

2008

Western States Minerals Corporation

4975 Van Gordon Street
Wheat Ridge, Colorado 80033
(303) 425-7042

April 20, 1983

RECEIVED
APR 25 1983

DIVISION OF
OIL GAS & MINING

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Pamela Grubaugh-Littig
State Of Utah
Natural Resources & Energy
Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Bond
J.B. King Mine

Dear Ms. Grubaugh-Littig:

Enclosed please find Bond No. 348 1118 in the amount of \$150,000. This is intended to fulfill our total J.B. King Mine bonding requirement and replace our two original bonds.

As John Carmody discussed with you Monday, there was a slight delay in sending this to you due to the fact that we could not obtain the signature of our company president until this date.

Sincerely,

WESTERN STATES MINERALS CORPORATION

Allan R. Cerny

Allan R. Cerny
Land Manager

cc: J. Carmody
D. Nelson
Chandler Associates (B. Biskey)

Enclosure

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we WESTERN STATES MINERALS CORPORATION
of 4975 Van Gordon Street, Wheat Ridge, CO. (Address)
as principal and THE AMERICAN INSURANCE COMPANY, as surety, are held
and firmly bound unto the State of Utah in the sum of One Hundred Fifty Thousand & no/100
Dollars (\$ 150,000.00) lawful money of the United States to be paid to the Board of State
Lands, as agent for the State of Utah, for the use and benefit of the State of Utah, and
of any patentee or purchaser of any portion of the land covered by the hereinafter
described lease heretofore sold or which may hereafter be sold with a reservation of the
minerals to the State of Utah, on the surface or of other mineral deposits of any portion
of such lands, for which payment, will and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and
assignees, jointly and severally by these presents.

Signed with our hands and seals this 15th day of April
in the year of our Lord, 1983.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued a Mineral Leasing
lease, Lease Number see attached schedule, and dated see attached to
see attached as lessee (and said lease has been duly
assigned under date of March 31, 1976 to Western States Minerals
Corporation) to drill for, mine, extract and remove all of the coal
deposits in and under the
following described lands to-wit:

See Attachment

NOW, THEREFORE, the principal shall be obligated to pay all monies, rentals, royal-
ties, costs of reclamation, damages to the surface and improvements thereon and any other
costs which arise by operation of the above-described lease(s) accruing to the lessor and
shall fully comply with all other terms and conditions of said lease, the rules, regula-
tions, and policies relating thereto of the Board of State Lands, Division of State
Lands, the Board of Oil, Gas, and Mining and the Division of Oil, Gas, and Mining as they
now exist or may from time to time be modified or amended. This obligation is in effect
even if the principal has conveyed part of its leasehold interest to a sublessee or sub-
lessees. If the principal fully satisfies the above-described obligations, then the
surety's obligation to make payment to the State of Utah is void and of no effect, other-
wise, it shall remain in full force and effect until released by the Division of State
Lands.

Signed, sealed and delivered
in the presence of

William R. Corning
Witness

Quinn J. Harrell
Witness

WESTERN STATES MINERALS CORPORATION

by: Arden B. Morrow (SEAL)
Principal PRESIDENT

BONDING COMPANY THE AMERICAN INSURANCE COMPANY
BY Betty J. Biskey
Betty J. Biskey, Attorney-in-Fact

Attest: Arden B. Morrow

Resident Agent: not applicable

Bonding Co. Address: 3333 California Street
San Francisco, CA. 94118

Corporate Seal of Bonding Company must be affixed.

Approved as to form and execution:

Arden B. Morrow

Attachments: Coal Leases

Special Use Lease #365

<u>Lease Numbers</u>	<u>Dated</u>	<u>Leasee</u>
ML 1003	2/19/42	H. G. Campbell, Salina, Utah
ML 17687	3/30/59	Paul Anderson, Salina, Utah
ML 18783	3/21/61	Boyd Paul Anderson, Salina, Utah
ML 19231	3/9/62	Salina Coal & Trucking Co., Salina, Utah
SL 062712	5/27/41	H. G. Campbell, Salina, Utah

Land Described as:

ML 1003 SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 40 acres more or less.

ML 17687 N $\frac{1}{2}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.

ML 18783 E $\frac{1}{2}$ of SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.

ML 19231 E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 120 acres, more or less.

SL 062712 NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 40 acres, more or less.

THE AMERICAN INSURANCE COMPANY

NOW ALL MEN BY THESE PRESENTS: That THE AMERICAN INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of New Jersey, and having its principal office in the City and County of San Francisco, California, has made, constituted and appointed, and does by these presents make, constitute and appoint

J. D. CHANDLER, M. L. LIVELY, JOHN H. GLIEDEN, JOHN A. ALKIRE,
BETTY J. BISKEY and GORDON C. MOORE

jointly or severally
its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VIII, Section 30 and 31 of By-laws of THE AMERICAN INSURANCE COMPANY now in full force and effect.

"Article VIII, Appointment and Authority Assistant secretaries, and Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 30, Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President, may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 31, Authority. The Authority of such Resident Assistant Secretaries, Attorneys-in-Fact, and Agents shall be as prescribed in the instrument evidencing their appointment, and any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of THE AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 28th day of September, 1966, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation."

IN WITNESS WHEREOF, THE AMERICAN INSURANCE COMPANY has caused these presents to be signed by its Vice-President,

and its corporate seal to be hereunto affixed this 29th day of November 19 82 .



THE AMERICAN INSURANCE COMPANY

Richard Williams

By Vice-President

STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO

} ss.

On this 29th day of November 19 82 , before me personally came Richard Williams to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of THE AMERICAN INSURANCE 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 by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



Susie K. Gilbert

Notary Public

CERTIFICATE

STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO

} ss.

I, the undersigned, Resident Assistant Secretary of THE AMERICAN INSURANCE COMPANY, a NEW JERSEY Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VIII, Sections 30 and 31 of the By-laws of the Corporation, and the Resolution of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City and County of San Francisco. Dated the 15th day of April 19 83



Janette E. Prater

Resident Assistant Secretary

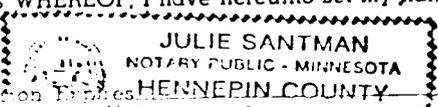
360711-TA-5-81

State of Minnesota }
County of Hennepin } ss:

On April 15, 1983 , before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Betty J. Biskey

known to me to be Attorney-in-Fact of The American Insurance Company the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.



