

Appendix 8-1

Bonding and Insurance

177pen 01A
May 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND #4689175
Annual Premium: \$3,350.00

Permit Number : ACT/015/032
Expiration Date: May 13, 1993

(FEDERAL COAL)
SURETY BOND

THIS SURETY BOND entered into and by and between the undersigned OPERATOR, and SURETY COMPANY, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns, unto the State of Utah, Division of Oil, Gas and Mining, and, the U. S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSMRE) in the penal sum of Two Hundred Sixty-Eight Thousand and no/100 dollars (\$268,000.00) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this reclamation agreement.

This SURETY BOND shall remain in effect until all applicable rules and the OPERATOR'S reclamation obligation have been met and released by the Division of Oil, Gas and Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B".

May 1990
Exhibit "B" - BONDING AGREEMENT
SURETY BOND

So agreed this 10th day of May, 1990.

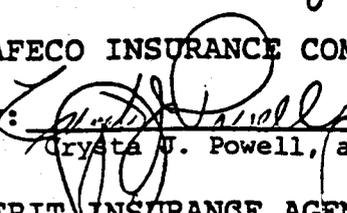
FOR THE OPERATOR:

GENWAL COAL COMPANY

by:  TREAS

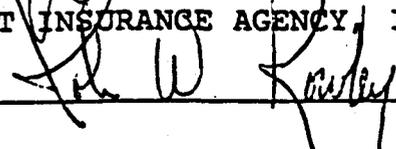
FOR THE SURETY:

SAFECO INSURANCE COMPANY OF AMERICA

by:  Crysta W. Powell, attorney-in-fact

COUNTERSIGNED FOR UTAH:

MERIT INSURANCE AGENCY, INC.

by: 

ACCEPTED BY THE STATE
OF UTAH:

by: _____

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.



No. 5182

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA, a Washington corporation, does hereby appoint

-----CRYSTA J. POWELL, Las Vegas, Nevada-----

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind SAFECO INSURANCE COMPANY OF AMERICA thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA has executed and attested these presents

this 22nd day of August, 19 88

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out, (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of SAFECO INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 10th day of May, 19 90

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form 3504-3
(September 1977)

BOND UNDER LEASE FOR
MINING Coal DEPOSITS

Bond Number

5838790

KNOW ALL MEN BY THESE PRESENTS, That **Gent Flying Enterprises**
of **P. O. Box 330, Honaker, Virginia** , as principal,
and **Northwestern National Insurance Company**
of **525 East 4500 South, Salt Lake City, Utah** . as surety:

are held and firmly bound unto the United States in the sum of **Five Thousand and No/100----** dollars
(\$ **5,000.00--**), lawful money of the United States, for the payment of which, well and truly to be made, we bind
ourselves, and each of us, and each of our heirs, executors, administrators, and successors, jointly and severally,
firmly by these presents.

The conditions of this obligation are such, that wherens the said principal entered into a lease of the lands described
therein and upon conditions therein expressed, which lease bears the above serial number.

NOW, THEREFORE, if the said principal, his heirs, executors, administrators, or successors, shall faithfully carry
out the obligations and observe the requirements of said lease, and shall duly keep, perform, and abide by each and
term and provision of said lease as therein stipulated and agreed, then this obligation shall be null and void;
otherwise to remain in full force and effect.

Signed on this **26th** day of **August** , 19 **80**, in the presence of:

(Signature of Witness)

(Signature of Principal)

(Address of Witness)

(Address of Principal)
Northwestern National Insurance Co.

(Signature of Witness)

(Signature of Surety) **Attorney-in-**
525 E. 4500 South **fact**
Salt Lake City, Utah
(Address of Surety)

(Address of Witness)

(Signature of Witness)

(Signature of Surety)

(Address of Witness)

(Address of Surety)

This form of bond may be used in connection with coal, phosphate, and uranium leases, Act of February 25, 1920, as amended
U.S.C. 181 et seq.; potassium leases, Act of February 7, 1927, as amended (30 U.S.C. 281 et seq.); sulphur leases, Act of
117, 1926, as amended (30 U.S.C. 271 et seq.); all such leases involving acquired lands, Act of August 7, 1947 (30 U.S.C.
), and asphalt leases, Act of June 28, 1944 (58 Stat. 463, 481-485), by inserting the particular mineral applicable in the
space provided therefor. If this bond is executed by a corporation, it must bear the corporate seal.

