

0010

CO-OP MINING COMPANY

P.O. Box 1245
Huntington, Utah 84528.



File fireproof file

Copy to

(801) 381-5238

Coal Sales (801) 381-5777

ACT/015/025 #4

January 14, 1993

Lowell Braxton
Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Mr. Braxton,

RE: Updated Coal Reclamation, Bear Canyon Mine, Co-Op Mining Company, ACT/015/025. Emery County, Utah

Enclosed is the updated Coal Reclamation Agreement which Dianne requested December 10, 1992. If you have any questions, please call me.

Thank You,

Wendell Owen

Wendell Owen
Resident Agent

WJO
CR
ENCLOSURE(S)

RECEIVED

JAN 19 1993

DIVISION OF
OIL, GAS & MINING

Updated April 1992

RECLAMATION AGREEMENT

(COAL)

CONTENTS:

RECLAMATION AGREEMENT

EXHIBIT "A"
PERMIT AREA

EXHIBIT "B"
BONDING AGREEMENT
SURETY BOND
COLLATERAL BOND
IRREVOCABLE LETTER OF CREDIT
ASSIGNMENT OF CERTIFICATE OF DEPOSIT

EXHIBIT "C"
LIABILITY INSURANCE

EXHIBIT "D"
STIPULATION TO REVISE RECLAMATION AGREEMENT

AFFIDAVITS OF QUALIFICATION

POWER OF ATTORNEY

Permit Number: ACT/015/025
Date Original Permit Issued: 10/85
Effective Date of Agreement: _____

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

COAL RECLAMATION AGREEMENT

--oo00oo--

For the purposes of this RECLAMATION AGREEMENT the terms below are defined as follows:

"PERMIT": (Mine Permit No.) ACT/015/025 (County) Emery

"MINE": (Name of Mine) Bear Canyon Mine

"OPERATOR": Co-Op Mining Company

"PERMITTEE": (Company or Name) Co-Op Mining Company
(Address) 53 West Angelo Avenue
Salt Lake City, Utah 84115

"PERMITTEE'S REGISTERED AGENT": (Name) Mr. Wendell Owen
(Address) P.O. Box 1245 Huntington, Utah 84528
(Phone) (801) 381-2450

"COMPANY OFFICERS": Earl W. Stoddard
D.J. Sanders
Jonn Gustafson

"BOND TYPE": (Form of Bond) Irrevocable Standby Letter of Credit
"BOND": (Bond Amount-Dollars) \$290,000 (two hundred ninety thousand)
(Escalated Year-Dollars) _____

"INSTITUTION": (Bank or Agency) Capitol City Bank

"POLICY OR ACCOUNT NUMBER": No. 1055

"LIABILITY INSURANCE": (Exp.) \$1,000,000 occurrence/\$2,000,000 aggregate
(Insurance Company) (exp 1/1/94) Homestead Insurance Co.

"STATE": Utah (Department of Natural Resources)

"DIVISION": Division of Oil, Gas and Mining

"DIVISION DIRECTOR": Dianne R. Nielson

EXHIBITS:

	Revision Dates
"PERMIT AREA"	Exhibit "A" _____
"BONDING AGREEMENT"	Exhibit "B" _____
"LIABILITY INSURANCE"	Exhibit "C" _____
"STIPULATION TO CHANGE BOND"	Exhibit "D" _____

RECLAMATION AGREEMENT

This RECLAMATION AGREEMENT, hereinafter "AGREEMENT", is entered into by the Permittee.

WHEREAS, on _____ (Date of Permit Approval), the Division of Oil, Gas and Mining approved the Permit Application Package, hereinafter "PAP", submitted by Co-Op Mining Company, hereinafter "PERMITTEE"; and

WHEREAS, the PAP, as amended or revised in conjunction with the Act and the Rules, constitutes the approved plan for reclamation of the Surface Disturbance; and

WHEREAS, in the conduct of reclamation operations within the Permit Area described in the PAP, the Permittee is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file and maintain with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Permittee is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division pursuant to applicable laws & regulations relating to the reclamation within the Permit Area.

