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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

March 28, 1990

Mr. Michael Glasson
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

Mike
Dear Mr. Glasson:

RE: Determination of Bond Amount, Andalex Resources, Centennial
Mines, ACT/015/019, Folder #2, Carbon County, Utah

007

Determination of the reclamation bond amount has been made by the Division upon review of the mass balance calculations submitted by Andalex in conjunction with the as-built reports for the mine facilities and the Mid-Term Permit Review. Based on information provided by Andalex, the Division has determined that the reclamation bond amount be revised to \$1,990,000.

Please find enclosed a copy of the March 28, 1990 review memo by Randy Harden regarding determination of bond requirements for Andalex Resource's Centennial Mines. Enclosed along with the memo by Randy Harden are the bonding calculations used by the Division to determine the bond amount.

Additionally, the Reclamation Agreement form has also been included. As part of the repermitting process, Andalex will be required to complete the Reclamation Agreement, including the revised bond amount within 30 days of receipt of this letter.

If you have any questions concerning this matter, please feel free to contact me or my staff.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Lowell Braxton'.

Lowell Braxton
Associate Director

Enclosures
cc: Daron Haddock
Dave Darby
BT15/80



State of Utah

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355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

March 28, 1990

TO: File

FROM: Randy Harden, Sr. Reclamation Engineer 

RE: Mid-Term Permit Review Deficiencies, Andalex Resources, Centennial Mines, ACT/015/019, Folder #2 & #4, Carbon County, Utah 007

SUMMARY:

This memo addresses Mid-Term permit review deficiencies found within the Mining and Reclamation Plan for Andalex Resource's Centennial Mines facilities and the operators response to deficiencies detailed in a review memo dated December 14, 1989.

Mass balance calculations were submitted by the operator on October 10, 1989 and were found to be incorrect by the Division. The operator subsequently resubmitted this information so that a determination of the bond amount for Andalex could be made. Two interim submittals were made by Andalex and were also found to be incorrect. On February 20, 1990, Andalex submitted a revised mass balance summary and revised cross sections of the facilities which have now been reviewed and considered adequate.

ANALYSIS:

UMC 800. Bond and Insurance Requirements - JRH

Bonding information presented in conjunction with the revised mass balance calculations is now considered adequate for determination of the bond amount by the Division.

In consideration of the information presented by the operator, calculations to determine the reclamation bond amount have been made and are attached to this memo.

The revised bond amount is for \$1,990,000.00 in 1995 dollars. The current bond amount is \$381,839.00 and was posted by Andalex in 1983. Inadequacies in the operator's Mining and Reclamation Plan prior to the Mid-Term Permit Review completed recently by the Division account for the significant change in the bond amount required.

Page 2
Mid-Term Permit Review Deficiencies
Andalex Resources
Centennial Mines
ACT/015/019

CONCLUSION:

Due to the method of calculation by Andalex of the bond amount in the revised mining and reclamation plan, some assumptions were made by the Division to determine the bond amount and these assumptions are reflected in the attached calculations. The operator should note that if more detail and design information were presented in the plan that the bond amount determined by the Division could be revised based on that new information. In other words, more detailed designs and calculations for the reclamation of the facilities could effectively reduce the bond amount.

In the event that Andalex chooses to further revise the mining and reclamation plan, the Division would review and upon approval of this revised information, be able to revise the reclamation bond amount required.

Attachment - Bonding Calculations
cc: D Haddock
D Darby
BT15/81

BONDING CALCULATIONS
 ANDALEX RESOURCES - ACT/007/019
 MARCH, 1990 - JRH

BOND SUMMARY:

I. SUBTOTAL DEMOLITION AND REMOVAL	\$97,916.34
II. SUBTOTAL BACKFILLING AND GRADING	\$377,130.72
III. SUBTOTAL TOPSOIL PREPARATION AND DISTRIBUTION	\$354,119.10
IV. SUBTOTAL STREAM CHANNEL RECLAMATION	\$758,441.30
V. SUBTOTAL REVEGETATION	\$63,196.15
VI. SUBTOTAL INTERIM SEDIMENT CONTROL FACILITIES	\$16,207.13
SUBTOTAL OF RECLAMATION COSTS	\$1,651,077.41
10% MAINTENANCE AND MONITORING COSTS	\$165,108
10% CONTINGENCY AND ENGINEERING COSTS	\$165,108
SUBTOTAL IN 1989 DOLLARS	\$1,816,185
SUBTOTAL WITH ESCALATION @ 1.84% /YR FOR 5 YEARS (1995 DOLLARS) -	\$1,989,537
TOTAL BOND ESTIMATE ROUNDED TO THE NEAREST \$1,000 IN 1995\$ -	\$1,990,000

UNIT COST REFERENCE FOR BOND ESTIMATE:

I. LABOR AND SUPERVISION COSTS (MEANS SITE WORK COST DATA - 1989)

TRADE	RATE/HR
A. FOREMAN	\$36.10
B. EQUIPMENT OPERATOR	\$32.15
C. TRUCK DRIVER	\$26.15
D. LABORER	\$25.40
E. CRANE OPERATOR	\$33.25

