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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

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March 17, 2000

Chris Hansen, Environmental Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Re: Replacing Sureties (Including Exhibit A), Canyon Fuel Company, LLC, Skyline Mine, ACT/007/005, Soldier Canyon Mine, ACT/007/018, Banning Loadout, ACT/007/034, Dugout Canyon Mine, ACT/007/039, SUFCO Mine, ACT/041/002, Outgoing File

Dear Mr. Hansen:

I was recently notified by Staci Call at Arch Coal that all of the current sureties will be replaced for all of the Canyon Fuel Company, LLC mines in Utah. As part of this replacement, parts of the Reclamation Agreement must be also be revised. Please update Exhibit A (Bonded Area signed by the surety) and Exhibit D (Stipulation to Revise The Reclamation Agreement) with this surety replacement.

I have enclosed Exhibit A and Exhibit D for your use. If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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Enclosure
cc: Mary Ann Wright
O:\007005.SKY\FINAL\pglexhibitA.wpd

EXHIBIT "A"

PERMIT AREA

LEGAL DESCRIPTION

Exhibit "A" - **PERMIT AREA**

Permit Number: _____
Effective Date: _____

PERMIT AREA
--ooOOoo--

In accordance with the **RECLAMATION AGREEMENT**, the **PERMITTEE** intends to conduct coal mining and reclamation activities on or within the **PERMIT AREA** as described hereunder: (The bonded area equals the permit area.)

Total acres of **PERMIT AREA:** _____

Legal Description of **PERMIT AREA**:

This is the **PERMIT AREA** is covered by the reclamation surety provided in Exhibit B.

IN WITNESS WHEREOF the **SURETY** has hereunto set its signature and seal this

_____ day of _____, 19____.

_____
SURETY

By: _____

Title: _____

Exhibit "D" - **STIPULATION TO REVISE RECLAMATION AGREEMENT**

Permit Number: _____
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**.

____ 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 _____.

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 RECLAMATION AGREEMENT**

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

_____
PERMITTEE

By: _____

Title: _____

ACCEPTED BY THE STATE OF UTAH:

_____
Lowell P. Braxton, 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.

AFFIDAVIT OF QUALIFICATION
PERMITTEE
--ooOOoo--

I, _____, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) _____ of _____ ____ ; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said **PERMITTEE** is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

(Signed) _____
Name - Position

Subscribed and sworn to before me this _____ day of _____, 20____.

_____
Notary Public

My Commission Expires:

_____, 19 ____.

Attest:

STATE OF _____)
COUNTY OF_____) ss:

AFFIDAVIT OF QUALIFICATION
SURETY COMPANY
--ooOOoo--

I, _____, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) _____ of _____ ____ ; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said **SURETY COMPANY** is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

(Signed) _____
Surety Company Officer - Position

Subscribed and sworn to before me this _____ day of _____, 20_____.

_____
Notary Public

My Commission Expires:

_____, 19 ____.

Attest:

STATE OF _____)
COUNTY OF _____) ss: