

ACT/007/035 SUNNYSIDE COGEN ASSOC.
94F REPLACEMENT BOND REFUSE/SURRY

Approved 4/25/94

File in
library

Entered 8/4/03 JC

PERMIT CHANGE TRACKING FORM

DATE RECEIVED	4/14/94	PERMIT NUMBER	ACT/007/035
Title of Proposal:	Replacement Bond	PERMIT CHANGE #	94F
Description:		PERMITTEE	SCA
		MINE NAME	Refusal: Quarry

	DATE DUE	DATE DONE	RESULT
<input type="checkbox"/> 15 DAY INITIAL RESPONSE TO PERMIT CHANGE APPLICATION			<input type="checkbox"/> ACCEPTED <input type="checkbox"/> REJECTED
<input type="checkbox"/> Notice of Review Status of proposed permit change sent to the Permittee.			Permit Change Classification
<input type="checkbox"/> Request additional review copies prior to Division/Other Agency review.			<input type="checkbox"/> Significant Permit Revision
<input type="checkbox"/> Notice of Approval of Publication. (If change is a Significant Revision.)			<input type="checkbox"/> Permit Amendment
<input type="checkbox"/> Notice of request to modify proposed permit change prior to approval.			<input type="checkbox"/> Incidental Boundary Change

REVIEW TRACKING	INITIAL REVIEW		MODIFIED REVIEW		FINAL REVIEW AND FINDINGS	
DOGM REVIEWER	DUE	DONE	DUE	DONE	DUE	DONE
<input type="checkbox"/> Administrative _____						
<input type="checkbox"/> Biology _____						
<input type="checkbox"/> Engineering _____						
<input type="checkbox"/> Geology _____						
<input type="checkbox"/> Soils _____						
<input type="checkbox"/> Hydrology _____						
<input type="checkbox"/> Bonding _____						
<input type="checkbox"/> AVS Check _____						

COORDINATED REVIEWS	DUE	DONE	DUE	DONE	DUE	DONE
<input type="checkbox"/> OSMRE						
<input type="checkbox"/> US Forest Service						
<input type="checkbox"/> Bureau of Land Management						
<input type="checkbox"/> US Fish and Wildlife Service						
<input type="checkbox"/> US National Parks Service						
<input type="checkbox"/> UT Environmental Quality						
<input type="checkbox"/> UT Water Resources						
<input type="checkbox"/> UT Water Rights						
<input type="checkbox"/> UT Wildlife Resources						
<input type="checkbox"/> UT State History						
<input type="checkbox"/> Other						

<input type="checkbox"/> Public Notice/Comment/Hearing Complete (If the permit change is a Significant Revision)	<input checked="" type="checkbox"/> Permit Change Approval Form signed and approved effective as of this date. <input type="checkbox"/> Permit Change Denied.	
<input type="checkbox"/> Copies of permit change marked and ready for MRP.	<input checked="" type="checkbox"/> Notice of <input type="checkbox"/> Approval <input type="checkbox"/> Denial to Permittee.	4/25 4/28
<input type="checkbox"/> Special Conditions/Stipulations written for approval.	<input type="checkbox"/> Copy of Approved Permit Change to File.	N/A
<input type="checkbox"/> TA and CHIA modified as required.	<input type="checkbox"/> Copy of Approved Permit Change to Permittee.	N/A
<input type="checkbox"/> Permit Change Approval Form ready for approval.	<input type="checkbox"/> Copies to Other Agencies and Price Field Office.	N/A

PERMIT AMENDMENT APPROVAL

Title:	PERMIT NUMBER:
Description:	PERMIT CHANGE #:
	MINE:
	PERMITTEE:

WRITTEN FINDINGS FOR PERMIT APPLICATION APPROVAL

YES, NO or N/A

1. The application is complete and accurate and the applicant has complied with all the requirements of the State Program.	
2. The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations, unless:	
A. The applicant has demonstrated that before January 4, 1977, substantial legal and financial commitments were made in relation to the operation covered by the permit application, or	
B. The applicant has demonstrated that the proposed permit area is not within an area designated as unsuitable for mining pursuant to R645-103-300 and R645-103-400 or 30 CFR 769 or subject to the prohibitions or limitations of R645-103-230.	
3. For coal mining and reclamation operations where the private mineral estate to be mined has been severed from the private surface estate, the applicant has submitted to the Division the documentation required under R645-301-114.200.	
4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.	
5. The operation would not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.).	
6. The Division has taken into account the effect of the proposed permitting action on properties listed on and eligible for listing on the National Register of Historic Places. This finding may be supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Division has determined that no additional protection measures are necessary.	
7. The Applicant has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.	
8. The Applicant has demonstrated that any existing structure will comply with the applicable performance standards of R645-301 and R645-302.	
9. The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870.	
10. The Applicant has satisfied the applicable requirements of R645-302.	
11. The Applicant has, if applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400.	

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT AMENDMENT APPROVAL

YES NO

1. Are there any variances associated with this permit amendment approval? If yes, attach.		
2. Are there any special conditions associated with this permit amendment approval? If yes, attach.		
3. Are there any stipulations associated with this permit amendment approval? If yes, attach.		

The Division hereby grants approval for Permit Amendment to the Existing Permit by incorporation of the proposed changes described herein and effective the date signed below. All other terms and conditions of the Existing Permit shall be maintained and in effect except as superseded by this Permit Amendment.

Signed _____
 Director, Division of Oil, Gas and Mining

_____ EFFECTIVE DATE



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

April 25, 1994

Ms. Riita A.M. Vaughn
First Security Bank of Utah NA
International Department
15 East 100 South Salt Lake City, Utah 84111

Re: Replacement Bond, Sunnyside Cogeneration Associates,
Sunnyside Refuse and Slurry, ACT/007/035-947, Folder #3 and
#5, Carbon County, Utah
F

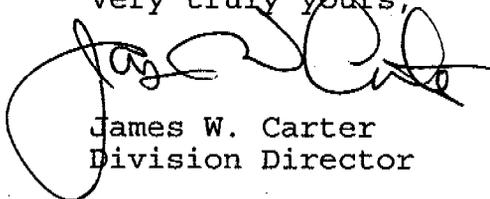
Dear Ms. Vaughn:

Enclosed please find Letter of Credit No. S-09742-0018 issued by First Security Bank in the amount of \$1,500,000 which has been replaced by a Surety Bond No. 51123-A issued by Frontier Insurance Company to Sunnyside Cogeneration Associates in the amount of \$1,500,000.