II. EQUIPMENT COSTS INCLUDING OPERATOR (BLUE BOOK AND MEANS)

EQUIPMENT	MONTHLY RATE*	ADJ. RATE PER HOUR	MAINT PER HOUR	OPERATOR PER HOUR	TOTAL PER HOUR
D9 DOZER CAT D9N	\$12,540.00	\$71.25	\$32.10	\$32.15	\$135.50
D8 DOZER CAT D8L	\$11,265.00	\$64.01	\$28.95	\$32.15	\$125.11
D6 DOZER CAT D6H	\$5,735.00	\$32.59	\$14.35	\$32.15	\$79.09
7YD LOADER CAT 988B	\$11,630.00	\$66.08	\$40.80	\$32.15	\$139.03
OFF-HIGHWAY TRUCK 769	\$8,035.00	\$45.65	\$22.65	\$26.15	\$94.45
20YD SCRAPER CAT 631E	\$17,445.00	\$99.12	\$51.95	\$32.15	\$183.22
TRACTOR CASE 580K	\$2,055.00	\$11.68	\$5.95	\$32.15	\$49.78
GRADER CAT 14G	\$7,055.00	\$40.09	\$16.25	\$32.15	\$88.49
3/4 TON 4X4 PICKUP TRUC	\$535.00	\$3.04	\$3.15	\$0.00	\$6.19
P&H OMEGA 65 CRANE	\$14,850.00	\$84.38	\$37.70	\$33.25	\$155.33
10 TON DUMP TRUCK	\$2,925.00	\$16.62	\$14.35	\$26.15	\$57.12
3YD EXCAVATOR CAT 245	\$15,210.00	\$86.42	\$43.85	\$32.15	\$162.42
TRACTOR DEERE 410C	\$2,400.00	\$13.64	\$7.25	\$32.15	\$53.04
EIMCO 915 LHD	\$5,715.00	\$32.47	\$21.15	\$32.15	\$85.77

*MONTHLY RATES USED ON ALL EQUIPMENT DUE TO SIZE OF RECLAMATION PROJECT.

III. DEMOLITION AND REMOVAL COSTS (MEANS SITE WORK COST DATA - 1989)

JOB	COST /UNIT
MIXED STEEL/CONC./WOOD	\$0.17 /FT3
CONCRETE	\$0.22 /FT3
STEEL	\$0.16 /FT3
PAVEMENT	\$1.45 /FT2
WATERLINES	\$4.79 /FT
POWERLINES	\$3.62 /FT
CHAIN LINK FENCE	\$1.22 /FT
GUARD RAIL REMOVAL	\$4.45 /FT
DISPOSAL ON SITE	\$5.10 /YD3
DISPOSAL TO LANDFILL	\$8.00 /YD3

IV. MISCELLANEOUS RECLAMATION COSTS

ITEM	COST /UNIT
STRAW MULCH	\$140.00 /TON
SEED MIX	\$250.00 /ACRE
FERTILIZER	\$205.00 /TON
HYDROMULCH & TACIFIER	\$300.00 /ACRE
RIPRAP MATERIAL RANDOM - INSTALLED	\$25.00 /YD3
RIPRAP MATERIAL +18" SIZE - INSTALLED	\$51.00 /YD3
FILTER MATERIAL - INSTALLED	\$25.00 /YD3
AQUALIGHT	\$25.50 /YD3
AQUALIGHT PUMP	\$25.00 /HOUR
SILT FENCE - INSTALLED	\$2.84 /FT
MULCHING - POWER MULCHER - INCLUDES HAY	\$871.20 /ACRE
MULCHING - HYDROMULCHING - INCLUDES MULCH	\$977.36 /ACRE
SEEDING - HYDROSEEDING	\$927.36 /ACRE
- TRACTOR SPREADER	\$611.55 /ACRE
- PUSH SPREADER	\$1,378.20 /ACRE
POLYPROPYLENE MESH - INSTALLED	\$9,631.60 /ACRE
PLASTIC NETTING - INSTALLED	\$2,904.00 /ACRE
STEM PLANTINGS	\$1.00 /STEM

Escalation: Based on Means Cost Data average for past 3 yrs. - 1.84%

DETAILED COST ESTIMATE (CONTINUED):

DESCRIPTION	MATERIALS	QUANTITY	UNITS	COST /UNIT	AMOUNT
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II. BACKFILLING AND GRADING

A. PORTAL BACKFILLING

		688	YD3/PORTAL		
APEX (4)		10320.00	YD3 BACKFILL		
PINNACLE (7)	EIMCO 915	79.15	YD3/HR		
ABERDEEN (4)		130.39	HOURS	\$85.77 /HOUR	\$11,183.36

B. GENERAL EARTHWORK, REGRADING AND RIPPING

CAT769C(2)	33.50	ACRES			
CAT988B(1)	163970	YD3			
CATD8L(2)	278.00	YD3/HOUR			
FOREMAN(1)	589.82	HOURS	\$620.44 /HOUR		\$365,947.36
PICKUP(1)					

BACKFILLING AND GRADING - MASS BALANCE:

STATION	INTERVAL	CUT AREA	VOLUME	FILL AREA	VOLUME	MASS
-1+50		0		0		
	50		481		148	333
-1+00		520		160		
	100		963		2,148	(1,185)
0+00		0		1,000		
	100		815		1,889	(1,074)
1+00		440		20		
	100		1,000		407	593
2+00		100		200		
	100		1,074		1,259	(185)
3+00		480		480		
	100		3,333		1,519	1,815
4+00		1,320		340		
	100		2,593		2,259	333
5+00		80		880		
	100		2,889		1,852	1,037
6+00		1,480		120		
	100		6,778		2,704	4,074
7+00		2,180		1,340		
	100		9,037		4,074	4,963
8+00		2,700		860		
	100		8,259		2,556	5,704
9+00		1,760		520		
	100		6,000		4,296	1,704
10+00		1,480		1,800		
	100		6,444		6,519	(74)