Julie Santman

Notary Public

PAGE NO. FOUR
MAY 16, 1983

REPLACEMENT BOND - J. B. KING MINE

File ACT/CIS/002
Folder No. 5

203

The J. B. King Mine involves the following State leases for coal or surface facilities:

ML 1003	ML 19231
ML 17687	SL 062712
ML 18783	SULA 365

Lessee, Western States Minerals Corporation, 4975 Van Gordon Street, Wheat Ridge, CO 80033, as principal; and the American Insurance Company, 3333 California Street, San Francisco, CA 94118, as surety, have submitted Surety Bond No. 3481118 in the amount of \$150,000 to cover lease performance and reclamation of mining and surface disturbances conducted under all of the above listed leases. This bond appears in order, and upon recommendation of Mr. Blake, the Director accepted this bond. This bond is to be held jointly with the Division of Oil, Gas, and Mining and should not be released without their consent.

With acceptance of this new bond it is no longer necessary to hold the following bonds and I recommend that they be released.

The Travelers Insurance Company	Bond No. 202 E 6209	\$25,000
500 IDS Center	Bond No. 202 E 4265	\$100,000
Minneapolis, MN		

Upon recommendation of Mr. Blake, the Director approved the release of the above captioned bonds.

RELEASE OF BOND - ML 29540 MET. MINERALS

203

Ned Dalton has completed drilling activities performed as a designated operator under the above numbered lease and has satisfactorily reclaimed the drill sites.

I, therefore, recommend release of the following described bond to be returned by certified mail.

Certificate of Deposit No. 5597 - \$2,000
First Western National Bank
Moab, UT 84532

c/o D & H Drilling, Inc.
2720 South East Bench Road
Moab, UT 84532

Upon recommendation of Mr. Blake, the Director approved the release of the above captioned bond.

Western States Minerals Corporation

4975 Van Gordon Street
Wheat Ridge, Colorado 80033
(303) 425-7042

April 20, 1983

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Pamela Grubaugh-Littig
State Of Utah
Natural Resources & Energy
Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Bond
J.B. King Mine

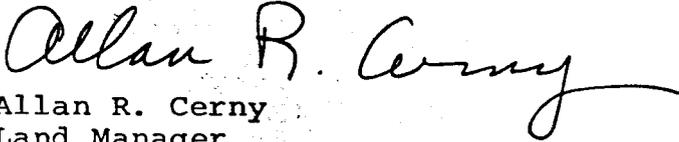
Dear Ms. Grubaugh-Littig:

Enclosed please find Bond No. 348 1118 in the amount of \$150,000. This is intended to fulfill our total J.B. King Mine bonding requirement and replace our two original bonds.

As John Carmody discussed with you Monday, there was a slight delay in sending this to you due to the fact that we could not obtain the signature of our company president until this date.

Sincerely,

WESTERN STATES MINERALS CORPORATION



Allan R. Cerny
Land Manager

cc: J. Carmody
D. Nelson
Chandler Associates (B. Biskey)

Enclosure

File

ACT/015/002

5

RECEIVED

APR 25 1983

DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we WESTERN STATES MINERALS CORPORATION
of 4975 Van Gordon Street, Wheat Ridge, CO. (Address)
as principal and THE AMERICAN INSURANCE COMPANY, as surety, are held
and firmly bound unto the State of Utah in the sum of One Hundred Fifty Thousand & no/100
Dollars (\$ 150,000.00 lawful money of the United States to be paid to the Board of State
Lands, as agent for the State of Utah, for the use and benefit of the State of Utah, and
of any patentee or purchaser of any portion of the land covered by the hereinafter
described lease heretofore sold or which may hereafter be sold with a reservation of the
minerals to the State of Utah, on the surface or of other mineral deposits of any portion
of such lands, for which payment, will and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and
assignees, jointly and severally by these presents.

Signed with our hands and seals this 15th day of April
in the year of our Lord, 1983.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued a Mineral Leasing
lease, Lease Number see attached schedule, and dated see attached to
see attached as lessee (and said lease has been duly
assigned under date of March 31, 1976 to Western States Minerals
Corporation) to drill for, mine, extract and remove all of the
coal deposits in and under the
following described lands to-wit:

See Attachment

NOW, THEREFORE, the principal shall be obligated to pay all monies, rentals, royalti-
ties, costs of reclamation, damages to the surface and improvements thereon and any other
costs which arise by operation of the above-described lease(s) accruing to the lessor and
shall fully comply with all other terms and conditions of said lease, the rules, regula-
tions, and policies relating thereto of the Board of State Lands, Division of State
Lands, the Board of Oil, Gas, and Mining and the Division of Oil, Gas, and Mining as they
now exist or may from time to time be modified or amended. This obligation is in effect
even if the principal has conveyed part of its leasehold interest to a sublessee or sub-
lessees. If the principal fully satisfies the above-described obligations, then the
surety's obligation to make payment to the State of Utah is void and of no effect, other-
wise, it shall remain in full force and effect until released by the Division of State
Lands.

Signed, sealed and delivered
in the presence of

Allan R. Corney
Witness

Russell L. ...
Witness

WESTERN STATES MINERALS CORPORATION

by: Arden B. Morrow (SEAL)
Principal PRESIDENT

BONDING COMPANY THE AMERICAN INSURANCE COMPANY
BY Betty J. Biskey
Betty J. Biskey, Attorney-in-fact

Attest: Arden B. Morrow

Resident Agent: not applicable

Bonding Co. Address: 3333 California Street
San Francisco, CA. 94118

Corporate Seal of Bonding Company must be affixed.

Approved as to form and execution:

Arden B. Morrow

Attachments: Coal Leases

Special Use Lease #365

<u>Lease Numbers</u>	<u>Dated</u>	<u>Leasee</u>
ML 1003	2/19/42	H. G. Campbell, Salina, Utah
ML 17687	3/30/59	Paul Anderson, Salina, Utah
ML 18783	3/21/61	Boyd Paul Anderson, Salina, Utah
ML 19231	3/9/62	Salina Coal & Trucking Co., Salina, Utah
SL 062712	5/27/41	H. G. Campbell, Salina, Utah

Land Described as:

- ML 1003 SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 40 acres more or less.
- ML 17687 N $\frac{1}{2}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.
- ML 18783 E $\frac{1}{2}$ of SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.
- ML 19231 E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 120 acres, more or less.
- SL 062712 NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 40 acres, more or less.

