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CHUBB GROUP of Insurance Companies

15 Mountain View Road, Warren, NJ 07060

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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

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

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.

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 expressly  
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*  
(Oblique)  
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.:

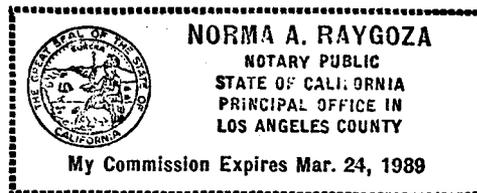
On this 1st day of December in the year Nineteen Hundred Eighty Six  
before me, Norma A. Raygoza, a Notary Public, State  
of California, duly commissioned and sworn, personally appeared Frank E. Robertson

\_\_\_\_\_ 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 Assistant Secretary

FEDERAL INSURANCE COMPANY

By George McClellan Assistant Vice-President

STATE OF NEW JERSEY } ss. County of Somerset

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

CERTIFICATION

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

STATE OF NEW JERSEY } ss. County of Somerset

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. Tomaso 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

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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  
1983, 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."

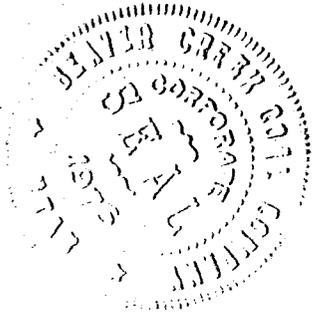
When the Division has determined that the principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
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 Cristaudo  
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



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



Assistant Secretary