BACKFILLING AND GRADING - MASS BALANCE(CONTINUED):

STATION	INTERVAL	CUT AREA	VOLUME	FILL AREA	VOLUME	MASS
11+00		2,000		1,720		
	100		6,259		5,593	667
12+00		1,380		1,300		
	100		9,222		5,074	4,148
13+00		3,600		1,440		
	100		7,037		6,148	889
14+00		200		1,880		
	100		370		8,852	(8,481)
15+00		0		2,900		
	100		370		5,815	(5,444)
16+00		200		240		
	100		407		2,111	(1,704)
17+00		20		900		
	100		1,889		5,593	(3,704)
18+00		1,000		2,120		
	100		2,889		8,185	(5,296)
19+00		560		2,300		
	100		2,000		5,319	(3,319)
20+00		520		572		
	100		4,444		3,059	1,385
21+00		1,880		1,080		
	100		8,704		3,185	5,519
22+00		2,820		640		
	100		8,556		3,037	5,519
23+00		1,800		1,000		
	100		3,741		3,370	370
24+00		220		820		
	100		1,148		2,963	(1,815)
25+00		400		780		
	100		926		4,519	(3,593)
26+00		100		1,660		
	100		2,630		10,222	(7,593)
27+00		1,320		3,860		
	100		4,444		7,407	(2,963)
28+00		1,080		140		
	100		3,111		1,741	1,370
29+00		600		800		
	100		2,222		2,815	(593)
30+00		600		720		
	100		2,074		2,222	(148)
31+00		520		480		
	100		1,889		1,741	148
32+00		500		460		
	100		1,481		2,185	(704)
33+00		300		720		
	100		2,037		1,815	222
34+00		800		260		

BACKFILLING AND GRADING - MASS BALANCE(CONTINUED):

STATION	INTERVAL	CUT AREA	VOLUME	FILL AREA	VOLUME	MASS
	100		3,111		852	2,259
35+00		880		200		
	100		3,185		1,630	1,556
36+00		840		680		
	100		1,963		3,481	(1,519)
37+00		220		1,200		
	100		1,741		5,407	(3,667)
38+00		720		1,720		
	100		2,741		4,037	(1,296)
39+00		760		460		
	100		3,000		6,111	(3,111)
40+00		860		2,840		
	100		2,704		5,593	(2,889)
41+00		600		180		
	100		1,444		1,148	296
42+00		180		440		
	100		481		963	(481)
43+00		80		80		
	100		148		148	0
44+00		0		0		
	100		0		0	0
45+00		0		0		
TOTALS			148,037		163,970	(15,933)

Note - Topsoil materials will account for the shortage
of fill material shown in the mass balance calculations.

SUBTOTAL BACKFILLING AND GRADING	\$377,130.72
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III. TOPSOIL PREPARATION AND DISTRIBUTION

A. MINE FACILITIES	32.34 ACRES			
.5 FOOT SOIL DEPTH	DUMP(3)	26088 YD3		
INCLUDES IMPORTED	CAT988B(1)	32.50 YD3/HOUR		
TOPSOIL (@ 3 MI HAUL)	CAT14G(1)	802.70 HOURS	\$441.16 /HOUR	\$354,119.10
INCLUDES RIPPING AND	FOREMAN			
GRADING.	PICKUP(1)			

SUBTOTAL TOPSOIL PREPARATION AND DISTRIBUTION	\$354,119.10
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DETAILED COST ESTIMATE (CONTINUED):

DESCRIPTION	MATERIALS	QUANTITY	UNITS	COST /UNIT	AMOUNT
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IV. STREAM CHANNEL RECLAMATION

A. CHANNEL CONSTRUCTION

	BOTTOM WIDTH	OVERALL DEPTH	SIDE SLOPE	RIPRAP DEPTH	FILTER DEPTH	YD3/FT RIPRAP	YD3/FT FILTER
RC-1 (MAIN CHANNEL)	6	3	2	3.50	2.83	2.97	3.03
RC-2,4,6,8,10,12,& 14 (SIDE CHANNELS)	3	2	2	2.00	1.67	1.03	1.11

MAIN CHANNEL RC-1

LENGTH		4200.00	FT				
FILTER MATERIAL		2.97	YD3/FT				
RIPRAP MATERIAL		3.03	YD3/FT				
(INSTALLED COSTS)	FILTER	12476.71	YD3		\$25.00 /YD3		\$311,917.77
	RIPRAP	12718.03	YD3		\$25.00 /YD3		\$317,950.87

SIDE CHANNELS

LENGTH (ALL CHANNELS)		2400.00	FT				
FILTER MATERIAL		1.03	YD3/FT				
RIPRAP MATERIAL		1.11	YD3/FT				
(INSTALLED COSTS)	FILTER	2478.98	YD3		\$25.00 /YD3		\$61,974.54
	RIPRAP	2663.76	YD3		\$25.00 /YD3		\$66,593.98

SUBTOTAL STREAM CHANNEL RECLAMATION					\$758,441.30
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V. REVEGETATION

TOTAL AREA DISTURBED		33.5				
RESEEDING	HYDROSEED	32.05	ACRES	\$927.36	/ACRE	\$29,721.82
	HYDROMULCH	32.05	ACRES	\$977.36	/ACRE	\$31,324.32
SHRUB PLANTING	STEMS	2.15	ACRES			
(NOTE - SHRUB SUPPLEMENT		1000	STEMS/ACRE			
ACRES ARE ALSO INCLUDED IN ABOV		2150	STEMS	\$1.00	/STEM	\$2,150.00

