

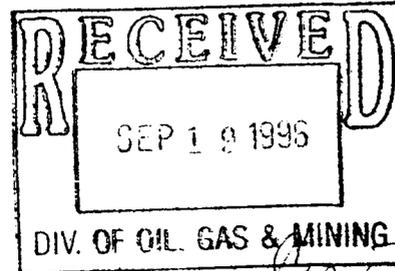
0007



Consolidation Coal Company
Western/Non Mining Operations
Post Office Box 566
Sesser, Illinois 62884

September 16, 1996

Mr. James W. Carter, Director
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801



renewal for file Bill M FAX (all)

Dear Mr. Carter:

Copy ACT/015/007 #2

Please accept this letter as an application for Permit Renewal of Permit Number ACT/015/007 at Consolidation Coal Company's, Hidden Valley Mine. Consolidation Coal requests that the permit be renewed for a five (5) year period from January 29, 1997 to January 29, 2002. This application is being filed under the guidelines of R645-303-230 of the Coal Mining Rules for the State of Utah.

The following information is included as part of our application:

Original sent to fireproof file

1. Certificate of Liability Insurance.
2. Letter from Sedgwick James of Tennessee that says Seaboard Surety Company, Bond No. 331474 will remain in effect for the renewal term. Based on the Reclamation Agreement and this letter, Bond No 331474 will remain in effect for the operation and will continue in full force and effect for any renewal requested, and any additional bond required by the Division pursuant to R645-301-800.
3. Application for Permit Change (Form DOGM-C1).
 - A. To reflect appropriate changes in narrative from Hidden Valley Coal Company and/or Soldier Creek Coal Company to Consolidation Coal Company.

Modification in the narrative is required to reflect the Permit Transfer of ACT/015/007 from Hidden Valley Coal to Consolidation Coal Company. Title boxes on maps and figures have also been updated to reflect this transfer.

- B. To remove Dissolved Oxygen as a monitoring parameter for surface water.

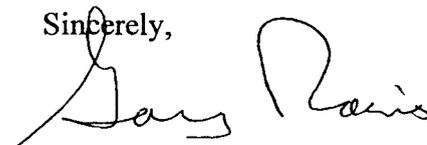
This site has no sewage treatment discharge and all exposed coal within the disturbed boundary of the Hidden Valley mine site is covered with suitable plant growth material. Review of the following Dissolved Oxygen measurements taken from 1990 thru 1995 shows consistent measurements with the downstream samples:

Sample Date	Upstream Dissolved Oxygen (mg/l)	Downstream Dissolved Oxygen (mg/l)
10-29-95	9.0	7.8
5-16-95	error in measurement	7.9
9-27-94	no sample	no sample
5-19-94	8.5	8.5
9-20-93	9.1	9.1
5-25-93	instrument malfunction	8.8
9-24-92	7.8	7.7
5-12-92	7.8	7.6
9-25-91	7.5	7.5
6-7-91	7.3	7.3
9-22-90	7.8	7.8
5-22-90	7.9	7.9

Upon written notification from the Division of Oil, Gas and Mining that the application is complete, Consolidation Coal Company will go on with the public notice according to R645-303-232.240 and R645-303-232.300.

If you have any questions concerning the completeness of this request, please contact Mr. Timothy Kirschbaum (618)-625-6847 in this office.

Sincerely,



Gary Raines

Manager - Reclamation

Western/Non Mining Operations

CERTIFICATE OF LIABILITY INSURANCE

Issued To:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
-ooOOoo-

THIS IS TO CERTIFY THAT:

Lumbermens Mutual Casualty Company

(Name of Insurance Company)

Long Grove, IL 60049

(Home Office Address of Insurance Company)

HAS ISSUED TO:

Consolidation Coal Company

(Name of Permittee)

Hidden Valley Mine

(Mine Name)

ACT - 015/007

(Permit Number)

CERTIFICATE OF INSURANCE:

5YL 945 444

(Policy Number)

1/01/95 - 1/01/96

(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per R645-301-890 Terms and Conditions for Liability Insurance:

- A. The DIVISION shall require the PERMITTEE to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

CERTIFICATE OF LIABILITY INSURANCE

- C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

Mike Brundage (Agent's Name) 908-522-4461 (Phone)
The Kemper Group (Company Name)
25 DeForest Avenue (Mailing Address) Summit, NJ 07901 (City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his/her knowledge and belief, and that he/she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

Handwritten signature and date 7/18/95, Underwriter/Account Executive. (Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by Mike Brundage

this 18th day of July, 19 95

Handwritten signature of Notary Public, Georgina DiCataldo (Signature)

My Commission Expires: NOTARY PUBLIC OF NEW JERSEY My Commission Expires Dec. 5, 1999 (Date)

The St Paul SEABOARD

St. Paul / Seaboard
215 Centerview Drive, Suite 300
Brentwood, Tennessee 37027-5246

615 377 4684
Fax 615 377 4692

September 9, 1996

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

RECEIVED

SEP 12 1996

CONSOLIDATION COAL COMPANY
ENGINEERING DEPT.

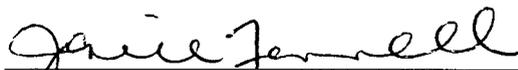
Gentlemen:

The Surety Performance Bond No. 331474 written by Seaboard Surety Company in the amount of \$90,758.00 covering Permit No. ACT/015/007, with Consolidation Coal Company, as principal, will remain in force for the duration of the permit term.

It is agreed and understood that the referenced bond is not cumulative in nature, regardless of the number of years it may remain in effect. It is further agreed and understood that the Surety does not waive any rights or remedies under law by the issuance of this letter.

SEABOARD SURETY COMPANY

By:



Janice Fennell, Attorney-In-Fact

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Mercury Insurance Company
St. Paul Guardian Insurance Company

Certified Copy

2R-0941

SEABOARD SURETY COMPANY

No. 13250

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY
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 Richard G. Anderson or Richard C. Rose or Janice Fennell or Frank A. Word, Jr. or Tracy Tucker

of Knoxville, Tennessee
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 5th day of April, 1995



Attest:

(Seal) *A. Lynn M. Fuller*
Assistant Secretary

SEABOARD SURETY COMPANY,

By *Michael B. Keegan*
Vice-President

STATE OF NEW JERSEY ss.:
COUNTY OF SOMERSET

On this 5th day of April, 1995, before me personally appeared Michael B. Keegan

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.



BELINDA FAYE LEE
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Sept. 9, 1998

Belinda Faye Lee
Notary Public

C E R T I F I C A T E

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 9th day of SEPTEMBER, 1996



Sara K. Klement
Assistant Secretary

Form 957 (Rev. 7/84)