TINGEY INSURANCE AGENCY

"Complete Bonding and Insurance Service"

316 UNION PACIFIC BLDG.

PHONE 521-8977

SALT LAKE CITY, UTAH 84101

#0307405

- Gent Flying Enterprises
% William C. Wollen
P.C. Box 38
Orangeville, Utah 84537

No 10015

DATE

8-28-80

COMPANY	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE
Northwestern National	S 83 87 89	8-26-80	8-26-81
COVERAGE		AMOUNT	PREMIUM
920-Lease for mining of coal deposits Bond			\$50.00
Obligee: UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT			
RENEWAL OF			

Paid

TINGEY INSURANCE AGENCY

"Complete Bonding and Insurance Service"

316 UNION PACIFIC BLDG.

PHONE 521-8977

SALT LAKE CITY, UTAH 84101

#0307405

- Gent Flying Enterprises
% William C. Wollen
P.O. Box 38
Orangeville, Utah 84537

No 10016

DATE

8-28-80

COMPANY	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE
NORTHWESTERN NATIONAL	S 83 87 90	8-26-80	8-26-81
COVERAGE		AMOUNT	PREMIUM
920-Lease for mining of coal deposits Bond			\$50.00
Obligee: UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT			
RENEWAL OF			

Paid


Sobleski & Bradley

*Wholesale Insurance Brokers
Excess & Surplus Lines Brokers
Managing General Agents*

Binder#003107

BINDER OF INSURANCE

In accordance with your instructions and in reliance upon the statements made in the application, we have bound coverage as follows:

NAMED INSURED: Nevada Electric Investment Company, Genwal Coal Company and Castle Valley Resources, Inc.
MAILING ADDRESS: P.O.Box 1201 Huntington, UT 84528-1201

INSURER: Federal Insurance Company

Assigned Policy or Certificate Number: TBD

BINDER PERIOD: From 1/1/93 To 3/1/93

12:01 a.m. Standard Time at the address of the insured.

COVERAGE: Commercial General Liability

LIMITS OF LIABILITY: 1,000,000 Occurrence 2,000,000 Aggregate

DEDUCTIBLE OR SIR: 1,000. Property Damage Deductible

UNDERLYING LIMIT: Not Applicable, or

LOCATION OF PROPERTY: Not Applicable, or

DESCRIPTION OF PROPERTY: Not Applicable, or

FORMS, ENDORSEMENTS AND CONDITIONS: AS EXPIRING

COST:	PREMIUM:	\$36,028.
	FEE:	\$
	SURPLUS LINES TAXES:	\$
	STAMPING FEE:	\$

BINDER PREMIUM (Fully Earned) \$9007.

ANNUAL MINIMUM PREMIUM \$36028.

PAYMENT TERMS:

A) \$0 Paid Prior to Binding

B) Balance of \$36,028 Due By 2/1/93

RATE: Flat or As Expiring

POLICY PERIOD: From 1/1/93 To 1/1/94

12:01 a.m. Standard Time at the address of the insured.

The coverage is subject in all respects to the terms, conditions and limitations of the policy or certificate currently being used by the company, unless otherwise specified.

CANCELLATION PROVISIONS: This binder may be canceled by the insured by surrendering it to Sobieski & Bradley, or by mailing a written notice to Sobieski & Bradley which states when the cancellation shall be effective. The insurance provided under this binder cannot be canceled flat and an earned premium must be paid for the time insurance was in force. In the event the binder is canceled by the insured, the earned premium will be computed on a short-rate basis, subject to the binder minimum premium stated above.

This Binder may be canceled by Sobieski & Bradley by mailing a written notice to the insured at the mailing address listed above. If canceled by either Sobieski & Bradley or the Insurer, the earned premium will be computed on a pro rate basis.

Date of Issuance: 12/30/92

By Michael Johnson
(Authorized Representative)

Producer: Price Insurance

PRICE INSURANCE AGENCY
 54 W. MAIN STREET
 P.O. BOX 871
 PRICE, UTAH 84501-0871

NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW

COMPANIES AFFORDING COVERAGE

091335 SUB-CODE

- COMPANY LETTER A
- COMPANY LETTER B
- COMPANY LETTER C
- COMPANY LETTER E
- COMPANY LETTER E

FEDERAL INSURANCE COMPANY (CHUBB GRO)

NEVADA ELECTRIC INVESTMENT CO., INC.,
 GENWAL COAL CO., INC. AND CASTLE VALLEY
 RESOURCES, INC.
 P.O. BOX 1201
 HUNTINGTON, UT 84528-1201

Post-It™ brand fax transmittal memo 7671 # of pages ▶

To	Jay Marshall	From	MONA
Co	Genwal Coal	Co	Price Ins.
Dept.		Phone #	801-637-3351
Fax #	687-9784	Fax #	637-0503

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE 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	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS
A	GENERAL LIABILITY				
	COMMERCIAL GENERAL LIABILITY				GENERAL AGGREGATE \$ 2,000
	CLAIMS MADE X OCCUR	3710-3989	1-1-92	1-1-93	PROJECTS-COMP/OPS AGGREGATE \$ 2,000
	OWNER'S & CONTRACTOR'S PROT.				PERSONAL & ADVERTISING INJURY \$ 1,000
					EACH OCCURRENCE \$ 1,000
					FIRE DAMAGE (Any one fire) \$ 5
					MEDICAL EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY				
	ANY AUTO				COMBINED SINGLE LIMIT \$
	ALL OWNED AUTOS				BODILY INJURY (Per person) \$
	SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	HIRED AUTOS				PROPERTY DAMAGE \$
	NON-OWNED AUTOS				
	GARAGE LIABILITY				
	EXCESS LIABILITY				
	OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKER'S COMPENSATION				STATUTORY \$ (EACH ACCIDENT)
	AND				\$ (DISEASE-POLICY LIM)
	EMPLOYERS' LIABILITY				\$ (DISEASE-EACH EMP)
	OTHER				

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

MINE NAME: GENWAL COAL COMPANY CRANDALL CANYON MINE MINE NUMBER: act 015-032
 XCU COVERAGES ARE INCLUDED IN FORM; \$1000 DEDUCTIBLE PROPERTY DAMAGE
 COVERAGE INCLUDES: MINE NAME-WELLINGTON LOADOUT MINE NUMBER ACT 007-012.....
 CERTIFICATE HOLDER

STATE OF UTAH DIVISION OF OIL, GAS & MINING
 350 WEST NORTH TEMPLE
 RIALD CENTER SUITE 350
 SALT LAKE CITY UT 84180-1203

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CHANGED AND/OR CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL (CERTIFIED) 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

AUTHORIZED REPRESENTATIVE

ROY ANTHONY NIKAS

Sobieski & Bradley

Wholesale Insurance Brokers
Excess & Surplus Lines Brokers
Managing General Agents

March 2, 1992

MAR - 1 1992

Price Insurance Agency
P.O. Box 871
Price, UT 84501-0871

Attn: Roy Nikas

Re: Genwal Coal Company
Chubb Insurance Company Commercial General Liability

Dear Roy,

I have spoken with the company underwriter concerning this coverage. There is a \$1,000. property damage deductible which applies to this policy. The deductible does not apply to bodily injury.

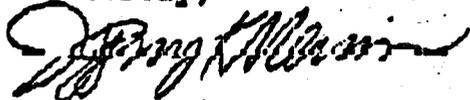
If there is any event which may lead to a claim or suit, Genwal is expected to report such event to the insurer, Chubb Insurance Company. Any third party claimant would deal directly with the insurer as regards such claim or suit.

Claim settlements would be paid by the insurer directly to the third party claimant. The deductible amount, if any, would be handled between the insurer and the insured, Genwal Coal Company. The insured would then be expected to reimburse the insurer directly for any applicable deductible amounts.

I hope this letter serves to accomplish the clarification you were looking for. If you will require a written response directly from the insurer, please have the concerned governmental or regulatory authority submit the appropriate form or a formal, written request.

If there is anything else I can do for you, please let me know.

Sincerely,



Jeffrey K. Meiner CPCU, ARM
Underwriter/Broker

PRICE INSURANCE AGENCY

"All Kinds of Insurance"

54 W. Main St. P. O. Box 871

Price, Utah 84501-0871

FAX 801-837-0503

801-837-3351 OR 1-800-464-3351

March 4, 1992

FAX TO 702-252-5014

Sheryl Schmalz
Nevada Electric Investment Company, Inc.,
Central Coal Company, Inc., & Castle Valley Resources, Inc.
2835 South Jones Blvd.
Las Vegas, NV. 89102

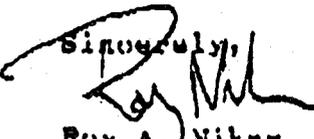
Dear Sheryl,

I am sending you confirmation that the deductible under your general liability coverage is paid by the insurance carrier to the third party claimant along with any other money due. Reimbursement of any deductible would be made to the insurer. This is very standard procedure as the insurance carrier can get all appropriate releases signed. Remember, your deductible applies only to property damage, not bodily injury claims.

The letter from the Broker should be self-explanatory, however if DOGM needs anything further, please have them contact me. They may even have a form, similar to the State of Wyoming's DOGM, which Chubb will sign confirming this information.

If I can be of further assistance, please call. Thank you.

Sincerely,


Roy A. Nikas
Broker