THE AMERICAN INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS: That THE AMERICAN INSURANCE COMPANY, a Corporation duly organized and existing under the laws of the State of New Jersey, and having its principal office in the City and County of San Francisco, California, has made, constituted and appointed, and does by these presents make, constitute and appoint

J. D. CHANDLER, M. L. LIVELY, JOHN H. GLIEDEN, JOHN A. ALKIRE,
BETTY J. BISKEY and GORDON C. MOORE

its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, seal, acknowledge and deliver any and all bonds, undertakings, recognizances or other written obligations in the nature thereof

and to bind the Corporation thereby as fully and to the same extent as if such bonds were signed by the President, sealed with the corporate seal of the Corporation and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney(s)-in-Fact may do in the premises.

This power of attorney is granted pursuant to Article VIII, Section 30 and 31 of By-laws of THE AMERICAN INSURANCE COMPANY now in full force and effect.

"Article VIII, Appointment and Authority Assistant secretaries, and Attorney-in-Fact and Agents to accept Legal Process and Make Appearances.

Section 30, Appointment. The Chairman of the Board of Directors, the President, any Vice-President or any other person authorized by the Board of Directors, the Chairman of the Board of Directors, the President or any Vice-President, may, from time to time, appoint Resident Assistant Secretaries and Attorneys-in-Fact to represent and act for and on behalf of the Corporation and Agents to accept legal process and make appearances for and on behalf of the Corporation.

Section 31, Authority. The Authority of such Resident Assistant Secretaries, Attorneys-in-Fact, and Agents shall be as prescribed in the instrument evidencing their appointment, and any such appointment and all authority granted thereby may be revoked at any time by the Board of Directors or by any person empowered to make such appointment."

This power of attorney is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of THE AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 28th day of September, 1966, and said Resolution has not been amended or repealed:

"RESOLVED, that the signature of any Vice-President, Assistant Secretary, and Resident Assistant Secretary of this Corporation, and the seal of this Corporation may be affixed or printed on any power of attorney, on any revocation of any power of attorney, or on any certificate relating thereto, by facsimile, and any power of attorney, any revocation of any power of attorney, or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Corporation.

IN WITNESS WHEREOF, THE AMERICAN INSURANCE COMPANY has caused these presents to be signed by its Vice-President,

and its corporate seal to be hereunto affixed this 29th day of November 19 82 .



THE AMERICAN INSURANCE COMPANY

By Richard Williams
Vice-President

STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO } ss.

On this 29th day of November, 19 82, before me personally came Richard Williams to me known, who, being by me duly sworn, did depose and say: that he is Vice-President of THE AMERICAN INSURANCE 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 by order of the Board of Directors of said Corporation and that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year herein first above written.



Susie K. Gilbert
Notary Public

CERTIFICATE

STATE OF CALIFORNIA,

CITY AND COUNTY OF SAN FRANCISCO } ss.

I, the undersigned, Resident Assistant Secretary of THE AMERICAN INSURANCE COMPANY, a NEW JERSEY Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force and has not been revoked; and furthermore that Article VIII, Sections 30 and 31 of the By-laws of the Corporation, and the Resolution of the Board of Directors, set forth in the Power of Attorney, are now in force.

Signed and sealed at the City and County of San Francisco. Dated the 15th day of April, 19 83 .



Loretta E. Prouty
Resident Assistant Secretary

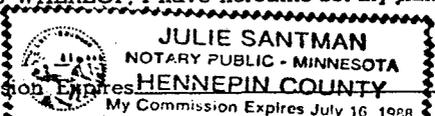
360711-TA-5-81

State of Minnesota }
County of Hennepin } ss:

On April 15, 1983, before me, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared Betty J. Biskey

known to me to be Attorney-in-Fact of The American Insurance Company the corporation described in and that executed the within and foregoing instrument, and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.



Julie Santman
Notary Public



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

April 11, 1983

Chandler Associates
10,000 West Highway 55
Minneapolis, Minnesota 55440

Attn: Betty

RE: Interim Bond
J.B. King
ACT/015/002
\$150,000 - State Lands Bond

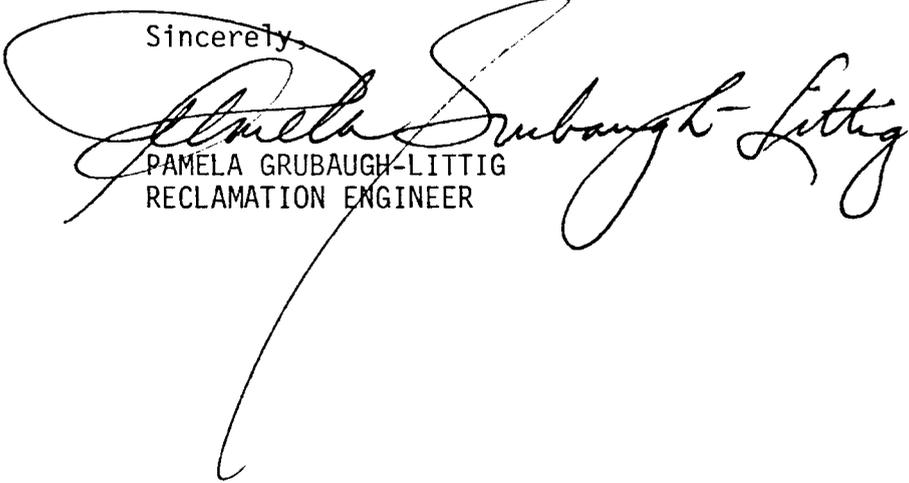
Dear Betty,

I enclosed the bond form for State Lands for the J.B. King Mine which should be posted for \$150,000.

If you have any questions, please call me.

Thank you for your cooperation.

Sincerely,


PAMELA GRUBAUGH-LITTIG
RECLAMATION ENGINEER

PGL/gb

Enclosure



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

March 20, 1983

Mr. Don Nelson
Western States Minerals
4975 Van Gordon
Wheat Ridge, Colorado 80033

RE: Interim Bond
J. B. King Mine
ACT/015/002
Emery County, Utah
Folder No. 5

Dear Mr. Nelson:

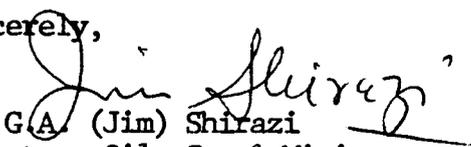
This is a follow-up notice of the Division letter dated February 22, 1983 regarding posting an adequate interim bond with the Division.

If a form of bonding has not been received at this office by April 22, 1983, the Division has the authority to revoke the interim permit according to UMC 771.13. A hearing will be set up at that time with an "Order to Show Cause" as to why the permit should not be revoked. If the Board decides to revoke the permit, the revocation will be effective the date of the Board decision.

If you have any questions about the surface disturbed acreage, or bonding you may already have posted with the Division please don't hesitate to call Pamela Grubaugh-Littig or myself.

Thank you for your cooperation.

Sincerely,


Dr. G.A. (Jim) Shirazi
Director, Oil, Gas & Mining

GS/PGL:lm

cc: Ron Daniels, DOGM
Barbara Roberts, A. G.'s Office
Jim Smith, DOGM
Pam Grubaugh-Littig, DOGM



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

March 14, 1983

S. J. Groves and Son
614 Charleston National Plaza
Charleston, West Virginia 25301

Attention: Mr. Pete Sprenger

RE: Interim Bond Amount
J. B. King Mine
ACT/015/002
Folder No. 5
Emery County, Utah
BOND AMOUNT - \$25,000.00

Gentlemen:

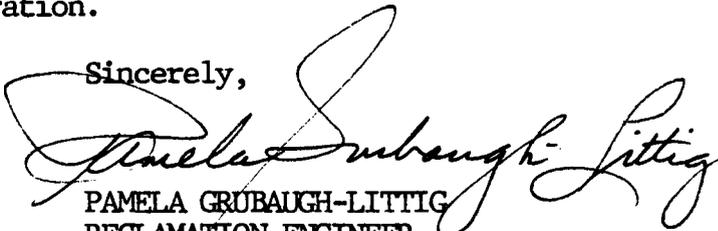
This letter confirms our telephone conversation on March 11, 1983 regarding the performance bonds that are presently posted with the Division of State Lands. These bonds are:

\$100,000 - Corporate Bond #202E 4265 posted July 15, 1977
\$25,000 - Corporate Bond #202E 6209 posted August 6, 1976

This would mean that the adequate bond amount for 30 acres totaling \$150,000 already has \$125,000 posted. Therefore, a difference of \$25,000 should be submitted.

Thank you for your continued cooperation.

Sincerely,



PAMELA GRUBAUGH-LITTIG
RECLAMATION ENGINEER

PGL/btb

cc: M. Boucek, DOGM
J. W. Smith, DOGM



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

March 2, 1983

Mr. Don Nelson
Western States Minerals
4975 Van Gordon
Wheat Ridge, Colorado 80033

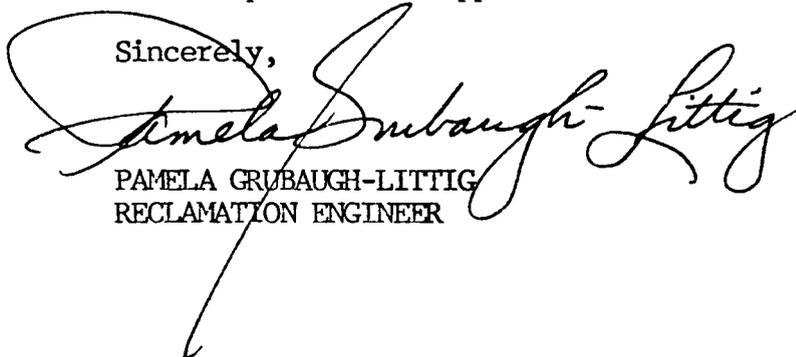
RE: Interim Bond
Adjusted Sum
J. B. King Mine
ACT/015/002, #5
Emery County, Utah
Bond Amount - \$150,000

Dear Mr. Nelson:

I recently spoke with Mr. Sprenger at Western States Minerals. He pointed out that in Volume I, page 2-5, the anticipated amount of total land acreage that is and will be disturbed during the first five years of operation following approval is 30 acres. Therefore, the interim bond amount to be posted would be \$150,000 (30 acres X \$5,000). Western States Minerals has posted the amount of \$25,000; a difference of \$125,000 should be submitted.

Thank you for replying to this notice. Your cooperation is appreciated.

Sincerely,



PAMELA GRUBAUGH-LITTIG
RECLAMATION ENGINEER

PGL/btb

cc: Jim Smith, DOGM
Mary Boucek, DOGM



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

February 22, 1983

Mr. Don Nelson
Western States Minerals
4975 Van Gordon
Wheat Ridge, Colorado 80033

RE: Interim Bonds; Additional Sums
J. B. King Mine
ACT/015/002
Emery County, Utah
Bond Amount - \$200,000.00

Dear Mr. Nelson:

The Division has reviewed the bond status for Western States Minerals' J. B. King Mine under the interim mining permit and found that the bond amount is not adequate for the number of disturbed acres (as required by 40-10-15 and UMC 800.11). Therefore, an adequate amount must be posted with the Division within sixty (60) days to cover interim reclamation costs until such time as the Division can finalize the review of your permanent permit application and a final bond estimate can be posted. This amount can be estimated by determining the number of acres of surface disturbance and multiplying this acreage by \$5,000 (a low estimate per acre).

The amount to be posted should be:

40 Acres X \$5,000/acre = \$200,000.00

Western States Minerals has posted the amount of \$25,000.00; a difference of \$175,000.00 should be submitted.

A bond form has been enclosed for your use. If you have any questions, please contact Pamela Grubaugh-Littig or myself.

Thank you for your cooperation.