SUBTOTAL REVEGETATION					\$63,196.15
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DETAILED COST ESTIMATE (CONTINUED):

DESCRIPTION	MATERIALS	QUANTITY	UNITS	COST /UNIT	AMOUNT
VI. INTERIM SEDIMENT CONTROL FACILITIES					
A. SILT FENCE (ALL AREAS)					
	SILT	5000	FT	\$2.84 /FT	\$14,200.00
B. SEDIMENT POND RECLAMATION POND E-PM					
BACKFILL POND W/EMBANKMENT MATERIAL					
	CAT988B	1500.00	YD3		
	FOREMAN	220.00	YD3/HOUR		
	PICKUP	6.82	HOURS	\$181.32 /HOUR	\$1,236.27
TOPSOIL PLACEMENT					
	CAT988B	0.3	ACRES		
.5 FOOT DEPTH	FOREMAN	242	YD3		
	PICKUP	220.00	YD3/HOUR		
		1.1	HOURS	\$181.32 /HOUR	\$199.45
REVEGETATION					
	HYDROSEED	0.3	ACRES	\$927.36 /ACRE	\$278.21
	HYDROMULC	0.3	ACRES	\$977.36 /ACRE	\$293.21
SUBTOTAL INTERIM SEDIMENT CONTROL FACILITIES					\$16,207.13
SUBTOTAL OF RECLAMATION COSTS					\$1,651,077.41
10% MAINTENANCE AND MONITORING COSTS					\$165,108
10% CONTINGENCY AND ENGINEERING COSTS					\$165,108
SUBTOTAL IN 1989 DOLLARS					\$1,816,185
SUBTOTAL WITH ESCALATION @ 1.84% /YR FOR 5 YEARS (1995 DOLLARS) -					\$1,989,537
TOTAL BOND AMOUNT ESTIMATED ROUNDED TO THE NEAREST \$1,000 IN 1995\$ - \$1,990,000					

Updated March 1990

RECLAMATION AGREEMENT

(C O A L)

CONTENTS:

Reclamation Agreement

Exhibit "A"
Surface Disturbance

Exhibit "B"
Bonding Agreement
Surety Bond
Collateral Bond

Exhibit "C"
Liability Insurance

Exhibit "D"
Stipulation to Revise Reclamation Agreement

Affidavits of Qualification

Power of Attorney

Revised February 1990
RECLAMATION AGREEMENT

Permit Number _____
Date Permit Issued _____
Effective Date of Agreement _____

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

COAL RECLAMATION AGREEMENT
--oo00oo--

For the purposes of this RECLAMATION AGREEMENT the terms below are defined as follows:

"PERMIT" (Mine Permit No.) _____ (County) _____

"MINE" (Name of Mine) _____

"OPERATOR" (Company or Name) _____
(Address) _____

"OPERATOR'S REGISTERED
AGENT" (Name) _____
(Address) _____
(Phone) _____

"COMPANY OFFICERS": _____

"BOND TYPE" (Form of Bond) _____

"BOND" (Bond Amount-Dollars) _____
(Year-Dollars) _____

INSTITUTION (Bank or Agency) _____
POLICY OR ACCOUNT NUMBER _____

"LIABILITY INSURANCE" (Exp.) _____
(Insurance Company) _____

"STATE": Utah (Department of Natural Resources)

"DIVISION": Division of Oil, Gas and Mining

"DIVISION DIRECTOR" Dianne R. Nielson

EXHIBITS:

		Revision Dates		
"SURFACE DISTURBANCE"	Exhibit "A"	_____	_____	_____
"BONDING AGREEMENT"	Exhibit "B"	_____	_____	_____
"LIABILITY INSURANCE"	Exhibit "C"	_____	_____	_____
"STIPULATION TO CHANGE BOND"	Exhibit "D"	_____	_____	_____

RECLAMATION AGREEMENT

This RECLAMATION AGREEMENT (hereinafter referred to as "Agreement") is entered into by the Operator.

WHEREAS, on _____, 19 ____, the Division approved the Permit Application Package, hereinafter "PAP", submitted by _____, hereinafter "Operator"; and

WHEREAS, prior to issuance of a permit to conduct mining and reclamation operations on the property described in the PAP, hereinafter "Property", the Operator is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Operator is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division relating to the reclamation of the Property; and

WHEREAS, the Division is ready and willing to issue the subject a mining and reclamation permit upon acceptance and approval of the bond.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supercede conflicting provisions of this Agreement.
2. The Operator agrees to comply with all terms and provisions of the PAP, the Act and the Rules, including the reclamation of all areas disturbed by surface coal mining and reclamation operations despite the eventuality that the cost of actual reclamation exceeds the bond amount.
3. The Operator agrees to provide a legal description of the property including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the permit period. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Surface Disturbance".
4. The Operator agrees to provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.

