

Document Information Form

Mine Number: C/007/0038

File Name: Incoming

To: DOGM

From:

Person N/A

Company N/A

Date Sent: N/A

Explanation:

Surety Bond

cc:

File in: C/007, 0038, Incoming

Refer to:

- Confidential
- Shelf
- Expandable

Date _____ For additional information

Exhibit "B" - BONDING AGREEMENT
SURETY BONDPrior Permit Number: ACT/007/038SURETY BOND
(FEDERAL COAL)

-oo00oo-

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE/PRINCIPAL, and SURETY, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement ("OSM") in the penal sum of (\$ 11,949,205.00) (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this Reclamation Agreement. Surety Company has performed due diligence to its satisfaction of the basis for the Surety Bond amount, including without limitation inspection of the Area described in Exhibit "A".

This SURETY BOND shall remain in effect until all of the PERMITTEE's/PRINCIPAL's reclamation obligation have been met and released by the DIVISION with the concurrence of OSM and is conditioned upon faithful performance of all of the requirements of the Act, SMCRA, the applicable regulations and rules, the approved permit and the PAP as approved by 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 may sustain as a result of the PERMITTEE's /PRINCIPAL's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE/PRINCIPAL and to the DIVISION and OSM 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.

Upon incapacity of the surety by reason of bankruptcy, or suspension or revocation of license, the Permittee shall be deemed to be without bond coverage in violation of state and federal law and subject to enforcement in accordance with SMCRA, the Act, and the applicable regulations and rules.

The terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE/PRINCIPAL in the RECLAMATION AGREEMENT, (effective date of 4-11, 19 96) incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this BOND shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved.

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No 0054 Date _____In C/ 007, 0038, Incoming

For additional information

**Exhibit "B" - BONDING AGREEMENT
SURETY BOND**

IN WITNESS WHEREOF, The PERMITTEE/PRINCIPAL has hereunto set its signature and seal
this 12th day of April, 1996.

Cyprus Plateau Mining Corporation
PERMITTEE/PRINCIPAL

By: *[Signature]*

Title: Vice President & General Manager

State of Texas)

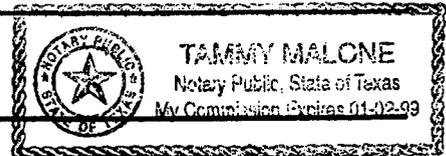
County of Harris)ss:

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal this 11th
day of April, 1996.

Subscribed and sworn to before me this 11th day of April, 1996.

Tammy Malone

Print Name
[Signature]
Notary Public



My Commission Expires: January 2, 19 99

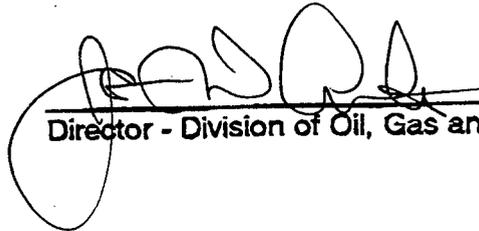
United Pacific Insurance Company
SURETY

By: *[Signature]*
Title: Wendy W. Stuckey, Attorney-in-Fact

State of Texas)

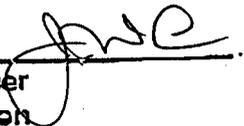
County of Harris)ss:

ACCEPTED BY THE STATE OF UTAH:



Director - Division of Oil, Gas and Mining

ACCEPTED BY OFFICE OF SURFACE
MINING RECLAMATION AND
ENFORCEMENT:

By: 

~~Title: Bonding Approving Officer~~
~~Chief, Federal Programs Division~~
~~Western Support Center~~

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