

May 17, 2004

Thomas W. Kershaw, Underwriting Manager
CNA Surety
230 South 500 East, Suite 480
Salt Lake City, Utah 84102

Re: Release of Liability of Bond # Savage Services Corporation,
C/007/0022, Outgoing File

Dear Mr. Kershaw:

Please find enclosed the Request For Release form, which releases National Fire Insurance Company from Bond # for Savage Services Corporation. This bond has been replaced by Liberty Mutual Insurance Company Bond # .

If you have any questions, please call feel free to call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
enclosure
O:\007022.SAV\FINAL\TranReleaseofLiability.doc

Fireproof File
CC: C0070022

Attachment to Pam

533-3610
for Tim Davis



230 South 500 East Suite 480 Salt Lake City UT 84102

Thomas W. Kershaw

Underwriting Manager
Salt Lake City Branch
Telephone 801-321-4967
800-262-7873
Facsimile 801-364-7532
Internet twkershaw@cnaSurety.com

March 2, 2004

Pamela Grubaugh-Littig, Permit Supervisor
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West Temple, Suite 1210
Salt Lake City, UT 84114-5801

Savage Industries, Inc.
Bond # _____ Reclamation Bond (*National Fire Insurance Company*)

Dear Ms. Grubaugh-Littig,

It is our understanding that Liberty Mutual Insurance Company Bond Number _____ issued effective December 9, 2003 in the amount of \$2,525,000 for Savage Services Corporation, has replaced the captioned bond.

In as much as Liberty Mutual Insurance Company's bond now provides the surety guarantee for Savage's reclamation obligations under their Reclamation Agreement, we respectfully request that National Fire Insurance Company of Hartford be released effective December 9, 2003 from Bond # _____; either by the return of the original bond issued December 9, 1997, an unqualified written release of our liability issued on Division letterhead or acknowledging, accepting and returning the enclosed Request For Release.

Thank you for you cooperation in this matter and please advise if you will need additional information.

Regards,

Approved LIB 4/2/04

Thomas W. Kershaw

Enc.

RECEIVED

MAR 08 2004

DIV. OF OIL, GAS & MINING

CNA SURETY

230 South 500 East, Suite 480, Salt Lake City, UT 84102 (801) 321-4971

MARCH 3, 2004

REQUEST FOR RELEASE

OBLIGEE:

STATE OF UTAH – DEPT. OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING
1594 WEST NORTH TEMPLE, SUITE 1210
SALT LAKE CITY, UT 84114-5801

Notice is hereby given of a Request for Release of this Company's Suretyship on behalf of SAVAGE INDUSTRIES, INC. (principal) located in MURRAY, UT for TWO MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$2,525,000.00) under Bond No. originally issued on or about NOVEMBER 9, 1997.

Please accept notice of this Request for Release to be effective on December 9, 2003. This Reclamation is now held under Liberty Mutual Insurance Company bond, effective December 9, 2003, in the name of Savage Services Corporation. Please sign below and return a copy of this notice in the envelope provided.

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD

By: 

THOMAS W. KERSHAW, ATTORNEY-IN-FACT

Type of Bond: RECLAMATION BOND

CC: AGENT
PRINCIPAL

OBLIGEE: The Obligee hereby gives a complete and unqualified release of liability by acknowledging the receipt and acceptance of this Request for Release of liability.

Obligee

Accepted: Lawell P Brantley Date: 3/2/04

Director, UT Div Oil, Gas, & Mining

A copy of the Obligee's signed acceptance must be returned to the Surety.

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation (herein called "the CNA Companies"), are duly organized and existing corporations having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

Jon S. Way, Thomas W. Kershaw, Ronald M. Mitchell, Individually

of their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their corporations and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the corporations.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Vice President and their corporate seals to be hereto affixed on this 28th day of July, 2003.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Michael Gengler
Michael Gengler Senior Vice President

State of Illinois, County of Cook, ss:

On this 28th day of July, 2003, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation described in and which executed the above instrument; that he knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said corporations and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporations.



My Commission Expires September 17, 2006

Eliza Price
Eliza Price Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois corporation, National Fire Insurance Company of Hartford, a Connecticut corporation, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania corporation do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporations printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporations this

3rd day of March, 2004.



Continental Casualty Company
National Fire Insurance Company of Hartford
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis
Mary A. Ribikawskis Assistant Secretary

~~Handwritten~~ Fireproof
0/007/0022

EXHIBIT "D"

Stipulation to Revise
Reclamation Agreement
(Non-Federal)

Permit Number:

C/007/022

Effective Date:

12/09/03

Bond Number:

COAL

STIPULATION TO REVISE RECLAMATION AGREEMENT

--ooOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

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

_____ Replace the Reclamation agreement in its entirety.

_____ Replace Exhibit "A"- permit area.

 X Replace Exhibit "B"- bonding agreement

_____ Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ _____ - _____ to \$ _____ - _____.

The bonding type is changed from _____ - _____ to _____ - _____.

The surface disturbance is revised from _____ - _____ acre to _____ - _____ acres.

The expiration date is revised from _____ - _____ to _____ - _____.

The liability insurance carrier is changed from National Fire Insurance Company of Hartford to Liberty Mutual Insurance Company.

The amount of insurance coverage for bodily injury and property damage is changed from

\$ _____ - _____ to \$ _____ - _____.

Bond Number: _____

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal this 26 day of March, 2004.

SAVAGES SERVICES CORPORATION
PERMITTEE

By: *James T. Huber*

Title: *Ex. V.P.*

ACCEPTED BY THE STATE OF UTAH this 30th day of Mar., 2004.

Lowell P. Bruff
Director, Division of Oil, Gas and Mining

NOTE:
form for

An Affidavit of Qualification must be completed and attached to this 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 PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.