RECLAMATION AGREEMENT

5. The Operator agrees to maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
6. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
7. The Operator does hereby jointly and severally agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Operator or Operator's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.
8. The terms and conditions of this Agreement are non-cancellable until such time as the Operator has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules. Notwithstanding the above, the Division may direct, or the Operator may request and the Division may approve, a written modification to this Agreement.
9. The Operator may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
10. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D" (other exhibits as appropriate).
11. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Operator shall be liable for all costs incurred by the Division to enforce this agreement, including any attorney fees.
12. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Operator's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

RECLAMATION AGREEMENT

- 13. In the event of forfeiture, the Operator agrees to be liable for additional costs in excess of the bond amount which may be incurred by the Division in order to comply with the PAP, the Act, and the Rules. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
- 14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

SO AGREED this _____ day of _____, 19 ____

STATE OF UTAH:

 Dianne R. Nielson, Director
 Division of Oil, Gas and Mining

OPERATOR:

 Company Officer - Position

 Company Officer - Position

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 this Agreement. If the Principal is a corporation, the Agreement shall be executed by its duly authorized officer.

EXHIBIT "A"
SURFACE DISTURBANCE
LEGAL DESCRIPTION

Revised February 1990
Exhibit "A" - SURFACE DISTURBANCE

Permit Number _____
Effective Date _____

SURFACE DISTURBANCE

--oo00oo--

In accordance with the RECLAMATION AGREEMENT, the OPERATOR intends to conduct coal mining and reclamation activities on or within the surface DISTURBANCE as described hereunder:

Total acres of SURFACE DISTURBANCE _____

Legal Description of SURFACE DISTURBANCE:

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal
this _____ day of _____, 19____.

SURETY

By: _____

Title: _____

EXHIBIT "B"
BONDING AGREEMENT

Surety Bond
Collateral Bond

EXHIBIT "B"
SURETY BOND
(NON-FEDERAL COAL)

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

Permit Number _____
Expiration Date _____

SURETY BOND
(NON-FEDERAL COAL)
--oo00oo--

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, and 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 (DIVISION) in the penal sum of (\$ _____) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all applicable rules and the OPERATOR's reclamation obligation have been met and released by the DIVISION.

This bond may be cancelled by the Surety Company after ninety (90) days following receipt by the Division and the Principal of written certified notice (return receipt requested) of such cancellation. The Surety Company's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that the Surety Company will retain liability for any outstanding reclamation obligation of the Principal existing prior to the termination of the Bond.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION from any and all expenses which the DIVISION may sustain as a result of the OPERATOR's failure to comply with the condition(s) of the obligation.

The SURETY will give prompt notice to the OPERATOR and to the DIVISION 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.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

IN WITNESS WHEREOF, the OPERATOR has hereunto set its signature and seal
this ____ day of _____, 19 ____.

OPERATOR

By: _____

Title: _____

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this
____ day of _____, 19 ____.

SURETY

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

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
this Agreement. If the OPERATOR is a corporation, the Agreement shall be
executed by its duly authorized officer.

EXHIBIT "B"
SURETY BOND
(FEDERAL COAL)

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

Permit Number _____
Expiration Date _____

SURETY BOND
(FEDERAL COAL)

--oo00oo--

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, and SURETY COMPANY, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE) in the penal sum of (\$ _____) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND shall remain in effect until all applicable rules and the OPERATOR's reclamation obligation have been met and released by the DIVISION.

This bond may be cancelled by the Surety Company after ninety (90) days following receipt by the Division and the Principal of written certified notice (return receipt requested) of such cancellation. The Surety Company's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that the Surety Company will retain liability for any outstanding reclamation obligation of the Principal existing prior to the termination of the Bond.

The SURETY and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the DIVISION and OSMRE from any and all expenses which the DIVISION and OSMRE may sustain as a result of the OPERATOR's failure to comply with the condition(s) of the obligation.

The SURETY will give prompt notice to the OPERATOR and to the DIVISION and OSMRE of any notice received or action alleging to 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.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

IN WITNESS WHEREOF the OPERATOR has hereunto set its signature and seal
this ____ day of _____, 19 ____.

OPERATOR

By: _____

Title: _____

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal
this ____ day of _____, 19 ____.

SURETY

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

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
this Agreement. If the OPERATOR is a corporation, the Agreement shall be
executed by its duly authorized officer.

EXHIBIT "B"
COLLATERAL BOND
(NON-FEDERAL COAL)

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

Permit Number _____
Expiration Date _____

COLLATERAL BOND
(NON-FEDERAL COAL)
--oo00oo--

The OPERATOR has provided a(n) _____
(FORM OF COLLATERAL) issued by _____ (INSTITUTION)
which names the DIVISION as Beneficiary. This collateral, attached as Exhibit
"B-1", is by this reference incorporated herein, and shall secure the
RECLAMATION AGREEMENT. The undersigned OPERATOR and INSTITUTION hereby
jointly and severally bind ourselves, our heirs, administrators, executors,
successors and assigns unto the State of Utah, Division of Oil, Gas and Mining
(DIVISION) in the penal sum of \$ _____ (COLLATERAL BOND
AMOUNT) for the timely performance of reclamation responsibilities of the
SURFACE DISTURBANCE described in Exhibit "A" of this RECLAMATION AGREEMENT.

Terms for release or adjustment of this COLLATERAL BOND are as written and
agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT to
which this COLLATERAL BOND has been attached as Exhibit "B".

The INSTITUTION will give prompt notice to the OPERATOR and DIVISION of
any notice received or action filed alleging the insolvency or bankruptcy of
the INSTITUTION, or alleging any violations or regulatory requirements which
could result in suspension or revocation of the INSTITUTION's license to do
business.

If the COLLATERAL hereinabove describes real property, then this bond
shall be filed as a restrictive covenant, upon said property and shall run
with the land.

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

IN WITNESS WHEREOF, the OPERATOR has hereunto set its signature and seal
this ____ day of _____, 19 ____.

OPERATOR

By: _____

Title: _____

IN WITNESS WHEREOF, the INSTITUTION has hereunto set its signature and
seal this ____ day of _____, 19 ____.

(Issuing Institution)

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

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
this Agreement. If the OPERATOR is a corporation, the Agreement shall be
executed by its duly authorized officer.

EXHIBIT "B"
COLLATERAL BOND
(FEDERAL COAL)

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

Permit Number _____
Expiration Date _____

COLLATERAL BOND
(FEDERAL COAL)
--oo00oo--

The OPERATOR has provided a(n) _____
(FORM OF COLLATERAL) issued by _____ (INSTITUTION)
which names the DIVISION as Beneficiary. This collateral, attached as Exhibit
"B-1", is by this reference incorporated herein, and shall secure the
RECLAMATION AGREEMENT. The undersigned OPERATOR and INSTITUTION hereby
jointly and severally bind ourselves, our heirs, administrators, executors,
successors and assigns unto the State of Utah, Division of Oil, Gas and Mining
(DIVISION), and the U.S. Department of Interior, Office of Surface Mining
Reclamation and Enforcement (OSMRE) in the penal sum of (\$ _____)
(COLLATERAL BOND AMOUNT) for the timely performance of reclamation
responsibilities of the SURFACE DISTURBANCE described in Exhibit "A" of this
RECLAMATION AGREEMENT.

Terms for release or adjustment of this COLLATERAL BOND are as written and
agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT to
which this COLLATERAL BOND has been attached as Exhibit "B".

The INSTITUTION will give prompt notice to the OPERATOR and the DIVISION
of any notice received or action filed alleging the insolvency or bankruptcy
of the INSTITUTION, or alleging violations or regulatory requirements which
could result in suspension or revocation of the INSTITUTION's license to do
business.

If the COLLATERAL hereinabove describes real property, then this bond
shall be filed as a restrictive covenant, upon said property and shall run
with the land.

Revised February 1990
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

IN WITNESS WHEREOF, the OPERATOR has hereunto set its signature and seal
this ____ day of _____, 19 ____.

OPERATOR

By: _____

Title: _____

IN WITNESS WHEREOF, the INSTITUTION has hereunto set its signature and
seal this ____ day of _____, 19 ____.

(Issuing Institution)

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

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
this Agreement. If the OPERATOR is a corporation, the Agreement shall be
executed by its duly authorized officer.

February 1990
Exhibit "B" - Bonding Agreement (Coal)
Collateral Bond - Optional
(NON-FEDERAL)

Permit Number: _____
Expiration Date: _____

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

IRREVOCABLE LETTER OF CREDIT
(NON-FEDERAL COAL)
--oo00oo--

NOTE: The Bank or Issuing Institution may use their own form. However, all of the information contained herein must be included on their form.

Beneficiary: _____ Issuing Bank: _____
(Name)

State of Utah _____
Division of Oil, Gas and Mining _____
(Address)

(City, State, Zip)

(Telephone)

(Date of Issue)

L/C Number: _____

(Date of Expiry)

Amount \$ _____

(Permit Number)

Ladies/Gentlemen:

On behalf of _____
Operator Letter of Credit

(Street Address) (City) (State) (Zip)

we hereby establish our Irrevocable Letter of Credit in your favor and agree to pay to the DIVISION, available by your draft(s), in an amount not to exceed (\$ _____), upon receipt of a written demand by the DIVISION pursuant to R614-301-880.90 (UMC 800.50).

February 1990
(NON-FEDERAL)

L/C Number: _____

Permit Number: _____

This Letter of Credit is effective _____, 19____, and will expire at the close of business on _____, 19____; however, this credit will automatically be extended for periods of _____ from any scheduled expiration date (as originally scheduled or automatically extended) unless ninety (90) days prior to such date we notify you in writing by certified mail, return receipt requested, that we elect not to renew this Letter of Credit for such additional period.

Upon receipt by you of such notice, you may draw on us at sight for the amount of this Letter of Credit beginning 30 days or less prior to the then applicable expiration date, accompanied by a statement signed by the Division Director, certifying that the amount of the drawing represents funds due the Division because the permittee has failed to replace this Letter of Credit with other suitable bond pursuant to R614-301-860.22 (UMC 800.21[b][2]) and R614-301-870 (UMC 800.30).

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without the written consent of the Division.

We will give prompt notice to the permittee and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to the permittee and to the Division Director.

Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision) International Chamber of Commerce Publication No. 400.

IN WITNESS WHEREOF, the Bank has hereunto set its signature and seal this _____ day of _____, 19_____.

(Issuing Bank)

(Authorized Officer)

February 1990
(NON-FEDERAL)

L/C Number: _____

Permit Number: _____

ACKNOWLEDGEMENT

On this _____ day of _____, 19____, before me, a Notary Public in and for the County of _____, in the state of _____, appeared _____ to me personally known who, being by me duly sworn, did say that he/she is _____ of _____, the bank named in and which executed the within instrument, and that the seal affixed to said instrument is the seal of said Bank, and that said instrument was signed, sealed and delivered in behalf of said Bank by authority of its Board of Directors, and he/she, as such offer, acknowledged said instrument to be the free act and deed of said Bank for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month and year aforesaid.

My Commission Expires: _____

Notary Public in and for Said
County and State

February 1990
Exhibit "B" - Bonding Agreement (Coal)
Collateral Bond - Optional
(FEDERAL)

Permit Number: _____
Expiration Date: _____

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

IRREVOCABLE LETTER OF CREDIT
(FEDERAL)
--oo00oo--

NOTE: The Bank or Issuing Institution may use their own form. However, all of the information contained herein must be included on their form.