In accordance with R645-310-870, the Division accepted Surety Bond No. 51123-A as a replacement for Letter of Credit No. S-09742-0018 for the bonded area at Sunnyside Refuse and Slurry.

If you have any questions, please call me.

Very truly yours,



James W. Carter
Division Director

cc: Lowell P. Braxton
Daron Haddock
Bill Malencik, PFO
Pamela Grubaugh-Littig

**First
Security
Bank**

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S-09742-00018

ISSUED IN Salt Lake City, Utah on 22 JAN 1993

APPLICANT:

Sunnyside Cogeneration Associates
P.O. Box 45
109 Union Street
Manchester, Vermont 05254

BENEFICIARY:

State of Utah
Division of Oil, Gas and Mining
355 West North Temple, Ste. 350
Salt Lake City, Utah 84180-1203

AMOUNT: USD ***1,500,000.00
ONE MILLION FIVE HUNDRED THOUSAND
AND 00/100 UNITED STATES DOLLARS

DATE AND PLACE OF EXPIRY:

21 JAN 1994
Our Counters

PERMITTEE: SUNNYSIDE COGENERATION ASSOCIATION
PERMIT NUMBER: PRO/007/035

Ladies and Gentlemen:

We hereby establish our Irrevocable Letter of Credit in your favor and agree to pay to the Division of Oil, Gas and Mining (DIVISION), available by your draft(s) drawn on us, in an amount not to exceed (\$1,500,000.00), upon receipt of a written demand by the DIVISION which reads as follows:

"We certify that Sunnyside Cogeneration Associates has failed to conduct appropriate reclamation activities or the terms of the permit have not been met, and that the State of Utah, Division of Oil, Gas and Mining will therefore use the funds as necessary to complete the reclamation activities on the mining property located in Carbon County, Sunnyside, Utah."

This Letter of Credit is effective January 22, 1993 and will expire at the close of business on January 21, 1994; however, this credit will automatically be extended for periods of one year from any scheduled expiration date (as originally scheduled or automatically extended) unless at least ninety (90) days prior to such date we notify the Division Director 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

**First
Security
Bank**

L/C #: S-09742-00018

PAGE 2

Credit with other suitable bond pursuant to R645-301-860.22 and R645-301-870.

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.

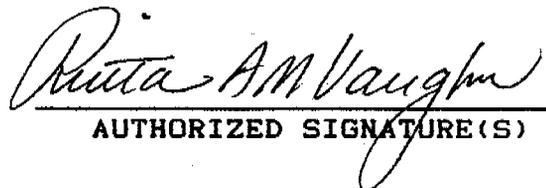
We will give prompt notice to the permittee and to the Division Director of any notice received or action filed alleging the insolvency or bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do 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 herunto set its signature and seal this 22nd day of January, 1993.

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented (together with the documents as specified) at our office on or before the expiry date of this credit.



AUTHORIZED SIGNATURE(S)



AMENDMENT TO STANDBY LETTER OF CREDIT

L/C #: S-09742-00018
LC ISSUED: 1/22/93
AMENDMENT 1

AMENDMENT DATE: 28 JAN 1993

APPLICANT:
Sunnyside Cogeneration Associates
P.O. Box 45
109 Union Street
Manchester, Vermont 05254

BENEFICIARY:
State of Utah
Division of Oil, Gas and Mining
355 West North Temple, Ste. 350
Salt Lake City, Utah 84180-1203

THE ABOVE MENTIONED LETTER OF CREDIT IS HEREBY AMENDED AS FOLLOWS:

APPLICANT'S ADDRESS IS NOW TO READ: P.O. BOX 58087, SALT LAKE CITY, UTAH
84158-0087

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE MENTIONED CREDIT AND
MUST BE ATTACHED THERETO. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



AUTHORIZED SIGNATURE(S)



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

April 21, 1994

Mr. David Pearce
Sunnyside Cogeneration Associates
P.O. Box 58087
Salt Lake City, Utah 84158-0087

Re: Replacement Bond, Sunnyside Cogeneration Associates,
Sunnyside Refuse and Slurry, ACT/007/035-94E, Folder #3 and
#5, Carbon County, Utah

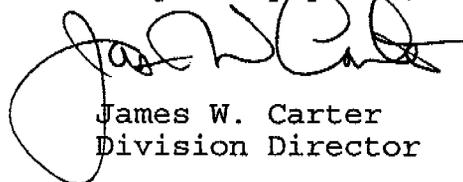
Dear Mr. Pearce:

The Division received the replacement bond request from Sunnyside Cogeneration Associates on April 14, 1994. This letter requested the existing bond, Letter of Credit No. S-09742-0018 issued by First Security Bank in the amount of \$1,500,000 be replaced by a Surety Bond No. 51123-A issued by Frontier Insurance Company to Sunnyside Cogeneration Associates in the amount of \$1,500,000.

In accordance with R645-310-870, the Division accepts Surety Bond No. 51123-A as a replacement for Letter of Credit No. S-09742-0018 for the bonded area at Sunnyside Refuse and Slurry. The form and amount of this replacement surety is adequate and is accepted by the Division. Replacement of this performance bond pursuant to R645-301-870, does not constitute a release of the bond under R645-301-880.100 through R645-301-880.800.

Enclosed is a copy of the executed forms. If you have any questions, please call me.

Very truly yours,



James W. Carter
Division Director

cc: Lowell P. Braxton
Daron Haddock
Bill Malencik, PFO
Pamela Grubaugh-Littig

EXHIBIT "B"

**SURETY BOND NO. 51123-A
(NON-FEDERAL COAL)**

THIS SURETY BOND entered into 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) in the penal sum of:

(\$ 1,500,000.00 (Surety Bond Amount)
**ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100THS **

for the timely performance of reclamation responsibilities of the permit area as described in Exhibit "A" of the 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, 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 from any and all expenses which the DIVISION 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 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 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 30th day of March, 19 94.

SUNNYSIDE COGENERATION ASSOCIATES

PERMITTEE

By: [Signature]

Title: Authorized Member, Management Committee

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: [Signature]

Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH
this 25th day of April, 19 94.

[Signature]
James W. Carter, 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.