NOW, THEREFORE, the Division and the Permittee agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supersede conflicting provisions of this Agreement.
2. The Permittee agrees to comply with all terms and provisions of the PAP, the Act and the Rules, including the reclamation of all areas disturbed by surface coal mining and reclamation operations despite the eventuality that the cost of actual reclamation exceeds the bond amount.
3. The Permittee agrees to provide a legal description of the Permit Area including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations within the Permit Area. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Permit Area".
4. The Permittee agrees to provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.

5. The Permittee agrees to maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
6. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
7. The Permittee does hereby agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Permittee or Permittee's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.
8. The terms and conditions of this Agreement are non-cancelable until such time as the Permittee has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules. Notwithstanding the above, the Division may direct, or the Permittee may request and the Division may approve, a written modification to this Agreement.
9. The Permittee may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
10. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D" (other exhibits as appropriate).
11. This Agreement shall be governed and construed in accordance with the laws of the state of Utah. The Permittee shall be liable for all reasonable costs incurred by the Division to enforce this agreement.
12. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Permittee's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

13. In the event of forfeiture, the Permittee agrees to be liable for additional costs in excess of the bond amount which may be incurred by the Division in order to comply with the PAP, the Act, and the Rules. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
14. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

SO AGREED this 13th day of January, 19 93

STATE OF UTAH:

Lowell P. Braxton

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

PERMITTEE:

Earl W. Stoddard

Company Officer - Position

Company Officer - Position

NOTE:

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

EXHIBIT "A"
PERMIT AREA
LEGAL DESCRIPTION

EXHIBIT "A"

PERMIT AREA

In accordance with the RECLAMATION AGREEMENT, the PERMITTEE intends to conduct coal mining and reclamation activities on or within the PERMIT AREA as described hereunder:

Total acres within the approved PERMIT AREA: 1092 acres

Total acres of proposed DISTURBED AREAS within the Permit Area: 23.54 acres

Map(s) showing the approved PERMIT AREA are attached and provided as:

CO-OP MINING COMPANY, PERMIT AREA, PLATE 2-1

Map(s) showing the proposed DISTURBED AREAS within the approved Permit Area are attached and provided as:

CO-OP MINING COMPANY, SURFACE FACILITIES PLATES 2-4A thru 2-4D

Legal Description of PERMIT AREA:

Township 16 South, Range 7 East, SLBM

Section 14: S1/2
Section 23: E1/2, E1/2 NW1/4, E1/2 SW1/4
Section 24: All land west of North-South Trending Bear Canyon Fault
Section 25: All land west of North-South Trending Bear Canyon Fault
Section 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4 NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1 of the Mining and Reclamation Plan

NOTE:

In the event that more than one bond is provided for the Permit Area, the Permittee must provide a map and legal description for each sub area of the Permit Area for which each bond is provided.

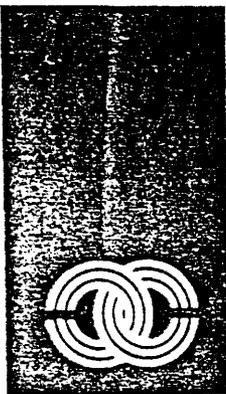
EXHIBIT "B"
BONDING AGREEMENT

Surety Bond

Collateral Bond

LETTER OF CREDIT

Previously submitted to the Division. See Capital City Bank form dated August 15, 1991. Copy attached.



Capital City BANK

REPLACEMENT

REPLACEMENT

REPLACEMENT

Department of Natural Resources
Division of Oil, Gas and Mining
Att: Pamela Grubaugh-Littig
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203

Date: August 15, 1991

IRREVOCABLE STANDBY LETTER OF CREDIT
No. 1055 Page 1 of 2

DATE, PLACE OF EXPIRY-July 12, 1992
at Capital City Bank, 2200 South
State, Salt Lake City, Utah

PERMIT NO. ACT-015-025

C.W. MINING COMPANY aka
Co-op Mining Company
53 West Angelo Avenue
Salt Lake City, Utah 84115