Beneficiary: _____ Issuing Bank: _____
(Name)

State of Utah
Division of Oil, Gas and Mining
(DIVISION) _____
(Address)

(City, State, Zip)

(Telephone)

Office of Surface Mining
Reclamation and Enforcement
(OSMRE) _____
(Address)

(City, State, Zip)

(Telephone)

(Date of Issue)

Amount: \$ _____

(Date of Expiry)

L/C Number: _____

(Permit Number)

February 1990
(FEDERAL)

L/C Number: _____

Permit Number: _____

Ladies/Gentlemen:

On behalf of _____
Operator Letter of Credit

(Street Address) (City) (State) (Zip)

we hereby establish our Irrevocable Letter of Credit in your favor and agree to pay to the DIVISION, available by your draft(s) in an amount not to exceed (\$ _____) upon receipt of a written demand by the DIVISION and OSMRE pursuant to R614-301-880.90 (UMC 800.50).

This Letter of Credit is effective _____, 19____, and will expire at the close of business on _____, 19____; however, this credit will automatically be extended for periods of _____ from any scheduled expiration date (as originally scheduled or automatically extended) unless ninety (90) days prior to such date we notify you in writing by certified mail, return receipt requested, that we elect not to renew this Letter of Credit for such additional period.

Upon receipt by you of such notice, you may draw on us at sight for the amount of this Letter of Credit beginning 30 days or less prior to the then applicable expiration date, accompanied by a statement signed by the Division Director, certifying that the amount of the drawing represents funds due the Division because the permittee has failed to replace this Letter of Credit with other suitable bond pursuant to R614-301-860.22 (UMC 800.21[b][2]) and R614-301-870 (UMC 800.30).

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without the written consent of the DIVISION and OSMRE.

We will give prompt notice to the permittee and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to the permittee and to the Division Director.

Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision) International Chamber of Commerce Publication No. 400.

February 1990
(FEDERAL)

L/C Number: _____

Permit Number: _____

IN WITNESS WHEREOF, the Bank has hereunto set its signature and seal
this ____ day of _____, 19____.

(Issuing Bank)

(Authorized Officer)

ACKNOWLEDGEMENT

On this ____ day of _____, 19____, before me, a Notary
Public in and for the County of _____, in the state
of _____, appeared _____
to me personally known who, being by me duly sworn, did say that he/she
is _____ of _____,
the bank named in and which executed the within instrument, and that the seal
affixed to said instrument is the seal of said Bank, and that said instrument
was signed, sealed and delivered in behalf of said Bank by authority of its
Board of Directors, and he/she, as such offer, acknowledged said instrument to
be the free act and deed of said Bank for the uses and purposes of said
instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day,
month and year aforesaid.

My Commission Expires: _____

Notary Public in and for Said
County and State

February 1990
EXHIBIT "B" - Bonding Agreement
Collateral Bond - Optional
NON-FEDERAL

Permit Number: _____
Expiration Date: _____

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

ASSIGNMENT OF CERTIFICATE OF DEPOSIT
(NON-FEDERAL)
--oo00oo--

WHEREAS, on the _____ day of _____, 19____

_____, of
(Operator)

(Street Address) (City) (State) (Zip)

executed certain certificate(s) of deposit described as follows:

to secure timely performance of reclamation responsibilities of the surface disturbance described in EXHIBIT "A" of this Reclamation Agreement.

NOW THEREFORE, to satisfy the requirements of R614-301-860.213 (UMC 800.21[a][3]) the undersigned, _____ as OPERATOR, hereby assigns its interest in the certificate(s) of deposit as described above, to "the state of Utah, Division of Oil, Gas and Mining (DIVISION)."

THE CONDITION OF THE ABOVE ASSIGNMENT is such that the certificate shall:

- (a) be assigned to the DIVISION in writing, and upon the books of the institution issuing such certificates;

February 1990
NON-FEDERAL

- (b) individually not exceed \$100,000, or the maximum insurable amount as determined by F.D.I.C. or F.S.L.I.C.;
- (c) be conditioned upon the Issuing Institution waiving all rights of set-off or liens which it has or may have against those certificates;
- (d) be deposited in sufficient amounts, so that liquidation of those certificates prior to maturity would provide the required bond amount;
- (e) the assignment shall remain in full force and effect until released in writing by the DIVISION.

This assignment shall be valid throughout any maturity redemption period as designated by the Issuing Institution, and shall also automatically renew itself when the certificate(s) of deposit is renewed.

IN WITNESS WHEREOF, the OPERATOR has hereunto set its signature and seal this _____ day of _____, 19____.

(Corporation - Operator)

By: _____

Title: _____

IN WITNESS WHEREOF, the Issuing Institution has hereunto set its signature and seal this _____ day of _____, 19____.