EXHIBIT "A"
SURFACE DISTURBANCE
LEGAL DESCRIPTION

EXHIBIT A

PARCEL B:

Describing a parcel of land located in Carbon County, Utah, which is located in the east half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances, to wit:

Beginning at the East one quarter corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and running thence S 0°13'39" W, 1818.48 feet along the east section line of Section 6 to the south right of way line of an existing railroad track; thence northwesterly along a curve to the right with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 656.83 feet having a chord that bears N 40°27'18" W, 600.05 feet; thence N 1°21'36" E, 68.00 feet along the westerly right of way line of an existing railroad track; thence S 57°11'02" W, 338.86 feet to an existing 5/8 inch rebar; thence S 66°14'45" W, 220.17 feet to an existing 5/8 inch rebar; thence S 86°11'30" W, 261.34 feet to a metal fence post; thence N 4°41'13" W, 264.09 feet to a roof bolt on the west side of a gate in a fence line; thence N 10°54'48" W, 189.49 feet to a metal fence post; thence N 0°39'10" W, 254.39 feet to a metal fence post; thence N 10°09'48" W, 315.48 feet to a metal fence post; thence N 6°32'57" W, 232.70 feet to a roof bolt in an existing fence line; thence N 6°32'57" W, 65.24 feet to the south

right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence N 71°27'00" E, 1209.07 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence northeasterly along a curve to the left with a radius of 979.93 feet, through an angle of 9°19'48", for a distance of 159.57 feet, having a chord that bears N 66°47'06" E, 159.40 feet to the east line of said Section 6; thence S 0°13'39" W, 174.12 feet along the east line of Section 6, to the point of beginning.

Containing 42.316 acres more or less.

PARCEL C:

Describing a parcel of land located in Carbon County, Utah, which is located in the south half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to-wit:

Beginning at the southeast corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian which is a brass cap; and running thence N 89°57'59" W, 2646.97 feet along the south line of said Section 6 to the south one-quarter corner of said Section 6; thence S 89°27'59" W, 1321.87 feet along the south line of said Section 6 to the southwest corner of the SE1/4SW1/4 of said Section 5; thence N 59°40'32" E, 666.58 feet to a metal fence post; thence N 44°13'50" E, 430.53 feet to a roof bolt; thence N 59°09'24" E, 167.86 feet to a metal fence post; thence N 63°51'14" E, 188.19 feet to a metal fence post; thence N 30°15'43" E, 335.60 feet to a metal fence post; thence N 21°00'31" W, 34.15 feet to an east brace post in a barbed wire fence; thence N 81°18'59" E, 1270.98 feet along an existing fence line to a roof bolt; thence N 36°40'17" E, 152.88 feet along a fence line to a roof bolt; thence S 4°41'13" E, 264.09 feet to a metal fence post; thence N 86°11'30" E, 261.34 feet to an existing 5/8 inch rebar; thence N 66°15'45" E, 220.17 feet to an existing rebar; thence N 57°11'01" E, 338.86 feet to the west right of way line of an existing railroad right of way; thence S 1°21'36" W, 68.00 feet along the westerly right of way line of an existing railroad track; thence southeasterly along a curve to the left with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 656.83 feet having a chord that bears S 40°27'18" E 600.05 feet to a point on the east line of said Section 6; thence S 0°13'39" W, 818.01 feet along the section line to the point of beginning

Containing 79.085 acres, more or less.

ALSO:

Describing a parcel of land located in Carbon County, Utah, which is located in the

north half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances to-wit:

Beginning at the northwest corner of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, which is a brass cap; and running thence N 89°27'59" E, 1253.27 feet along the north line of said Section 7 to the northeast corner of the NW1/4NW1/4 of said Section 7; thence N 89°27'59" E, 1321.87 feet along the north line of said Section 7 to the north one quarter corner of said Section 7; thence S 89°57'59" E, 2646.97 feet along the north line of said Section 7 to the northeast corner of said Section 7 to the northeast corner of said Section 7 which is a brass cap; thence S 0°15'54" W, 1322.37 feet along the east line of said Section 7 to the southeast corner of the NE1/4NE1/4 of said Section 7; thence S 89°53'03" W, 2656.91 feet along the south line of the north one half of the northeast one quarter of said Section 7 to the southwest corner of the NW1/4NE1/4 of said Section 7; thence S 0°41'30" W, 664.69 feet along the east line of the SE1/4NW1/4 of said Section 7 to the southeast corner of the NE1/4SE1/4NW1/4 of said Section 7; thence S 89°40'06" W, 2560.98 feet along the south line of the north one half of the south one half of the northwest one quarter of said Section 7 to the southwest corner of the NW1/4SW1/4NW1/4 of said Section 7; thence N 0°17'17" E, 1984.79 feet along the west section line of said Section 7 to the point of beginning.

Containing 197.987 acres, more or less.

Less a strip of land 200 feet wide for an existing railroad right of way lying in the west half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, the boundaries of which are parallel to the 100 feet distant at right angles from the following described center line:

Beginning at a point on the north boundary line of said Section 7, which point is Station 102+50.0 P.O.C. of the Railroad Center Line Survey, said point being N 89°27'59", 633.0 feet, more or less, along the north line of said Section 7, said point being on a curve to the right with a radius of 572.96 feet through an angle of 114°43' for a distance of 1147.2 feet and having chord bearing of S 1°24'18" E and a distance of 443.97 feet, the tangent to curve at this point bearing S 24°12' E; thence continuing on the same curve right 455.9 feet in a southerly direction to Station 107+05.9 P.T.; thence S 21°21' W, 245.5 feet to Station 109+51.4 P.C., which point is the beginning of a curve to the left with a radius of 716.20 feet through an angle of 28°20' for a distance of 354.2 feet and having a chord bearing of S 7°13' W and a distance of 350.57 feet to Station 113+05.6 P.T.; thence S 6°57' E, 973.89 feet to Station 122+79.49, said point begin on the south line of the north one half of the south one half of the northwest one quarter of said Section 7.

Containing 9.318 acres, more or less.

Revised October 1990
Exhibit "A" - SURFACE DISTURBANCE

Permit Number: ACT/007/035

Effective Date: March 30, 1994

SURFACE DISTURBANCE
--ooOOoo--

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

Total acres of SURFACE DISTURBANCE: 310

Legal Description of SURFACE DISTURBANCE:
(ATTACHED)

This SURFACE DISTURBANCE is covered by the reclamation surety provided in Exhibit B.

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: [Signature]
Robert E. Shaw, Jr.