MINE NAME: C.W. MINING COMPANY

AMOUNT: US \$290,000.00
TWO HUNDRED AND NINETY THOUSAND AND
NO/100

Gentlemen:

On behalf of C.W. MINING COMPANY aka CO-OP MINING COMPANY, we hereby establish our Irrevocable Letter of Credit in your favor, payable in part or full to the State of Utah, Division of Oil, Gas and Mining, available by your draft(s) in an amount not to exceed \$290,000.00. Upon receipt of a written demand by the Division of Oil, Gas and Mining (DOGM) pursuant to R614-301-880,900, because of any violation of the surface mining control and reclamation act, the regulatory program, the permit and the reclamation plan.

This Letter of Credit is effective August 15, 1991 and will expire at the close of business on July 12, 1992; however, this credit will automatically be extended for periods of one year from any scheduled expiration date (as originally scheduled or automatically extended) unless ninety (90) days prior to such date we notify you in writing by certified mail, return receipt requested, that we elect not to renew this letter of credit for such additional period.

(801) 486-4800

2200 South State Street
Salt Lake City, Utah 84115

4900 South Highland Drive
Salt Lake City, Utah 84117

400 South State Street
Salt Lake City, Utah 84111

3712 West 3500 South
West Valley City, Utah 84120

1153 East 3900 South
Salt Lake City, Utah 84124

515 South 700 East
Salt Lake City, Utah 84102

Department of Natural Resources
Division of Oil, Gas and Mining
August 15, 1991

Page 2 of 2

Upon receipt by you of such notice, you may draw on us at sight for the amount of this Letter of Credit beginning 30 days or less prior to the then applicable expiration date, accompanied by a statement signed by DOGM's Bond Approving Officer certifying that the amount of the drawing represents funds due DOGM because the permittee has failed to replace this Letter of Credit by other suitable bond pursuant to R614-301-860.222 and R614-301-870.

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without the written consent of DOGM.

We will give prompt notice to the permittee and to DOGM's Bond Approving Officer of any notice received or action field alleging the insolvency or bankruptcy of the bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter or license to do business.

In the event the bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to the permittee and to DOGM's Bond Approving Officer.

IN WITNESS WHEREOF, the Bank has hereunto set its signature this 15th day of August, 1991.

CAPITAL CITY BANK

x Barbara S. Losse for Dan J. Bradshaw
Barbara S. Losse for Dan J. Bradshaw

THIS IS OPERATIVE DOCUMENT

EXHIBIT "C"
LIABILITY INSURANCE

CERTIFICATE OF LIABILITY INSURANCE

Previously submitted to the Division. See Homestead
Certificate of Insurance dated 12/28/92. Copy attached.

PROD CERTIFICATE OF INSURANCE

Date 12/28/92

PRODUCER
 LYONS AND ASSOCIATES
 5899 SOUTH STATE #1
 SALT LAKE CITY UT 84107-

Oper. ID ML

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

INSURED
 CO-OP MINING
 P.O. BOX 65809
 SALT LAKE CITY UT 84165
 ATTN: LESLIE MILLER (PROP. MANAGEMENT)

COMPANIES AFFORDING COVERAGE

- COMPANY LETTER A: HOMESTEAD INSURANCE
- COMPANY LETTER B:
- COMPANY LETTER C:
- COMPANY LETTER D:
- COMPANY LETTER E:

COVERAGES

This is to certify that policies of insurance listed below have been issued to the insured named above for the policy period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions, and conditions of such policies.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	EFF DATE	EXP DATE	ALL LIMITS IN THOUSANDS
A	GENERAL LIABILITY (X) COMMERCIAL GENERAL LIABILITY () CLAIMS MADE (X) OCCURRENCE () OWNER'S & CONTR. PROTECTIVE () ()	GLM10181	01/01/93	01/01/94	GENERAL AGGREGATE 2000 PRODUCTS-COMP/OPS AGGREGATE 1000 PERSONAL ADVERTISING INJURY EACH OCCURRENCE 1000 FIRE DAMAGE (ANY ONE FIRE) MED EXPENSE (ANY ONE PERSON)
	AUTOMOBILE LIABILITY () ANY AUTO () ALL OWNED AUTOS () CHECKED AUTOS () HIRED AUTOS () NON-OWNED AUTOS () GARAGE LIABILITY ()				CSL BODILY INJURY (PER PERSON) BODILY INJURY (PER ACCIDENT) PROPERTY DAMAGE
	EXCESS LIABILITY () UMBRELLA FORM () OTHER THAN UMBRELLA FORM				EACH OCCURRENCE AGGREGATE
	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY				STATUTORY (EACH ACCIDENT) (DISEASE-POLICY LIMIT) (DISEASE-EACH EMPLOYEE)
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS

BEAR CANYON MINE #ACT015025 NOTE: EXPLOSIVE DAMAGE IS COVERED
 TRAIL CANYON MINE #ACT015021
 TOTAL LIMIT IS \$1,000,000 OCCURRENCE/\$2,000,000 AGGREGATE

CERTIFICATE HOLDER

STATE OF UTAH, DIV/OIL & GAS
 LEON BRAXTON
 333 W. N. TEMPLE, 3 TRIAD CNTR
 SALT LAKE CITY UT 84180

CANCELLATION

Should any of the above described policies be cancelled before the expiration date thereof the issuing company will endeavor to mail 45 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

AUTHORIZED REPRESENTATIVE

Malcolm Lyons

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Permit Number: ACT/015/025
Effective Date: _____

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)

Irrevocable letter of credit now posted by Capitol City Bank
(previously Guardian State Bank)

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" - PERMIT AREA.

____ Replace Exhibit "B" - BONDING AGREEMENT.

____ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$ _____) to (\$ _____).

The BONDING Type is changed from _____ to _____.

The SURFACE DISTURBANCE is revised from 20.25 acres to 23.54 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 (\$ _____).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 13th day of January, 1993.

Co-op Mining Co.
PERMITTEE

By: Earl W. Stoddard

Title: President

ACCEPTED BY THE STATE OF UTAH
this 25 day of Jan, 1993.

Lawrence P. Braxton
Acting 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 one signs by virtue of Power of Attorney for 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.

**AFFIDAVITS
OF
QUALIFICATION**

AFFIDAVIT OF QUALIFICATION
ACTING DIRECTOR

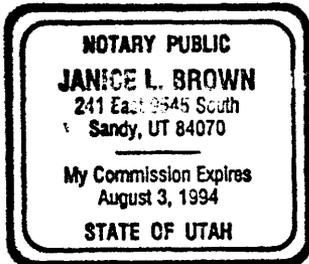
--ooOOoo--

Lowell P. Braxton, being first duly sworn under oath, deposes and says that he is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said ACTING DIRECTOR is authorized to execute the same by authority of law on behalf of the State of Utah.

(Signed) Lowell P. Braxton

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

Subscribed and sworn to before me this 33rd day of January, 19 93.



Janice L. Brown
Notary Public

My Commission Expires:

August 3, 19 94.

Attest:

STATE OF Utah)

COUNTY OF Salt Lake)

ss:

AFFIDAVIT OF QUALIFICATION
PERMITTEE
--ooOOoo--

I, Earl W Stoddard, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) President of Co-op Mining Co.; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said PERMITTEE is authorized to execute the same and has complied in all respects with the laws of Utah in reference to commitments, undertakings and obligations herein.

(Signed) Earl W. Stoddard

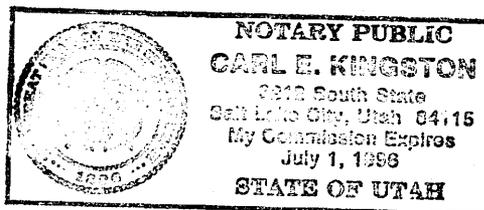
Name - Position

Subscribed and sworn to before me this 13 day of January, 19 93.

[Signature]
Notary Public

My Commission Expires:

7/1, 19 96.



Attest:

STATE OF Utah)

COUNTY OF Salt Lake) SS: