

0007



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

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

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

April 19, 2000

Al Cerny  
Western States Minerals Corporation  
4975 Van Gordon Street  
Wheat Ridge, CO 80033

Re: Original Seaboard Surety Bond #1044570, J.B. King Mine, Western States Minerals Corporation, REL/015/002, Outgoing File

Phase III bond release was approved for the J.B. King Mine on March 24, 2000.  
Enclosed please find the original bond for the J.B. King Mine.

If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig  
Permit Supervisor

sm  
Enclosure:  
O:\015002.JBK\BOND\pglorigbndltr.wpd

Bond Number 104570  
Permit Number INA / 015 / 002

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND  
\*\*\*\*\*

The undersigned WESTERN STATES MINERALS CORPORATION  
as principal, and SEABOARD SURETY COMPANY as  
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 in the penal sum of ONE HUNDRED TWENTY SIX THOUSAND SEVENTY EIGHT  
AND NO/100 - - - -dollars (\$ 126,078.00 ).

The principal estimated in the Mining and Reclamation Plan filed with the  
Division of Oil, Gas and Mining on the 13<sup>th</sup> day of August  
19 85, that 28.2 acres of land will be disturbed  
by this mining operation in the State of Utah. A description of the disturbed  
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect until the reclamation  
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a  
piecemeal or cyclic basis, and the land is reclaimed in accordance with such  
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area  
of the land affected or increased reclamation work, then this bond may  
accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is  
noncancellable by the surety at any time for any reason including, but not  
limited to nonpayment of premium or bankruptcy of the permittee during the  
period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by a duly authorized officer.

WESTERN STATES MINERALS CORPORATION  
Principal (Company)

By Arden B. Morrow  
Company Officer - Position  
Arden B. Morrow, President

Date: April 28, 1986

SEABOARD SURETY COMPANY  
Surety (Company)

By Timothy J. Wicker  
Surety Company Officer - Position  
Timothy J. Wicker, Attorney-in-Fact

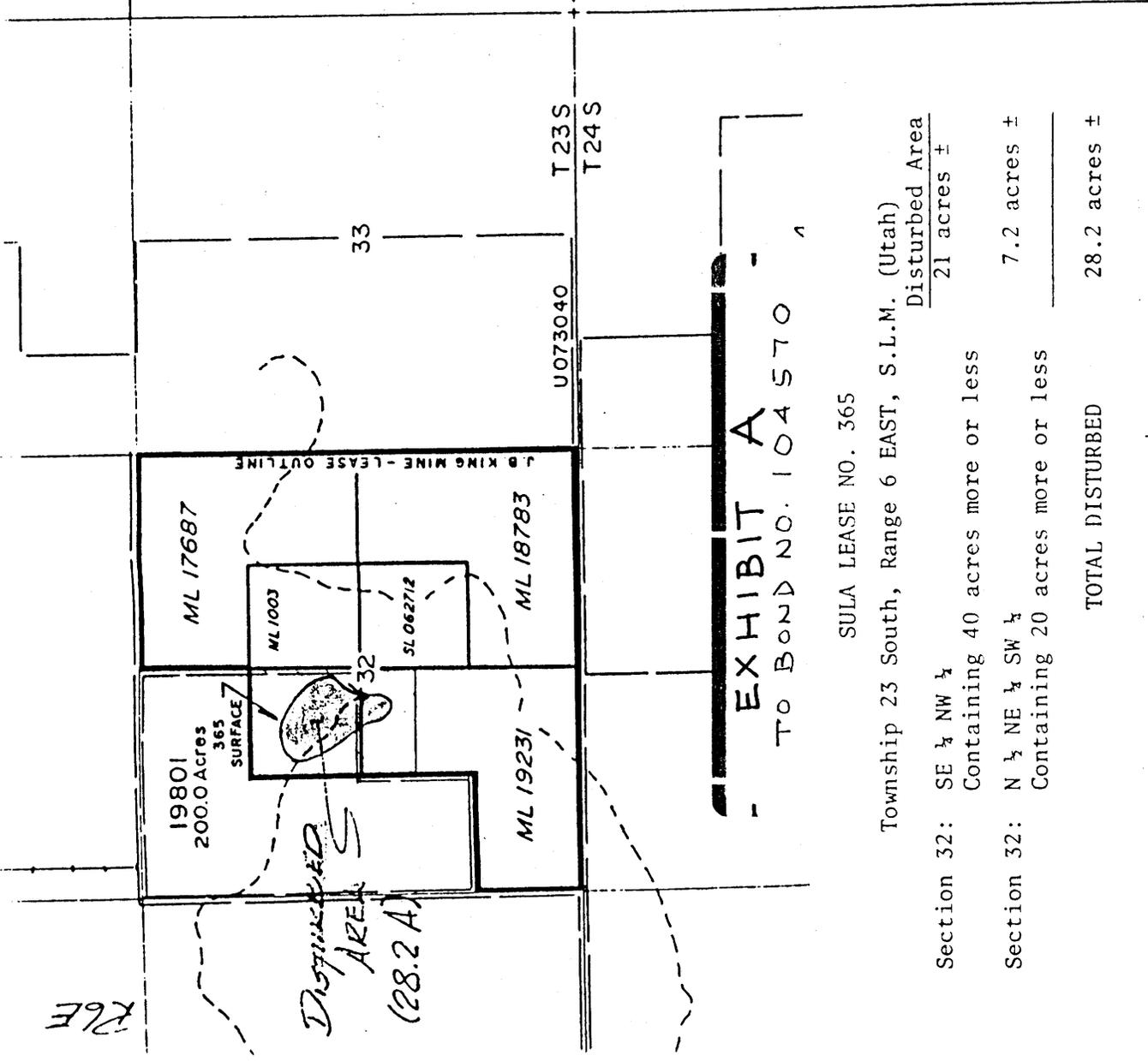
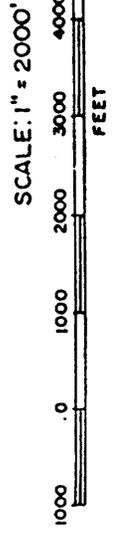
DATE: April 28, 1986

APPROVED AS TO FORM:

By Garland W. Roberts  
Assistant Attorney General

- 17687 - WESTERN STATES COAL CORP.  
STATE COAL LEASE - 120 ACRES
- 18783 - WESTERN STATES COAL CORP.  
STATE COAL LEASE - 120 ACRES
- 19231 - WESTERN STATES COAL CORP.  
STATE COAL LEASE - 120 ACRES
- SL062712 - WESTERN STATES COAL CORP.  
STATE COAL LEASE - 40 ACRES
- ML 1003 - WESTERN STATES COAL CORP.  
STATE COAL LEASE - 40 ACRES
- 365 - WESTERN STATES COAL CORP.  
SURFACE RIGHTS ONLY - 60 ACRES
- OTHER PROPERTIES
- 19801 - CONSOLIDATION COAL CO.  
STATE COAL LEASE
- U-073040 - CONSOLIDATION COAL CO.  
FEDERAL COAL LEASE
- U-073041 - CONSOLIDATION COAL CO.  
FEDERAL COAL LEASE

FEDERAL LEASE  
U-50046 - 748.49 ACRES



**EXHIBIT A**  
TO BOND NO. 104570

SULA LEASE NO. 365

Township 23 South, Range 6 East, S.L.M. (Utah)

- Section 32: SE 1/4 NW 1/4  
Containing 40 acres more or less  
Disturbed Area  
21 acres ±
- Section 32: N 1/2 NE 1/4 SW 1/4  
Containing 20 acres more or less  
7.2 acres ±
- TOTAL DISTURBED  
28.2 acres ±

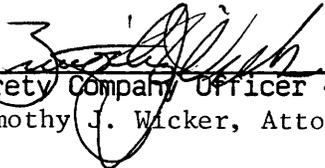
**WESTERN STATES MINERALS CORP.**

SCALE: 1" = 2000'  
APPROVED BY: L. G. M.  
DRAWN BY: [ ]  
REVISED: [ ]

073041

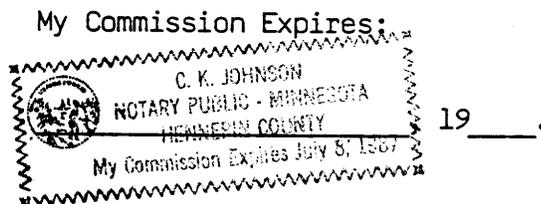
AFFIDAVIT OF QUALIFICATION

Timothy J. Wicker, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-in-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; 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.

(Signed) By   
Surety Company Officer - Position  
Timothy J. Wicker, Attorney-in-Fact

Subscribed and sworn to before me this 28th day of April, 1986.

  
Notary Public



Certified Copy

# SEABOARD SURETY COMPANY

No. 1525

New York, New York

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint Timothy J. Wicker or Dennis J. Wilder or Sharon Albrecht or Thomas H. Quill

of Minneapolis, Minnesota

its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations.

Such insurance policies, surety bonds, undertakings and instruments for said purposes, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if signed by the duly authorized officers of the Company and sealed with its corporate seal, and all the acts of said Attorney-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed.

This appointment is made pursuant to the following By-Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, with Amendments to and including January 15, 1982 and are still in full force and effect:

### ARTICLE VII, SECTION 1:

"Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto. Insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting undertakings of the Company, and releases, agreements and other writings relating in any way thereto or to any claim or loss thereunder, shall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President, a Vice-President or a Resident Vice-President and by the Secretary, an Assistant Secretary, a Resident Secretary or a Resident Assistant Secretary; or (b) by an Attorney-in-Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice-President to make such signature; or (c) by such other officers or representatives as the Board may from time to time determine.

The seal of the Company shall if appropriate be affixed thereto by any such officer, Attorney-in-Fact or representative."

IN WITNESS WHEREOF, SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 3rd day of May, 1985.



Attest: *Margaret Lofield*  
Assistant Secretary

SEABOARD SURETY COMPANY,  
By *Thomas P. Gorke*  
Vice-President

STATE OF NEW YORK  
COUNTY OF NEW YORK

ss:

On this 3rd day of May, 1985, before me personally appeared Thomas P. Gorke a Vice-President of SEABOARD SURETY COMPANY,

with whom I am personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey; that he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of said Company by like authority.



SAMUEL C. SIMMONS  
Notary Public, State of New York  
No. 41-9010912  
Qualified in Queens County  
Certificate Filed in New York County  
Certificate expires March 30, 1986

*Samuel C. Simmons*  
Notary Public

### CERTIFICATE

I, the undersigned Assistant Secretary of SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this Certificate and I do further certify that the Vice-President who executed the said Power of Attorney was one of the Officers authorized by the Board of Directors to appoint an attorney-in-fact as provided in Article VII, Section 1, of the By-Laws of SEABOARD SURETY COMPANY.

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD SURETY COMPANY at a meeting duly called and held on the 25th day of March 1970.

"RESOLVED: (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President or a Vice-President pursuant to Article VII, Section 1, of the By-Laws appointing and authorizing an attorney-in-fact to sign in the name and on behalf of the Company surety bonds, underwriting undertakings or other instruments described in said Article VII, Section 1, with like effect as if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company to these presents this 28th day of April, 1986



*April P. DeWitt*  
Assistant Secretary

File ACT/UT 002  
Copy to PAM  
Rec'd 1-14-85

(Revised December 1984)  
(Non-Federal)

Bond Number 350 6441  
Permit Number ACT 015 002 #2

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND  
\*\*\*\*\*

The undersigned WESTERN STATES MINERALS CORPORATION  
as principal, and THE AMERICAN INSURANCE COMPANY as  
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 in the penal sum of TWO HUNDRED NINE-TWO THOUSAND FIVE HUNDRED SEVENTY-  
SEVEN AND NO/100 dollars (\$ ---292,577.00---).

The principal estimated in the Mining and Reclamation Plan filed with the  
Division of Oil, Gas and Mining on the SEVENTH day of JANUARY  
19 85, that 28 acres of land will be disturbed  
by this mining operation in the State of Utah. A description of the disturbed  
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily  
reclaimed the above-mentioned lands affected by mining in accordance with the  
approved Mining and Reclamation Plan and has faithfully performed all  
requirements of the Mined Land Reclamation Act, and complied with the Rules  
and Regulations adopted in accordance therewith, then this obligation shall be  
void; otherwise it shall remain in full force and effect until the reclamation  
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a  
piecemeal or cyclic basis, and the land is reclaimed in accordance with such  
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area  
of the land affected or increased reclamation work, then this bond may  
accordingly be increased with the written approval of the surety company.

The Division shall only accept the bond of a surety company if the bond is  
noncancellable by the surety at any time for any reason including, but not  
limited to nonpayment of premium or bankruptcy of the permittee during the  
period of liability.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

WESTERN STATES MINERALS CORPORATION  
Principal (Company)

By *W. Seize* *Asst. Secy*  
Company Official - Position

Date: JANUARY 7, 1985

THE AMERICAN INSURANCE COMPANY  
Surety (Company)

By *Gordon C. Moore*  
Official of Surety - Position  
GORDON C. MOORE, ATTORNEY IN FACT

DATE: JANUARY 7, 1985

APPROVED AS TO FORM:

By Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

M.P.Teige, being first duly sworn, on oath deposes and says that ~~she~~ is the (officer or agency) Western States Minerals Corporation of said Company, and that ~~she~~ is duly authorized to execute and deliver the foregoing obligations; that said 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.

(Signed) *M.P. Teige*

Subscribed and sworn to before me this 11th day of January, 1985.

*Mary Lane Lively*  
Notary Public

My Commission Expires:



, 19    .

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 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 18th day of June, 1984.



THE AMERICAN INSURANCE COMPANY

Richard Williams

By Vice-President

STATE OF CALIFORNIA,

} ss.

CITY AND COUNTY OF SAN FRANCISCO

On this 18th day of June, 1984, 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,

} ss.

CITY AND COUNTY OF SAN FRANCISCO

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 SEVENTH day of JANUARY, 1985.



Loretta E. Prusky

Resident Assistant Secretary