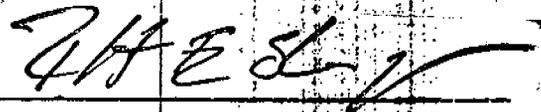
Title: Attorney-In-Fact

AFFIDAVIT OF QUALIFICATION
SURETY COMPANY

-ooOoo-

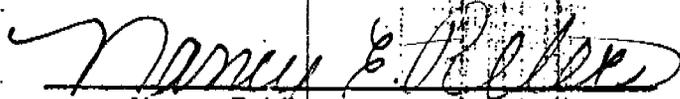
I, ROBERT E. SHAW, JR., being first duly sworn under oath, deposes and says that he/she is the (officer or agent) ATTORNEY-IN-FACT of FRONTIER INSURANCE COMPANY; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute 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 30th day of March, 1994.


Notary Public

My Commission Expires:

NANCY E. PETERS

Notary Public, State of Maine

19

My Commission Expires Sept. 21, 1999

Attest:

STATE OF

MAINE

COUNTY OF

ANDROSCOGGIN

)
) ss:
)



ROCK HILL, NEW YORK 12775-8000
(A Stock Company)

No 51123 - A

POWER OF ATTORNEY

Knows All Men By These Presents: That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: ROBERT E. SHAW, JR. BLAIR E. TORELLI STEPHEN F. DUNLAP
ELLA E. RICHARDS DAVID H. SKILLINGS MICHELLE V. ORLANDO JUDY L. NORING-PICKETT

of AUBURN, in the State of MAINE
its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of delegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed: ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND 00/cents--(\$1,500,000.00)-----, and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this 21st day of JUNE, 19 91

FRONTIER INSURANCE COMPANY



BY: Walter A. Rhulen
WALTER A. RHULEN, President

State of New York
County of Sullivan ss.:

On this 21st day of JUNE, 19 91, before me, the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.



Christine I. Lane
CHRISTINE I. LANE
Notary Public State of New York
Sullivan County Clerk's No. 1998
Commission Expires May 2, 1994

CERTIFICATION

I, JOSEPH LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this 30th day of March, 19 94



Joseph P. Roughton
JOSEPH LOUGHLIN, Secretary



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

April 9, 1994

Mr. David Pearce
Sunnyside Cogeneration Associates
P.O. Box 58087
Salt Lake City, Utah 84158-0087

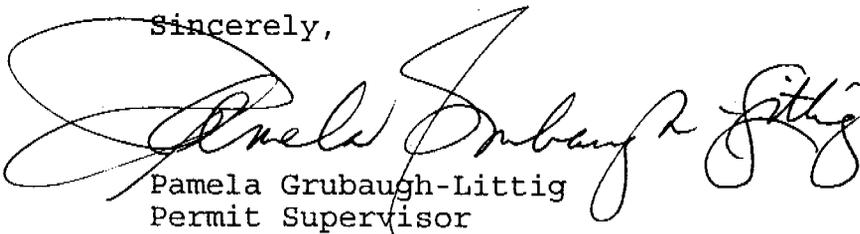
Re: Replacement Bond, Sunnyside Refuse and Slurry, Sunnyside
Cogeneration Associates, ACT/007/035, Folder #4, Carbon
County, Utah

Dear Mr. Pearce:

The Division received a bond with no cover letter addressed to the Division explaining the changes requested, see attached. The Division has kept the original bond and requests that a letter be sent to the Division explaining the form changes, etc. Upon receipt of that explanatory letter, the Division will proceed.

If you have any questions, please call me. Thank you.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

Enclosure
cc/enc:

Lowell Braxton
Bill Malencik, PFO

SUNNYSIDE COGENERATION ASSOCIATES

POST OFFICE BOX 58087
SALT LAKE CITY, UTAH 84158-0087

VIA FEDERAL EXPRESS

March 31, 1994

Mr. Brian W. Burnett
Callister, Duncan & Nebeker
800 Kennecott Building
Salt Lake City, UT 84133

Re: Sunnyside Project, Sunnyside, Utah

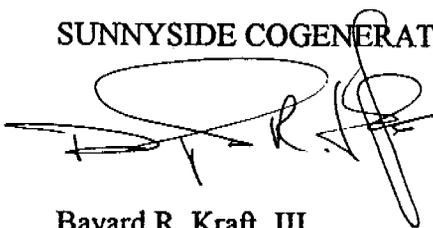
Dear Brian:

Enclosed please find Frontier Insurance Company's fully executed Surety Bond No. 51123A to replace our existing Collateral Bond. Please have this delivered as soon as possible to the State of Utah, Division of Oil, Gas and Mining and notify me as soon as you have received proof of their acceptance on page 2 of the Bond.

Please call me if you have any questions.

Sincerely,

SUNNYSIDE COGENERATION ASSOCIATES

A handwritten signature in black ink, appearing to read "B. R. Kraft, III", written over a horizontal line. The signature is stylized and somewhat cursive.

Bayard R. Kraft, III
Authorized Member, Management Committee

cc: Robert Bothwell, William Gallagher Associates
Robert Shaw, Dunlap Insurance & Bonding

EXHIBIT "B"

**SURETY BOND NO. 51123-A
(NON-FEDERAL COAL)**

THIS SURETY BOND entered into 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) in the penal sum of:

(\$) \$1,500,000.00 (Surety Bond Amount)
**ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100THS **

for the timely performance of reclamation responsibilities of the permit area as described in Exhibit "A" of the 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, 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 from any and all expenses which the DIVISION may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

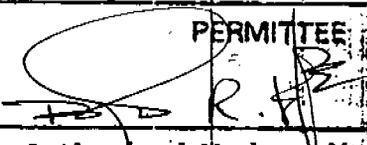
The SURETY will give prompt notice to the PERMITTEE and to the DIVISION of any notice received or action alleging the insolvency or bankruptcy of the SURETY, or alleging any violations or regulatory requirements which could result in suspension or revocation of the SURETY's license.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the 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 30th day of March, 19 94.

SUNNYSIDE COGENERATION ASSOCIATES

PERMITTEE

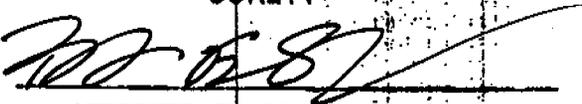
By: 

Title: Authorized Member, Management Committee

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: 

Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH

this _____ day of _____, 19 _____.

James W. Carter, 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.

