NOTARIAL SEAL
VALENCIA WORTHAM, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Nov. 18, 1996

Valencia Wortham
Notary Public in and for State of Pennsylvania
Residing at Philadelphia

Anita Zippert, Secretary of the UNITED PACIFIC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney executed by said UNITED PACIFIC INSURANCE COMPANY, which is still in full force and effect. IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company this 15th day of September 1993



Anita Zippert
Secretary