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CONSOLENERGY™

Consolidation Coal Company
P.O. Box 566
Sesser, IL 62884
(618) 625-2041

July 23, 2004

Mr. Lowell Braxton, Director
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Fireproof
C/015/0015 ✓

Re: Emery Deep Mine Permit C/015/015
Amendment to MRP per Mid Term review (bond calculations)
Exhibit "D" (bond reduction rider)

Dear Mr. Braxton:

Enclosed please find a signed Exhibit D and accompanying bond reduction rider per you approved amendment.

If you have any questions concerning this request, please call me at (618) 625-6850.

Sincerely,

John Gefferth

John Gefferth
Permit Coordinator

New bond amount approved on 12/22/03

- Removed prep plant
- Removed refuse/slurry pond
- More precise reclamation costs.
- Instigated by permit transfer that did not happen.

JAG/jag em.mrpamnd.bndreduc.doc

RECEIVED
JUL 27 2004
DIV. OF OIL, GAS & MINING

EXHIBIT "D"

Stipulation to Revise Reclamation Agreement (Federal)

Exhibit "D"
Stipulation to Revise
Reclamation Agreement
Federal

Permit Number: ___C/015/0015_
Effective Date: _____12/22/03__
Bond Number: ___ _____ _

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

_____ Replace the Reclamation agreement in its entirety.

_____ Replace Exhibit "A"- bonded area.

X_____ Replace Exhibit "B"- bonding agreement

_____ Replace Exhibit "C"- liability insurance

The bonding amount is revised from $3,454,443____ to $2,208,000 .

The bonding type is changed from _____ to _____.

The surface disturbance is revised from _____ acre to _____ acres.

The expiration date is revised from _____ to _____.

The liability insurance carrier is changed from _____ to _____.

The amount of insurance coverage for bodily injury and property damage is changed from

$_____ to $_____.

Exhibit "D"
Stipulation to Revise
Reclamation Agreement
Federal

IN WITNESS WHEREOF, Consolidation Coal Company the **PERMITTEE** has hereunto set its signature and seal this 23RD day of July, 2004.

Consolidation Coal Company
PERMITTEE

By: Jonathan M Paulter

Title: Manager, Environmental Permitting

ACCEPTED BY THE STATE OF UTAH this 28 day of July, 2004.

Lowell P Braxton
Director,
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where on signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

RIDER

To be attached to Bond No. [redacted] issued by

SEABOARD SURETY COMPANY,

(As Surety) in the amount of Three Million Four Hundred Fifty Four Thousand Four Hundred Forty Three and 00/100 - - -

The St Paul

POWER OF ATTORNEY

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

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 24203 **Certificate No.** 2058419

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin *(herein collectively called the "Companies")*, and that the Companies do hereby make, constitute and appoint

Joseph R. Poplawski, Joy M. Williams, Elizabeth A. Hartzberg and Debra Elaine Clark

of the City of Knoxville, State Tennessee, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 3rd day of March, 2004.

WARNING THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

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

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

PETER W. CARMAN, Vice President

Thomas E. Huibregtse

THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland
City of Baltimore

On this 3rd day of March, 2004, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huibregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 1st day of July, 2006.

REBECCA EASLEY-ONOKALA NOTARY PUBLIC BALTIMORE CITY MD

Rebecca Easley-Onokala

REBECCA EASLEY-ONOKALA, Notary Public

St Paul Surety

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

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Medical Liability Insurance Company

Bond No.

RIDER CONTAINING DISCLOSURE NOTICE OF TERRORISM COVERAGE

This disclosure notice is required by the Terrorism Risk Insurance Act of 2002 (the "Act"). No action is required on your part. This Disclosure Notice is incorporated in and a part of the attached bond, and is effective the date of the bond.

You should know that, effective November 26, 2002, any losses covered by the attached bond that are caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by the Act. Under this formula, the United States reimburses 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

Under the Act, there is a cap on our liability to pay for covered terrorism losses if the aggregate amount of insured losses under the Act exceeds $100,000,000,000 during the applicable period for all insureds and all insurers combined. In that case, we will not be liable for the payment of any amount which exceeds that aggregate amount of $100,000,000,000.

The portion of your premium that is attributable to coverage for acts of terrorism is **$0.00**.

IMPORTANT NOTE: THE COST OF TERRORISM COVERAGE IS SUBJECT TO CHANGE ON ANY BONDS THAT PREMIUM IS CHARGED ANNUALLY.