EXHIBIT "A"
SURFACE DISTURBANCE
LEGAL DESCRIPTION

EXHIBIT A

PARCEL B:

Describing a parcel of land located in Carbon County, Utah, which is located in the east half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances, to wit:

Beginning at the East one quarter corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and running thence S 0°13'39" W, 1818.48 feet along the east section line of Section 6 to the south right of way line of an existing railroad track; thence northwesterly along a curve to the right with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 656.83 feet having a chord that bears N 40°27'18" W, 600.05 feet; thence N 1°21'36" E, 68.00 feet along the westerly right of way line of an existing railroad track; thence S 57°11'02" W, 338.88 feet to an existing 5/8 inch rebar; thence S 66°14'45" W, 220.17 feet to an existing 5/8 inch rebar; thence S 86°11'30" W, 261.34 feet to a metal fence post; thence N 4°41'13" W, 264.09 feet to a roof bolt on the west side of a gate in a fence line; thence N 10°54'48" W, 189.49 feet to a metal fence post; thence N 0°39'10" W, 254.39 feet to a metal fence post; thence N 10°09'48" W, 315.48 feet to a metal fence post; thence N 6°32'57" W, 232.70 feet to a roof bolt in an existing fence line; thence N 6°32'57" W, 65.24 feet to the south

right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence N 71°27'00" E, 1209.07 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence northeasterly along a curve to the left with a radius of 979.93 feet, through an angle of 9°19'48", for a distance of 159.57 feet, having a chord that bears N 66°47'06" E, 159.40 feet to the east line of said Section 6; thence S 0°13'39" W, 174.12 feet along the east line of Section 6, to the point of beginning.

Containing 42.316 acres more or less.

PARCEL C:

Describing a parcel of land located in Carbon County, Utah, which is located in the south half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to-wit:

Beginning at the southeast corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian which is a brass cap; and running thence N 89°57'59" W, 2646.97 feet along the south line of said Section 6 to the south one-quarter corner of said Section 6; thence S 89°27'59" W, 1321.87 feet along the south line of said Section 6 to the southwest corner of the SE1/4SW1/4 of said Section 5; thence N 59°40'32" E, 666.58 feet to a metal fence post; thence N 44°13'50" E, 430.53 feet to a roof bolt; thence N 59°09'24" E, 167.86 feet to a metal fence post; thence N 63°51'14" E, 188.19 feet to a metal fence post; thence N 30°15'43" E, 335.60 feet to a metal fence post; thence N 21°00'31" W, 34.15 feet to an east brace post in a barbed wire fence; thence N 81°18'59" E, 1270.98 feet along an existing fence line to a roof bolt; thence N 36°40'17" E, 152.88 feet along a fence line to a roof bolt; thence S 4°41'13" E, 284.09 feet to a metal fence post; thence N 86°11'30" E, 261.34 feet to an existing 5/8 inch rebar; thence N 66°15'45" E, 220.17 feet to an existing rebar; thence N 57°11'01" E, 338.86 feet to the west right of way line of an existing railroad right of way; thence S 1°21'36" W, 68.00 feet along the westerly right of way line of an existing railroad track; thence southeasterly along a curve to the left with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 656.83 feet having a chord that bears S 40°27'18" E 600.05 feet to a point on the east line of said Section 6; thence S 0°13'39" W, 818.01 feet along the section line to the point of beginning

Containing 79.085 acres, more or less.

ALSO:

Describing a parcel of land located in Carbon County, Utah, which is located in the

north half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances to-wit:

Beginning at the northwest corner of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, which is a brass cap; and running thence N 89°27'59" E, 1253.27 feet along the north line of said Section 7 to the northeast corner of the NW1/4NW1/4 of said Section 7; thence N 89°27'59" E, 1321.87 feet along the north line of said Section 7 to the north one quarter corner of said Section 7; thence S 89°57'59" E, 2646.97 feet along the north line of said Section 7 to the northeast corner of said Section 7 to the northeast corner of said Section 7 which is a brass cap; thence S 0°15'54" W, 1322.37 feet along the east line of said Section 7 to the southeast corner of the NE1/4NE1/4 of said Section 7; thence S 89°53'03" W, 2656.91 feet along the south line of the north one half of the northeast one quarter of said Section 7 to the southwest corner of the NW1/4NE1/4 of said Section 7; thence S 0°41'30" W, 664.69 feet along the east line of the SE1/4NW1/4 of said Section 7 to the southeast corner of the NE1/4SE1/4NW1/4 of said Section 7; thence S 89°40'06" W, 2560.98 feet along the south line of the north one half of the south one half of the northwest one quarter of said Section 7 to the southwest corner of the NW1/4SW1/4NW1/4 of said Section 7; thence N 0°17'17" E, 1984.79 feet along the west section line of said Section 7 to the point of beginning.

Containing 197.987 acres, more or less.

Less a strip of land 200 feet wide for an existing railroad right of way lying in the west half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, the boundaries of which are parallel to the 100 feet distant at right angles from the following described center line:

Beginning at a point on the north boundary line of said Section 7, which point is Station 102+50.0 P.O.C. of the Railroad Center Line Survey, said point being N 89°27'59", 633.0 feet, more or less, along the north line of said Section 7, said point being on a curve to the right with a radius of 572.96 feet through an angle of 114°43' for a distance of 1147.2 feet and having chord bearing of S 1°24'18" E and a distance of 443.97 feet, the tangent to curve at this point bearing S 24°12' E; thence continuing on the same curve right 455.9 feet in a southerly direction to Station 107+05.9 P.T.; thence S 21°21' W, 245.5 feet to Station 109+51.4 P.C., which point is the beginning of a curve to the left with a radius of 716.20 feet through an angle of 28°20' for a distance of 354.2 feet and having a chord bearing of S 7°13' W and a distance of 350.57 feet to Station 113+05.6 P.T.; thence S 6°57' E, 973.89 feet to Station 122+79.49, said point begin on the south line of the north one half of the south one half of the northwest one quarter of said Section 7.

Containing 9.318 acres, more or less.

Revised October 1990
Exhibit "A" - SURFACE DISTURBANCE

Permit Number: ACT/007/035

Effective Date: March 30, 1994

SURFACE DISTURBANCE
--ooOOoo--

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

Total acres of SURFACE DISTURBANCE: 310

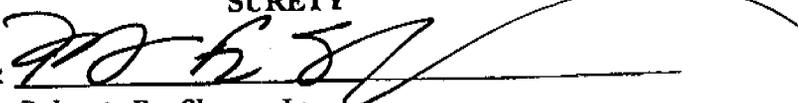
Legal Description of SURFACE DISTURBANCE:
(ATTACHED)

This SURFACE DISTURBANCE is covered by the reclamation surety provided in Exhibit B.

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: 

Robert E. Shaw, Jr.

