



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Outgoing
0070033
K

Norman H. Bangert
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

December 9, 1992

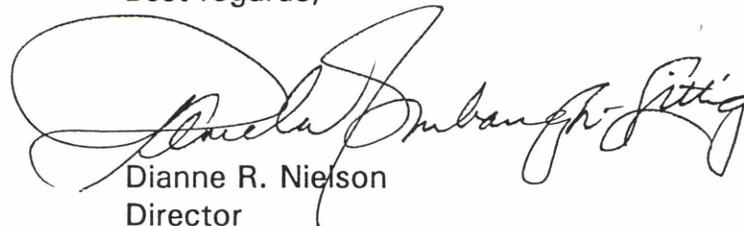
Mr. Mike Glasson
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

Dear Mr. Glasson:

Re: Updated Portions of Reclamation Agreement, Wildcat Loadout Facility,
Andalex Resources Inc., ACT/007/033, Folder #4, Carbon County, Utah

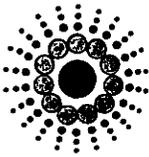
Attached please find the updated and signed portions of the Reclamation Agreement for the Wildcat Loadout Facility. Irrevocable Letter of Credit #13076 has been replaced by a Continental Casualty Company Surety Bond #

Best regards,



Dianne R. Nielson
Director

pgl
Enclosure
cc: Pamela Grubaugh-Littig



ANDALEX
RESOURCES, INC.

1200 HURSTBOURNE PLACE
9300 SHELBYVILLE ROAD
LOUISVILLE, KENTUCKY 40222
PHONE (502) 339-5000
TELEX 204 245 ANDALEX LVL
TELECOPIER (502) 339-5050

File ACT/007/033 #4
Original to
RECEIVED
Give copy file
Copy [initials]
DEC 07 1992
DIVISION OF
OIL, GAS & MINING

December 4, 1992

Pamela Grubaugh—Littig
Permit Supervisor
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

Re: Surety Bond, Wildcat Loadout Facility,
Permit Number ACT/007/003, Bond Number 400776222

Dear Ms. Grubaugh—Littig:

Attached you will find completed documentation for the surety bond mentioned above.

I have included the following papers:

- 1) Exhibit "B", Surety Bond (Federal Coal), Pages 1 and 2
- 2) Power of Attorney
- 3) Affidavit of Qualification — Surety Company
- 4) Affidavit of Qualification — Permittee
- 5) Affidavit of Qualification — Director (Blank)

Please call David Metz at Citizens Fidelity Bank & Trust Company to find out what he needs from you to cancel letter of credit number 13076. His phone number is 502—581—4954. The Citizens mailing address is :

Citizens Fidelity Bank & Trust Company
Energy Company
Citizens Plaza
Louisville, KY 40296

As letter of credit number 13076 expires December 12, 1992, please contact David as soon as possible.

Thank you for your help.

Yours truly,

Richard L. Waddle
Richard L. Waddle

Permit Number: ACT/007/033

Bond No. 400776222

EXHIBIT "B"

**SURETY BOND
(FEDERAL COAL)**

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, 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 (OSM) in the penal sum of \$--813,795.00---- (Surety Bond Amount) for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

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

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

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

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 3 day of December, 1992.

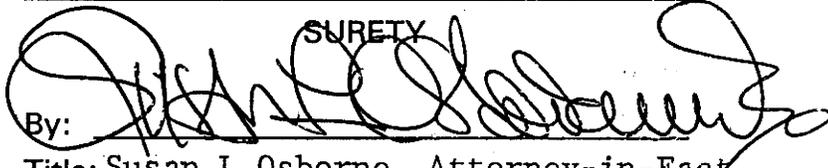
ANDALEX Resources, Inc.

PERMITTEE

By: 
Title: Vice President of Finance

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 1st day of December, 1992.

Continental Casualty Company

SURETY
By: 
Title: Susan L. Osborne, Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH
this 16th day of December, 1992.


Dianne Nielson, 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 PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.



For All the Commitments You Make

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Bruce L. Ferguson, Bruce W. Ferguson, Patricia S. Lee, Susan L. Osborne,

Individually

of Louisville, Kentucky

Its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The President or a Vice President may, from time to time, appoint by writtencertificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 3rd day of April, 1957.

"Resolved, that the signature of the President or Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 27th day of April 19 90

CONTINENTAL CASUALTY COMPANY

State of Illinois) ss
County of Cook (



J. E. Purtell

Vice President.

On this 27th day of April 19 90, before me personally came J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois; that he is a Vice-President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey

Linda C. Dempsey / Notary Public.

My Commission Expires November 12, 1990

CERTIFICATE

I, Robert E. Ayo, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of Article IX of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 1st day of December 19 92



Robert E. Ayo

Assistant Secretary

**AFFIDAVITS
OF
QUALIFICATION**

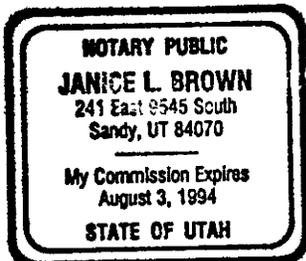
**AFFIDAVIT OF QUALIFICATION
DIRECTOR
--ooOOoo--**

I, Dianne R. Nielson, being first duly sworn under oath, deposes and says that she is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that she is duly authorized to execute and deliver the foregoing obligations; and that said DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed) *Dianne R. Nielson*

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

Subscribed and sworn to before me this 10th day of December, 19 92.



Janice L. Brown
Notary Public

My Commission Expires:

August 3, 19 94.

Attest:

STATE OF Utah)

COUNTY OF Salt Lake)

ss:

Permit Number: ACT/007/003
Effective Date: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

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 ^{Irrevocable} Letter of Credit to Surety Bond.

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

The EXPIRATION DATE is revised from _____ to _____.

The LIABILITY INSURANCE carrier is changed from _____
to _____.

The AMOUNT of INSURANCE coverage for bodily injury and property damage is changed from (\$ _____) to (\$ _____).

Exhibit "D"
Stipulation to Revise
Page 2

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 8th day of December, 1992.

ANDALEX Resources, Inc.
PERMITTEE
By: [Signature]
John Bradshaw
Title: Vice-President of Finance

ACCEPTED BY THE STATE OF UTAH
this 10th day of December, 1992.

[Signature]
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 PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

Post-It™ brand fax transmittal memo 7671		# of pages >
To <u>Richard Waddell</u>	From <u>Pam / Janice</u>	
Co.	<u>DOG M</u>	
Dept.	Phone # <u>538-5340</u>	
Fax <u>(502) 339-5050</u>	Fax # <u>359-3946</u>	