(Issuing Institution)

By: _____

Title: _____

February 1990
NON-FEDERAL

ACKNOWLEDGEMENT OF CORPORATION - OPERATOR

On this _____ day of _____, 19____, before me, a Notary Public in and for the County of _____, in the state of _____, appeared _____ to me personally known who, being by me duly sworn, did say that he/she is _____ of _____, the corporation (operator) named in and which executed the within instrument, and that the seal affixed to said instrument is the corporation seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and he/she as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____
Notary Public in and for said
County and State

ACKNOWLEDGEMENT OF ISSUING INSTITUTION

On this _____ day of _____, 19____, before me, a Notary Public in and for the County of _____, in the state of _____, appeared _____ to me personally known who, being by me duly sworn, did say that he/she is _____ of _____, the Issuing Institution named in and which executed the within instrument, and that the seal affixed to said instrument is the corporation seal of said Issuing Institution, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and he/she, as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____
Notary Public in and for said
County and State

February 1990
EXHIBIT "B" - Bonding Agreement
Collateral Bond - Optional
FEDERAL

Permit Number: _____
Expiration Date: _____

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

ASSIGNMENT OF CERTIFICATE OF DEPOSIT
(FEDERAL)
--oo00oo--

WHEREAS, on the _____ day of _____, 19____

_____, of
(Operator)

(Street Address) (City) (State) (Zip)

executed certain certificate(s) of deposit described as follows:

to secure timely performance of reclamation responsibilities of the surface disturbance described in EXHIBIT "A" of this Reclamation Agreement.

NOW THEREFORE, to satisfy the requirements of R614-301-860.213 (UMC 800.21[a][3]) the undersigned, _____ as OPERATOR, hereby assigns its interest in the certificate(s) of deposit as described above, to "the state of Utah, Division of Oil, Gas and Mining (DIVISION) and the Office of Surface Mining Reclamation and Enforcement (OSMRE)."

THE CONDITION OF THE ABOVE ASSIGNMENT is such that the certificate shall:

- (a) be assigned to the DIVISION and OSMRE in writing, and upon the books of the institution issuing such certificates;

February 1990
FEDERAL

- (b) individually not exceed \$100,000, or the maximum insurable amount as determined by F.D.I.C. or F.S.L.I.C.;
- (c) be conditioned upon the Issuing Institution waiving all rights of set-off or liens which it has or may have against those certificates;
- (d) be deposited in sufficient amounts, so that liquidation of those certificates prior to maturity would provide the required bond amount;
- (e) the assignment shall remain in full force and effect until released in writing by the DIVISION and OSMRE.

This assignment shall be valid throughout any maturity redemption period as designated by the Issuing Institution, and shall also automatically renew itself when the certificate(s) of deposit is renewed.

IN WITNESS WHEREOF, the OPERATOR has hereunto set its signature and seal this _____ day of _____, 19____.

(Corporation - Operator)

By: _____

Title: _____

IN WITNESS WHEREOF, the Issuing Institution has hereunto set its signature and seal this _____ day of _____, 19____.

(Issuing Institution)

By: _____

Title: _____

February 1990
FEDERAL

ACKNOWLEDGEMENT OF CORPORATION - OPERATOR

On this _____ day of _____, 19____, before me, a Notary Public in and for the County of _____, in the state of _____, appeared _____ to me personally known who, being by me duly sworn, did say that he/she is _____ of _____, the corporation (operator) named in and which executed the within instrument, and that the seal affixed to said instrument is the corporation seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and he/she as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____
Notary Public in and for said
County and State

ACKNOWLEDGEMENT OF ISSUING INSTITUTION

On this _____ day of _____, 19____, before me, a Notary Public in and for the County of _____, in the state of _____, appeared _____ to me personally known who, being by me duly sworn, did say that he/she is _____ of _____, the Issuing Institution named in and which executed the within instrument, and that the seal affixed to said instrument is the corporation seal of said Issuing Institution, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and he/she, as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____
Notary Public in and for said
County and State

EXHIBIT "C"
LIABILITY INSURANCE

Revised February 1990

CERTIFICATE OF LIABILITY INSURANCE

Issued To:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
--oo0oo--

THIS IS TO CERTIFY THAT:

(Name of Insurance Company)

(Home Office Address of Insurance Company)

HAS ISSUED TO:

(Name of Permit Applicant)

(Mine Name)

(Permit Number)

CERTIFICATE OF INSURANCE:

(Policy Number)

(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per R614-301-890 Terms and Conditions for Liability Insurance:

- A. The Division shall require the applicant to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

Revised February 1990
CERTIFICATE OF LIABILITY INSURANCE

- C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

(Agent's Name)

(Phone)

(Company Name)

(Mailing Address)

(City, State, Zip Code)

Revised February 1990
CERTIFICATE OF LIABILITY INSURANCE

The undersigned affirms that the above information is true and complete to the best of his/her knowledge and belief, and that he/she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by _____

this _____ day of _____, 19 ____.

(Signature)

My Commission Expires: _____
(Date)

EXHIBIT "D"
STIPULATION TO REVISE RECLAMATION
AGREEMENT

Revised February 1990
Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number _____
Expiration Date _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--oo00oo--

This STIPULATION TO REVISE RECLAMATION AGREEMENT entered into by and between the OPERATOR 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 OPERATOR and are approved by the DIVISION:

- ___ Replace the RECLAMATION AGREEMENT in its entirety.
- ___ Replace Exhibit "A" - SURFACE DISTURBANCE.
- ___ Replace Exhibit "B" - BONDING AGREEMENT.
- ___ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$ _____) to (\$ _____).

The SURFACE DISTURBANCE is revised from _____ acres to _____ acres.

The EXPIRATION DATE is revised from _____ to _____.

Revised February 1990
Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

IN WITNESS WHEREOF the OPERATOR has hereunto set its signature and seal
this _____ day of _____, 19____.

OPERATOR

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

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 this Agreement. If the OPERATOR is a corporation, the Agreement shall be executed by its duly authorized officer.

AFFIDAVITS OF QUALIFICATION

POWER OF ATTORNEY