Title: Attorney-In-Fact

POWER OF ATTORNEY

Know All Men By These Presents: That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: ROBERT E. SHAW, JR. BLAIR E. TORELLI STEPHEN F. DUNLAP
 ELLA E. RICHARDS DAVID H. SKILLINGS MICHELLE V. ORLANDO JUDY L. NORING-PICKETT

of **AUBURN**, in the State of **MAINE**, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of redelegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed: ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND 00/cents--(\$1,500,000.00)----- and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this **21st** day of **JUNE**, 19 **91**.

FRONTIER INSURANCE COMPANY



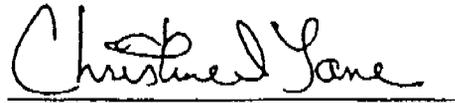
BY: 
 WALTER A. RHULEN, President

State of New York
 County of Sullivan ss:

On this **21st** day of **JUNE**, 19 **91**, before me, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.




 CHRISTINE I. LANE
 Notary Public State of New York
 Sullivan County Clerk's No. 1996
 Commission Expires May 2, 1994

CERTIFICATION

I, JOSEPH LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this **30th** day of **March**, 19 **94**.




 JOSEPH LOUGHLIN, Secretary

**First
Security
Bank**

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S-09742-00018

ISSUED IN Salt Lake City, Utah on 22 JAN 1993

APPLICANT:

Sunnyside Cogeneration Associates
P.O. Box 45
109 Union Street
Manchester, Vermont 05254

BENEFICIARY:

State of Utah
Division of Oil, Gas and Mining
355 West North Temple, Ste. 350
Salt Lake City, Utah 84180-1203

AMOUNT: USD ***1,500,000.00
ONE MILLION FIVE HUNDRED THOUSAND
AND 00/100 UNITED STATES DOLLARS

DATE AND PLACE OF EXPIRY:
21 JAN 1994
Our Counters

PERMITTEE: SUNNYSIDE COGENERATION ASSOCIATION
PERMIT NUMBER: PRO/007/035

Ladies and Gentlemen:

We hereby establish our Irrevocable Letter of Credit in your favor and agree to pay to the Division of Oil, Gas and Mining (DIVISION), available by your draft(s) drawn on us, in an amount not to exceed (\$1,500,000.00), upon receipt of a written demand by the DIVISION which reads as follows:

"We certify that Sunnyside Cogeneration Associates has failed to conduct appropriate reclamation activities or the terms of the permit have not been met, and that the State of Utah, Division of Oil, Gas and Mining will therefore use the funds as necessary to complete the reclamation activities on the mining property located in Carbon County, Sunnyside, Utah."

This Letter of Credit is effective January 22, 1993 and will expire at the close of business on January 21, 1994; however, this credit will automatically be extended for periods of one year from any scheduled expiration date (as originally scheduled or automatically extended) unless at least ninety (90) days prior to such date we notify the Division Director 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

**First
Security
Bank**

L/C #: S-09742-00018
PAGE 2

Credit with other suitable bond pursuant to R645-301-860.22 and R645-301-870.

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 herunto set its signature and seal this 22nd day of January, 1993.

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit, if duly presented (together with the documents as specified) at our office on or before the expiry date of this credit.



AUTHORIZED SIGNATURE(S)

**First
Security
Bank**

AMENDMENT TO STANDBY LETTER OF CREDIT

L/C #: S-09742-00018
LC ISSUED: 1/22/93
AMENDMENT 1

AMENDMENT DATE: 28 JAN 1993

APPLICANT:
Sunnyside Cogeneration Associates
P.O. Box 45
109 Union Street
Manchester, Vermont 05254

BENEFICIARY:
State of Utah
Division of Oil, Gas and Mining
355 West North Temple, Ste. 350
Salt Lake City, Utah 84100-1203

THE ABOVE MENTIONED LETTER OF CREDIT IS HEREBY AMENDED AS FOLLOWS:

APPLICANT'S ADDRESS IS NOW TO READ: P.O. BOX 58087, SALT LAKE CITY, UTAH
84158-0087

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE MENTIONED CREDIT AND
MUST BE ATTACHED THERETO. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



AUTHORIZED SIGNATURE(S)

EXHIBIT "B"

**SURETY BOND NO. 51123-A
(NON-FEDERAL COAL)**

THIS SURETY BOND entered into 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) in the penal sum of:

(\$ \$1,500,000.00 (Surety Bond Amount)
**ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100THS **

for the timely performance of reclamation responsibilities of the permit area as described in Exhibit "A" of the 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, 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 from any and all expenses which the DIVISION 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 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 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 30th day of March, 19 94.

SUNNYSIDE COGENERATION ASSOCIATES

PERMITTEE

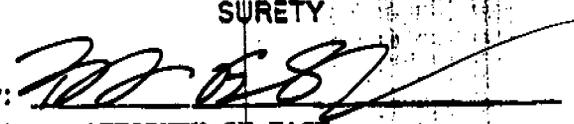
By: 

Title: Authorized Member, Management Committee

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: 

Title: ATTORNEY-IN-FACT

ACCEPTED BY THE STATE OF UTAH
this _____ day of _____, 19 _____.

James W. Carter, 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.

EXHIBIT "A"
SURFACE DISTURBANCE
LEGAL DESCRIPTION

EXHIBIT A

PARCEL B:

Describing a parcel of land located in Carbon County, Utah, which is located in the east half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances, to wit:

Beginning at the East one quarter corner of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian and running thence S 0°13'39" W, 1818.48 feet along the east section line of Section 6 to the south right of way line of an existing railroad track; thence northwesterly along a curve to the right with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 658.83 feet having a chord that bears N 40°27'18" W, 600.05 feet; thence N 1°21'36" E, 68.00 feet along the westerly right of way line of an existing railroad track; thence S 57°11'02" W, 338.86 feet to an existing 5/8 inch rebar; thence S 66°14'45" W, 220.17 feet to an existing 5/8 inch rebar; thence S 86°11'30" W, 261.34 feet to a metal fence post; thence N 4°41'13" W, 264.09 feet to a roof bolt on the west side of a gate in a fence line; thence N 10°54'48" W, 189.49 feet to a metal fence post; thence N 0°39'10" W, 254.39 feet to a metal fence post; thence N 10°09'48" W, 315.48 feet to a metal fence post; thence N 6°32'57" W, 232.70 feet to a roof bolt in an existing fence line; thence N 6°32'57" W, 65.24 feet to the south

right of way line of a Denver and Rio Grande Railroad as described in a certain deed dated July 29, 1912; thence N 71°27'00" E, 1209.07 feet along the south line of a 50 foot wide right of way for the Denver and Rio Grande Railroad; thence northeasterly along a curve to the left with a radius of 979.93 feet, through an angle of 9°19'48", for a distance of 159.57 feet, having a chord that bears N 66°47'06" E, 159.40 feet to the east line of said Section 6; thence S 0°13'39" W, 174.12 feet along the east line of Section 6, to the point of beginning.

Containing 42.316 acres more or less.

PARCEL C:

Describing a parcel of land located in Carbon County, Utah, which is located in the south half of Section 6, Township 15 South, Range 14 East, Salt Lake Base and Meridian, and being more particularly described according to the following courses and distances, to-wit:

Beginning at the southeast corner of Section 8, Township 15 South, Range 14 East, Salt Lake Base and Meridian which is a brass cap; and running thence N 89°57'59" W, 2646.97 feet along the south line of said Section 6 to the south one-quarter corner of said Section 6; thence S 89°27'59" W, 1321.87 feet along the south line of said Section 6 to the southwest corner of the SE1/4SW1/4 of said Section 5; thence N 59°40'32" E, 666.58 feet to a metal fence post; thence N 44°13'50" E, 430.53 feet to a roof bolt; thence N 59°09'24" E, 167.86 feet to a metal fence post; thence N 63°51'14" E, 188.19 feet to a metal fence post; thence N 30°15'43" E, 335.60 feet to a metal fence post; thence N 21°00'31" W, 34.15 feet to an east brace post in a barbed wire fence; thence N 81°18'59" E, 1270.98 feet along an existing fence line to a roof bolt; thence N 38°40'17" E, 152.88 feet along a fence line to a roof bolt; thence S 4°41'13" E, 264.09 feet to a metal fence post; thence N 86°11'30" E, 281.34 feet to an existing 5/8 inch rebar; thence N 66°15'45" E, 220.17 feet to an existing rebar; thence N 57°11'01" E, 338.86 feet to the west right of way line of an existing railroad right of way; thence S 1°21'36" W, 68.00 feet along the westerly right of way line of an existing railroad track; thence southeasterly along a curve to the left with a radius of 450.00 feet, through an angle of 83°37'47", for a distance of 856.83 feet having a chord that bears S 40°27'18" E 600.05 feet to a point on the east line of said Section 6; thence S 0°13'39" W, 818.01 feet along the section line to the point of beginning

Containing 79.065 acres, more or less.

ALSO:

Describing a parcel of land located in Carbon County, Utah, which is located in the

north half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian and being more particularly described according to the following courses and distances to-wit:

Beginning at the northwest corner of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, which is a brass cap; and running thence N 89°27'59" E, 1253.27 feet along the north line of said Section 7 to the northeast corner of the NW1/4NW1/4 of said Section 7; thence N 89°27'59" E, 1321.87 feet along the north line of said Section 7 to the north one quarter corner of said Section 7; thence S 89°57'59" E, 2646.97 feet along the north line of said Section 7 to the northeast corner of said Section 7 to the northeast corner of said Section 7 which is a brass cap; thence S 0°15'54" W, 1322.37 feet along the east line of said Section 7 to the southeast corner of the NE1/4NE1/4 of said Section 7; thence S 89°53'03" W, 2656.91 feet along the south line of the north one half of the northeast one quarter of said Section 7 to the southwest corner of the NW1/4NE1/4 of said Section 7; thence S 0°41'30" W, 664.69 feet along the east line of the SE1/4NW1/4 of said Section 7 to the southeast corner of the NE1/4SE1/4NW1/4 of said Section 7; thence S 89°40'06" W, 2560.98 feet along the south line of the north one half of the south one half of the northwest one quarter of said Section 7 to the southwest corner of the NW1/4SW1/4NW1/4 of said Section 7; thence N 0°17'17" E, 1984.79 feet along the west section line of said Section 7 to the point of beginning.

Containing 197.987 acres, more or less.

Less a strip of land 200 feet wide for an existing railroad right of way lying in the west half of Section 7, Township 15 South, Range 14 East, Salt Lake Base and Meridian, the boundaries of which are parallel to the 100 feet distant at right angles from the following described center line:

Beginning at a point on the north boundary line of said Section 7, which point is Station 102+50.0 P.O.C. of the Railroad Center Line Survey, said point being N 89°27'59", 633.0 feet, more or less, along the north line of said Section 7, said point being on a curve to the right with a radius of 572.96 feet through an angle of 114°43' for a distance of 1147.2 feet and having chord bearing of S 1°24'18" E and a distance of 443.97 feet, the tangent to curve at this point bearing S 24°12' E; thence continuing on the same curve right 455.9 feet in a southerly direction to Station 107+05.9 P.T.; thence S 21°21' W, 245.5 feet to Station 109+51.4 P.C., which point is the beginning of a curve to the left with a radius of 716.20 feet through an angle of 28°20' for a distance of 354.2 feet and having a chord bearing of S 7°13' W and a distance of 350.57 feet to Station 113+05.6 P.T.; thence S 6°57' E, 973.89 feet to Station 122+79.49, said point begin on the south line of the north one half of the south one half of the northwest one quarter of said Section 7.

Containing 9.318 acres, more or less.

Revised October 1990
Exhibit "A" - SURFACE DISTURBANCE

Permit Number: ACT/007/035

Effective Date: March 30, 1994

SURFACE DISTURBANCE
--000000--

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

Total acres of SURFACE DISTURBANCE: 310

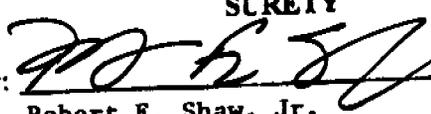
Legal Description of SURFACE DISTURBANCE:
(ATTACHED)

This SURFACE DISTURBANCE is covered by the reclamation surety provided in Exhibit B.

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this 30th day of March, 19 94.

FRONTIER INSURANCE COMPANY

SURETY

By: 

Robert E. Shaw, Jr.

Title: Attorney-In-Fact

POWER OF ATTORNEY

Knows All Men By These Presents: That FRONTIER INSURANCE COMPANY, a New York Corporation, having its principal office in Rock Hill, New York, pursuant to the following resolution, adopted by the Board of Directors of the Corporation on the 4th day of November, 1985:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

This Power of Attorney is signed and sealed in facsimile under and by the authority of the above Resolution.

DOES HEREBY MAKE, CONSTITUTE AND APPOINT: ROBERT E. SHAW, JR. BLAIR E. TORELLI STEPHEN F. DUNLAP
 ELLA E. RICHARDS DAVID H. SKILLINGS MICHELLE V. ORLANDO JUDY L. NORING-PICKETT

of AUBURN in the State of MAINE
 its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred in its name, place and stead to sign, execute, acknowledge and deliver in its behalf, and as its act and deed, without power of re-delegation, as follows:

Bonds guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; and executing or guaranteeing bonds and undertakings required or permitted in all actions or proceedings or by law allowed: ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND 00/cents--(\$1,500,000.00)-----; and to bind FRONTIER INSURANCE COMPANY thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of FRONTIER INSURANCE COMPANY, and all the acts of said Attorney(s)-in-Fact pursuant to the authority herein given are hereby ratified and confirmed.

In Witness Whereof, FRONTIER INSURANCE COMPANY of Rock Hill, New York, has caused this Power of Attorney to be signed by its President and its Corporate seal to be affixed this 21st day of JUNE, 19 91

FRONTIER INSURANCE COMPANY



BY: Walter A. Rhulen
 WALTER A. RHULEN, President

State of New York
 County of Sullivan ss:

On this 21st day of JUNE, 19 91, before the subscriber, a Notary Public of the State of New York in and for the County of Sullivan, duly commissioned and qualified, came WALTER A. RHULEN of FRONTIER INSURANCE COMPANY to me personally known to be the individual and officer described herein, and who executed the preceding instrument, and acknowledged the execution of the same, and being by me duly sworn, deposed and said, that he is the officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of the Company, and the Corporate Seal and signature as an officer were duly affixed and subscribed to the said instrument by the authority and direction of the Corporation, and that the resolution of the Company, referred to in the preceding instrument, is now in force.

In Testimony Whereof, I have hereunto set my hand, and affixed my official seal at Rock Hill, New York, the day and year above written.



Christine I. Lane
 CHRISTINE I. LANE
 Notary Public State of New York
 Sullivan County Clerk's No. 1998
 Commission Expires May 2, 1994

CERTIFICATION

I, JOSEPH LOUGHLIN, Secretary of FRONTIER INSURANCE COMPANY of Rock Hill, New York, do hereby certify that the foregoing Resolution adopted by the Board of Directors of this Corporation and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Powers of Attorney are in full force and effect.

In Witness Whereof, I have hereunto set my hand and affixed the facsimile seal of the corporation this 30th day of March, 19 94



Joseph P. Loughlin
 JOSEPH LOUGHLIN, Secretary

CALLISTER, DUNCAN
& NEBEKER

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

SUITE 800 KENNECOTT BUILDING
SALT LAKE CITY, UTAH 84133
TELEPHONE 801-530-7300
FAX 801-364-9127

LOUIS H. CALLISTER
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FRED W. FINLINSON
DOROTHY C. PLESHE
JOHN A. BECKSTEAD¹
JEFFREY N. CLAYTON
JAMES R. HOLBROOK
CHARLES M. BENNETT²
W. WALDAN LLOYD
JAMES R. BLACK
M. RUSSELL HETTINGER
JEFFREY L. SHIELDS
STEVEN E. TYLER
CRAIG F. McCULLOUGH
GARY B. HANSEN

RANDALL D BENSON
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JAN M. BERGESON
JOHN B. LINDSAY
DOUGLAS K. CUMMINGS
LUCY KNIGHT ANDRE
KATHRYN C. KNIGHT

¹ ALSO MEMBER ARIZONA BAR
² ALSO MEMBER FLORIDA BAR
³ ALSO MEMBER MISSOURI BAR
⁴ ALSO MEMBER CALIFORNIA BAR
⁵ MEMBER CALIFORNIA BAR ONLY

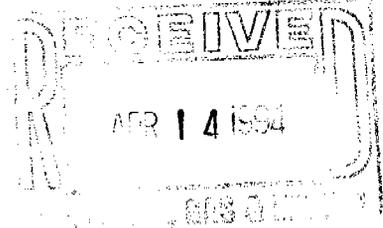
OF COUNSEL
WAYNE L. BLACK, P.C.
FRED L. FINLINSON
RICHARD H. NEBEKER
EARL R. STATEN

LOUIS H. CALLISTER, SR.
(1904-1983)
PARNELL BLACK
(1897-1951)

TO CALL WRITER DIRECT

April 13, 1994

94F



HAND DELIVERED

Pam Grubaugh-Littig
Utah Coal Regulatory Program
Division of Oil, Gas and Mining
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Replacement of Bond - Sunnyside Cogeneration Associates
("SCA"), Permit No. ACT/007/035, Carbon County, Utah

Copy Pam
#4

Dear Pam:

Pursuant to Utah Admin. Code ¶ R645-301-870 regarding Replacement of Bonds, SCA hereby requests that the Division of Oil, Gas, and Mining ("DOGM") replace the existing bond for the above referenced permit by substituting Surety Bond No. 51123-A executed by SCA and Frontier Insurance Company.

The existing bond for the above referenced permit is the Irrevocable Standby Letter of Credit No. S-09742-00018 ("LOC") from First Security Bank in favor of DOGM dated January 22, 1993, as amended January 28, 1993 in the amount of \$1,500,000, a copy of which is attached hereto.

As you know from examining the original documents, Surety Bond No. 51123-A provides the equivalent coverage in the amount of \$1,500,000. After DOGM has approved Surety Bond 51123-A as an acceptable replacement bond, please release the First Security Bank LOC.

You currently have the following original documents in your possession:

1. Exhibit "B", Surety Bond No. 51123-A, marked pages 1 and 2 of 9;

Pam Grubaugh-Littig
April 13, 1994
Page 2

2. Exhibit "A", Surface Disturbance Legal Description, marked pages 3 through 6 of 9;
3. Surface Disturbance, marked page 7 of 9;
4. Affidavit of Qualification - Surety Company, marked page 8 of 9.
5. Frontier Insurance Company - Power of Attorney, marked page 9 of 9.

I believe that the above documents and this letter comprise all the required documents necessary to allow for DOGM to replace the bond.

Thank you for your cooperation in this regard. If you have any questions, please contact me.

Very truly yours,

CALLISTER, DUNCAN & NEBEKER



Brian W. Burnett

cc: David Pearce
Alane Boyd
Lowell Braxton

G:\CDN\PU\LABWB\LTR\104895-1