Sincerely,

JAMES W. SMITH, JR.
COORDINATOR OF MINED
LAND DEVELOPMENT

JWS/PGL:btb

Enclosures

cc: Pamela Grubaugh-Littig, DOGM

Western States Minerals Corporation

Address reply to:
7475 West Fifth Avenue
Lakewood, Colorado 80226
Telephone: 303/232-1636

September 3, 1980

Mr. John T. Blake
Mineral Resource Specialist
Division of State Lands & Forests
Department of Natural Resources
Room 411 Empire Building
231 East 400 South
Salt Lake City, Utah 84111

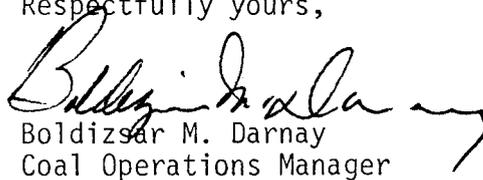
RE: ML's 1003, 17867, 19231, 18763, SL 062712

Dear Mr. Blake:

As requested in your letter of July 9, 1980 to Mr. Hutchinson we are enclosing a rider stipulating that Bond No. 202E4265 will serve as a general performance bond for reclamation of all types of mining performed by Western States Minerals Corporation on state leases included in the J.B. King Mine.

Also enclosed you will find a rider which deals with a name change. If you need any additional information then please inform me.

Respectfully yours,


Boldizar M. Darnay
Coal Operations Manager

BMD:pf



The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

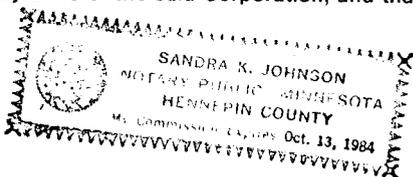
That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

State of Minnesota
County of Hennepin } ss.

On this 4th day of August, 1980, before me personally came

Jennifer J. Smith

to me known, who being by me duly sworn, did depose and say: that he is/she is Attorney(s)-in-Fact of The Travelers Indemnity Company, the Corporation described in and which executed the foregoing instrument; that he/she know(s) the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him/her in accordance with the By-Laws of the said Corporation, and that he/she signed his/her name thereto by like authority.



Sandra K. Johnson
(Notary Public)

My commission expires _____

S-498 Rev. 6-79 PRINTED IN U.S.A.

of agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 16. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by the Corporate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

 This power of attorney revokes that dated August 14, 1979 on behalf of Diana Barham, M. E. Berkman, Frank F. Campbell, II, Sandra K. Johnson, Dennis Loots, D. W. McCabe, Martin E. Schneider, Jennifer J. Smith, Julie R. Steen, Bette Tatge

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 28th day of January 1980.



THE TRAVELERS INDEMNITY COMPANY

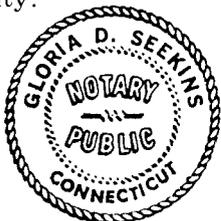
By

D. J. Nash

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 28th day of January in the year 1980 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Gloria D. Seekins

Notary Public

My commission expires April 1, 1983

S-1869 Rev. 4-78 Printed in U.S.A.

(Over)



THE TRAVELERS

CHANGE RIDER

BOND NO. <u>202E4265</u>	ON BEHALF OF <u>Western States Coal Corporation</u>	
DATE OF BOND <u>7/15/77</u>	IN FAVOR OF <u>State of Utah</u>	
ADDITIONAL PREMIUM \$ --	RETURN PREMIUM \$ --	EFFECTIVE DATE OF CHANGE <u>7/15/80</u>

This rider is to be attached to and form a part of the above described bond.

In consideration of the additional or return premium shown above the surety hereby gives its consent to _____

Amend Name of Principal to:

Western States Minerals Corporation

In Lieu of:

Western States Coal Corporation

Provided, however, that the aggregate liability of the surety for any one or more losses occurring prior to the effective date of change shall not exceed \$100,000.00--- or for any one or more losses occurring after said date exceed \$100,000.00. It is further understood that in no event shall the surety's liability be cumulative.

Signed and dated on August 4, 1980
(Month, day, year)

Countersigned By:

John L. Knight
John L. Knight
Utah Resident Agent

THE TRAVELERS INDEMNITY COMPANY

By Jennifer J. Smith
(Attorney in fact)
Jennifer J. Smith

Accepted

WESTERN STATES MINERALS CORP.

By Richard M. Alanay

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

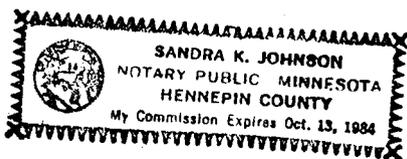
_____ Diana Barham, M. E. Berkman, Frank F. Campbell, II, Sandra K. Johnson, Dennis Loots, Martin E. Schneider, Jennifer J. Smith, Julie R. Steen, Bette Tatge, Martin W. Teague, all of Minneapolis, Minnesota, EACH _____

State of Minnesota)
County of Hennepin) ss.

On this 18th day of July, 1980, before me personally came

M.E. Berkman

to me known, who being by me duly sworn, did depose and say: that he is/she is Attorney(s)-in-Fact of The Travelers Indemnity Company, the Corporation described in and which executed the foregoing instrument; that he/she know(s) the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him/her in accordance with the By-Laws of the said Corporation, and that he/she signed his/her name thereto by like authority.



Sandra K. Johnson
(Notary Public)

My commission expires _____

S-498 Rev. 6-79 PRINTED IN U.S.A.

porate Secretary or any Department Secretary or any Assistant Corporate Secretary or any Assistant Department Secretary, or shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent, pursuant to and within the limits of the authority granted by his or her power of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognition or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

_____ This power of attorney revokes that dated August 14, 1979 on behalf of Diana Barham, M. E. Berkman, Frank F. Campbell, II, Sandra K. Johnson, Dennis Loots, D. W. McCabe, Martin E. Schneider, Jennifer J. Smith, Julie R. Steen, Bette Tatge _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 28th day of January 1980.



THE TRAVELERS INDEMNITY COMPANY

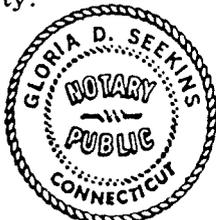
By

M. W. Teague

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 28th day of January in the year 1980 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Gloria D. Seekins

Notary Public

My commission expires April 1, 1983

S-1869 Rev. 4-78 Printed in U.S.A.

(Over)

*Unlimited as to character and amount.



THE TRAVELERS

RIDER

Bond No. 202E4265	On Behalf Of Western States Coal Corporation
Date of Bond July 15, 1977	In Favor Of State of Utah
Effective Date of Change July 18, 1980	

This rider is to be attached to and form a part of the above described bond.

The words "coal strip mining" wherever used in this bond shall also mean "all types of mining performed by Western States Coal Corporation on State Leases included in the J.B. King Mine"

Signed and dated on July 18, 1980

THE TRAVELERS INDEMNITY COMPANY

By: M. E. Berkman
M.E. Berkman, Attorney-in-Fact

Accepted

WESTERN STATES MINERALS CORP.

By: Baldy Maloney

MINNEAPOLIS OFFICE OF THE TRAVELERS INSURANCE COMPANIES
600 I D S Center, Minneapolis, Minnesota 55402

Home Office: Hartford, Connecticut

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Western States Coal Corporation, as principal and The Travelers Indemnity Company the State of Utah, as surety, are held and firmly bound unto the State of Utah in the sum of One Hundred Thousand and no/100 Dollars (\$100,000.00) lawful money of the United States to be paid to the State Land Board, as agent for the State of Utah, for the use and benefit of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore sold or which may hereafter be sold with a reservation of the minerals to the State of Utah, on the surface or of other mineral deposits of any portion of such lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally by these presents.

Signed with our hands and seals this 15th day of July in the year of our Lord, 1977.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued ~~xxx~~ Coal strip mining leases, Lease Number see attached schedule, and dated see attachment to see attachment as lessee (and said lease has been duly assigned under date of March 31, 1976 to Western States Coal Corporation) to drill for, mine, extract and remove all of the Coal deposits in and under the following described lands to-wit:

SEE ATTACHMENT

NOW, THEREFORE, if said principal shall pay all moneys, rentals and royalties accruing to the lessor under the terms of the above described lease, and shall fully comply with all other terms and conditions of said lease, the rules and regulations relating thereto established by the State Land Board, and the rules and regulations governing operating procedures, abandonment, and conservations practices promulgated by the Utah State Oil and Gas Conservation Commission as they now exist or may from time to time be modified or amended, and shall pay all damages to the surface and improvements thereon, then the above obligation shall be void and of no effect, otherwise to remain in full force and effect.

Signed, sealed and delivered in the presence of

Patricia Nelson
Witness

Bruce H. Christensen
Witness

Western States Coal Corporation
Gary S. Hutchinson (SEAL)
Principal

BONDING COMPANY, The Travelers Indemnity Company
BY J. W. Klaimeyer

Attest:
Resident Agent: John Knight

Bonding Co. Address: Hartford, Connecticut

Corporate Seal of Bonding Company must be affixed.

Approved as to form and execution:
VERNON B. ROMNEY, Attorney General

Attachments: Coal Leases

<u>Lease Numbers</u>	<u>Dated</u>	<u>Leasee</u>
ML 1003	2/19/42	H. G. Campbell, Salina, Utah
ML 17687	3/30/59	Paul Anderson, Salina, Utah
ML 18783	3/21/61	Boyd Paul Anderson, Salina, Utah
ML 19231	3/9/62	Salina Coal & Trucking Co., Salina, Utah
SL 062712	5/27/41	H. G. Campbell, Salina, Utah

Land described as:

ML 1003 SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 40 acres more or less.

ML 17687 N $\frac{1}{2}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.

ML 18783 E $\frac{1}{2}$ of SE $\frac{1}{4}$ and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.

ML 19231 E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 120 acres, more or less.

SL 062712 NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 23 South, Range 6 East, S.L.M., containing 40 acres, more or less.

The Travelers Indemnity Company

Hartford, Connecticut

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That THE TRAVELERS INDEMNITY COMPANY, a corporation of the State of Connecticut, does hereby make, constitute and appoint

_____ J. W. Kleimeyer, J. L. Knight, C. H. Waldron, all of Salt Lake City, Utah, EACH _____

its true and lawful Attorney(s)-in-Fact, with full power and authority, for and on behalf of the Company as surety, to execute and deliver and affix the seal of the Company thereto, if a seal is required, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof, as follows:

_____ Any and all bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof _____

and to bind THE TRAVELERS INDEMNITY COMPANY thereby, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This appointment is made under and by authority of the following by-laws of the Company which by-laws are now in full force and effect:

ARTICLE IV, SECTION 13. The Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President, any Second Vice President, any Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, the Chairman of the Insurance Executive Committee, any Senior Vice President, any Vice President or any Second Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Directors of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called and held on the 30th day of November, 1959:

VOTED: That the signature of any officer authorized by the By-Laws and the Company seal may be affixed by facsimile to any power of attorney or special power of attorney or certification of either given for the execution of any bond, undertaking, recognizance or other written obligation in the nature thereof; such signature and seal, when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

_____ This power of attorney revokes that dated June 1, 1970 on behalf of Elaine T. Berger, Mary Sue Bessinger, J. W. Kleimeyer, J. L. Knight, C. H. Waldron _____

IN WITNESS WHEREOF, THE TRAVELERS INDEMNITY COMPANY has caused these presents to be signed by its proper officer and its corporate seal to be hereunto affixed this 30th day of June 1971 .



THE TRAVELERS INDEMNITY COMPANY

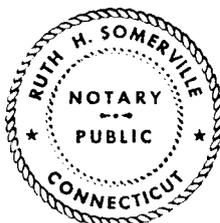
By

A handwritten signature in cursive script, appearing to read "E. A. Houser III".

Secretary, Surety

State of Connecticut, County of Hartford—ss:

On this 30th day of June in the year 1971 before me personally came E. A. Houser III to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



A handwritten signature in cursive script, appearing to read "Ruth H. Somerville".

Notary Public

My commission expires April 1, 1974

MINERAL LEASE BOND FOR DOG VALLEY MINE

Western States Coal Corporation, Lessee and operator of the Dog Valley Mine in Emery County, Utah, has submitted a Bond of Lessee in the amount of \$25,000 to cover their operations at the Dog Valley Mine. This bond is in order, and I recommend that it be accepted to cover operations under the following coal leases:

ML 1003
ML 17687
ML 18783
ML 19231
SL 062712

All material covering the Dog Valley Mine is filed in ML 1003.

Upon recommendation of Mr. Donald G. Prince, the Director approved the above mineral lease bond for Dog Valley Mine.

REQUEST FOR PERMISSION TO DRILL COAL CORE HOLE

The United States Geological Survey has requested by letter of August 26, 1976, permission to drill one coal hole in the Northwest Quarter of the Southwest Quarter of Section 32, Township 12 South, Range 8 East. The target of this exploration drilling will be the Blackhawk Formation at a depth of approximately 1,300 feet.

The United States Forest Service has established certain regulations for the abandoning of other holes in this area on Forest Service lands, and these same regulations will apply to the one hole to be drilled on State lands. The State does not own the coal under this property, and there is only the matter of service access requested in this area.

Upon recommendation of Mr. Donald G. Prince, the Director granted permission to the United States Geological Survey to drill coal core hole.

SPECIAL USE LEASE AGREEMENT CANCELLATION

SULA #332 A written request, dated August 26, 1976, was received from Donna Colton, Executive Secretary, Department of Geology and Geophysics, University of Utah, Seismograph Stations, 611 Mineral Science Bldg., Salt Lake City, Utah 84112, to cancell their special use lease agreement No. 332.

Upon recommendation of Mr. Max M. Wall, the Director approved the cancellation of the above special use lease agreement.

GRAZING LEASE APPLICATION KMH
bp

Grazing Lease Appl. No. 20862) Upon recommendation of Mr. Kurt M. Higgins, the
Brantley L. Baird) Director approved this application for grazing
P.O. Box 224) lease to Brantley L. Baird at a rental of .07¢
Joseph City, Arizona 86032) per acre per annum for 10½ years, beginning
623.48 acres.)) July 1, 1976. (All Sec. 16, T37S, R22E, SLM.,

TIMBER SALES KMH
bp

Timber Lease Appl. No. 484) Bruce Roberts, 462 Oak Avenue, Ogden, Utah 84404,
) has submitted an application for 268 live aspen
saplings at \$1.00 per tree, 4 to 7 feet in height. The sum of \$273.00 has been
submitted to cover the aspen and the application fee, and an additional \$26.00
administrative fee. The trees are to be taken from Township 26 South, Range 25
East, Sections 34 and 35 on or before December 31, 1976. Upon recommendation of
Mr. Kurt M. Higgins and Paul L. Sjoblom, the Director approved this application.

Timber Lease Appl. No. 485) Basil Combe, 6484 South 2000 East, Ogden, Ut 84403,
) has submitted and application for 268 live aspen
saplings at \$1.00 per tree, 4 to 7 feet in height. The sum of \$273.00 has been
submitted to cover the aspen and the application fee, and an additional \$26.00
administrative fee. The trees are to be taken from Township 26 South, Range 25
East, Sections 34 and 35 on or before December 31, 1976. Upon recommendation of
Mr. Kurt M. Higgins and Paul L. Sjoblom, the Director approved this application.

BOND NUMBER 202E6209
Corporate Surety Bond

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Western States Coal Corporation, as principal and The Travelers Indemnity Company the State of Conn. as surety, are held and firmly bound unto the State of Utah in the sum of TWENTY FIVE THOUSAND AND NO/100- - - - - Dollars (\$25,000.00-) lawful money of the United States to be paid to the State Land Board, as agent for the State of Utah, for the use and benefit of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described lease heretofore sold or which may hereafter be sold with a reservation of the minerals to the State of Utah, on the surface or of other mineral deposits of any portion of such lands, for which payment, will and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators, successors, and assigns, jointly and severally by these presents.

Signed with our hands and seals this sixth day of August in the year of our Lord, Nineteen hundred and seventy six.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued an coal lease, Lease Number See Attachment, and dated See Attachment to See Attachment as lessee (and said lease has been duly assigned under date of March 31, 1976 to Western States Coal Corporation - Denver, CO.) to drill for, mine, extract and remove all of the coal deposits in and under the following described lands to-wit:

See Attachment

NOW, THEREFORE, if said principal shall pay all moneys, rentals and royalties accruing to the lessor under the terms of the above described lease, and shall fully comply with all other terms and conditions of said lease, the rules and regulations relating thereto established by the State Land Board, and the rules and regulations governing operating procedures, abandonment, and conservations practices promulgated by the Utah State Oil and Gas Conservation Commission as they now exist or may from time to time be modified or amended, and shall pay all damages to the surface and improvements thereon, then the above obligation shall be void and of no effect, otherwise to remain in full force and effect.

Signed, sealed and delivered in the presence of

Patricia Muelser
Witness

Patricia Keyes
Witness

Countersigned by:
John L. Knight
John L. Knight, Utah Resident Agent
136 East So. Temple Street
Salt Lake City, Utah 84111

Approved as to form and execution:
VERNON B. ROMNEY, Attorney General

WESTERN STATES COAL CORPORATION

By: H.A. Beltz (SEAL)
Principal H.A. BELTZ
Vice Pres. & Secy.

BONDING COMPANY - THE TRAVELERS INDEMNITY COMP.
BY Steven L. Wilkens
Steven L. Wilkens, Attorney-in-Fact

Attest: Marcia Schuster
Resident Agent: State of Minnesota

Bonding Co. Address: 500 IDS Center
Minneapolis, Minnesota
Corporate Seal of Bonding Company must be affixed.

Western States Coal Corporation

Attachments:

Lease Numbers	Dated	Lessee
ML 1003	2/19/42	H. G. Campbell, Salina, Utah
ML 17687	3/30/59	Paul Anderson, Salina, Utah
ML 18783	3/21/61	Boyd Paul Anderson, Salina, Utah
ML 19231	3/9/62	Salina Coal & Trucking Co., Salina, Utah
SL 062712	5/27/41	H. G. Campbell, Salina, Utah

Land described as:

ML 1003 - SW1/4NE1/4 of Section 32, Township 23 South, Range 6 East, S.L.M. containing 40 acres more or less.-

ML 17687 N1/2NE1/4 and the SE1/4NE1/4 of Section 32, Township 23 South, Range 6 East, S.L.M, containing 120 acres, more or less.

ML 18783 E1/2 of SE1/4 and the SW1/4SE1/4 of Section 32, Township 23 South, Range 6 East, S.L.M. containing 120 acres, more or less.

ML 19231 E1/2SW1/4 and SW1/4SW1/4 of Section 32, Township 23 South, Range 6 East, S.L.M., containing 120 acres, more or less.

SL 062712 NW1/4SE1/4 of Section 32, Township 23 South, Range 6 East, S.L.M., containing 40 acres, more or less.

CORPORATION ACKNOWLEDGMENT

STATE OF Minnesota)
)ss:
COUNTY OF Hennepin)

On this 6th day of August, in the year 1976, before me personally came H. A. Beltz to me known, who, being by me duly sworn, did depose and say that he resides in Minneapolis, Minn. Secy. and V.P. of the Western States Coal Corporation the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; and that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name thereto by like order.



Mary Lane Lively
Notary Public

Acknowledgment of Principal

Secretary or any Department Secretary may appoint attorneys-in-fact or agents with power and authority, as defined or limited in their respective powers of attorney, for and on behalf of the Company to execute and deliver, and affix the seal of the Company thereto, bonds, undertakings, recognizances, consents of surety or other written obligations in the nature thereof and any of said officers may remove any such attorney-in-fact or agent and revoke the power and authority given to him.

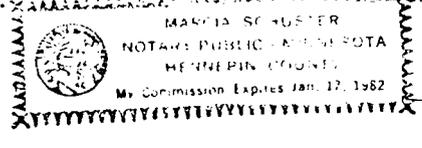
ARTICLE IV, SECTION 15. Any bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and duly attested and sealed, if a seal is required, by any Secretary or any Department Secretary or any Assistant Secretary or when signed by the Chairman of the Board, the President, the Chairman of the Finance Committee, any Executive Vice President, any Senior Vice President, any Vice President or any Second Vice President and countersigned and sealed, if a seal is required, by a duly authorized attorney-in-fact or agent; and any such bond, undertaking, recognizance, consent of surety or written obligation in the nature thereof shall be valid and binding upon the Company when duly executed and sealed, if a seal is required, by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority granted by his or their power or powers of attorney.

This power of attorney is signed and sealed by facsimile under and by the authority of the following Resolution of THE TRAVELERS INDEMNITY COMPANY at a meeting duly called

State of MINNESOTA
County of HENNEPIN } ss.

On this sixth day of August, 1976, before me personally came Steven L. Wilkens

to me known, who being by me duly sworn, did depose and say: that he is Attorney(s)-in-Fact of The Travelers Indemnity Company, the Corporation described in and which executed the foregoing instrument; that he know(s) the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority granted to him in accordance with the By-Laws of the said Corporation, and that he signed his name thereto by like authority.



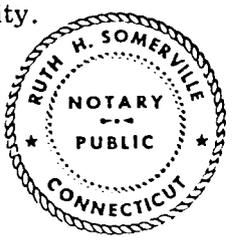
Marcia Schuster
(Notary Public)

5-498 Rev. 2-53 PRINTED IN U.S.A.

My commission expires

State of Connecticut, County of Hartford—ss:

On this 25th day of June in the year 1976 before me personally came D. J. Nash to me known, who, being by me duly sworn, did depose and say: that he resides in the State of Connecticut; that he is Secretary (Surety) of THE TRAVELERS INDEMNITY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of his office under the by-laws of said corporation, and that he signed his name thereto by like authority.



Ruth H. Somerville
Notary Public

My commission expires April 1, 1979
Hartford County

5-1869 REV. 7-73 PRINTED IN U.S.A.

(Over)

*Unlimited as to character and amount.

8/8/77

Page No. Twenty

PARTIAL CANCELLATIONS OF OIL, GAS AND HYDROCARBON LEASES AND REFUND OF RENTALS ON DELETED PORTIONS - ML 31453 and ML 31442

It has recently come to our attention that certain lands in Rich County, Utah, were entered on our mineral plats by error. The lands are Tract 38 and Tract 58 of T9N, R5E, SLM. (80.00) which are leased to A.A. Minerals Corp., 1107 Deseret Bldg., S.L.C., Utah, under ML 31453; and Tract 37 of T9N, R5E, SLM., (40.00 acres) which is leased to Impel Corp., 716 Metro Bank Bldg., 425-17th Street, Denver, Colorado, under ML 31442.

These above-numbered tracts were sold by the State under Certificate of Sale 7606 and the State did not reserve the minerals.

Therefore, these lands should be deleted from ML 31453 and ML 31442. The rentals paid on these lands should be refunded to the respective lessees.

In addition, there should be a further correction of the acreage total on ML 31442. After checking with the Bureau of Land Management we have been informed that Tract 39 in T9N, R5E, SLM., contains only 640.00 acres rather than the 735.34 acres shown on the lease application. This will result in the reduction of 95.34 acres from ML 31442. The rental paid on this acreage should also be refunded to the lessee.

After these corrections, the lease description on ML 31453 should read as follows: Lots 2,3 Sec. 12; and Tract 57, T9N, R5E, SLM., 121.16 acres. The lease description on ML 31442 should read: Tract 39; Lot 10 Sec. 5; Lot 5, Sec. 8; Lots 4-7, Sec. 9; Lot 6, Sec. 29; Tract 47, in Sec. 36; T9N, R5E, SLM., 1058.13 acres.

Upon recommendation of Mr. Prince, the Director approved the partial cancellations and refunds of these leases.

APPROVAL OF BOND FOR DOG VALLEY STRIP COAL MINE

Western States Coal Corporation has submitted a surety bond in the amount of \$100,000 to cover its mining operations under coal leases ML 1003, ML 17687, ML 19231 and SL 062712, ML 18738 collectively known as the Dog Valley Strip Coal Mine. The bond has Western States Coal Corporation as principal and The Travelers Indemnity Company as surety. The bond is Numbered 20274265. It will serve as a general performance bond, including compliance with the Mined Land Reclamation Act of 1975.

The bond is in order and I recommend it be accepted. It should be filed in the case file for ML 1003.

Upon recommendation of Mr. Prince, the Director approved the bond.

APPROVAL OF EXPLORATION BOND - ML25645 and ML 27920 (Coal)

Marad Exploration Corporation has submitted a surety bond in the amount of \$2,000 to cover its exploratory drilling operations under ML 25645 and ML 27920 (Coal). The bond has Marad Exploration Corporation as principal and St. Paul Fire and Marine Insurance Co. as surety. The bond is numbered 400-EN-5678.

Upon recommendation of Mr. Prince, the Director approved the bond.

8/8/77 ns

Page No. Twenty