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Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0250005
R
cc: Damon
Steve C.

October 4, 2013

CERTIFIED MAIL RETURN RECEIPT
7004 2510 0004 1824 9863

Kirk Nicholes, Resident Agent
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Surety Bond Rating, Alton Coal Development, LLC, Coal Hollow Mine, C/025/0005

Dear Mr. Nicholes:

Alton Coal Development, LLC 's surety bond for the Coal Hollow Mine is issued through the Lexon Insurance Company.

Enclosed please find the A.M. Best Key Rating Guide for the Lexon Insurance Company. The rating is B++ (Good) effective August 30, 2013.

According to R645-301-860.110-111, a surety bond company must have a rating of A- or better according to the A.M. Best's Guide. Operators who do not have a surety bond with a company that meets the standards will have 120 days from the date of this notification in which to achieve compliance or enforcement action.

If you have any questions, please call me at (801) 538-5320 or Suzanne Steab at (801) 538-5265.

Sincerely,

Dana Dean
Associate Director

DD/sqs
Enclosure
H:\SURETYBOND.DOC



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Total Pos **Kirk Nicholes**

Sent To	Alton Coal Development LLC
Street, Apt. or PO Box	463 North 100 West, Suite 1
City, State,	Cedar City, Utah 84720

Lexon Insurance Company

 [Print this page \(?\)](#)

A.M. Best #: 000743 NAIC #: 13307 FEIN #: 760128873

Address: 10002 Shelbyville Road Suite 100
Louisville, KY 40223
United StatesWeb: www.lexonsurety.com

Phone: 502-253-6500

Fax: 502-253-6570

Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.

Based on A.M. Best's analysis, [052472 - Lexon Surety Group, LLC](#) is the AMB Ultimate Parent and identifies the topmost entity of the corporate structure. View a list of [operating insurance entities](#) in this structure.

Best's Credit Ratings

Financial Strength Rating [View Definition](#)Rating: B++ (Good)
Financial Size Category: VI (\$25 Million to \$50 Million)
Outlook: Negative
Action: Affirmed
Effective Date: August 30, 2013
Initial Rating Date: June 29, 1992**Best's Credit Rating Analyst**Office: A.M. Best Company, Oldwick NJ
Financial Analyst: Scott Dodd
Assistant Vice President: Jennifer Marshall, CPCU, ARM**Long-Term Issuer Credit Rating** [View Definition](#)Long-Term: bbb
Outlook: Negative
Action: Affirmed
Effective Date: August 30, 2013
Initial Rating Date: July 30, 2007u Denotes [Under Review Best's Rating](#)

Reports and News

Visit Best's News and Analysis site for the latest [news and press releases](#) for this company and its A.M. Best Group. **AMB Credit Report - Insurance Professional** - includes Best's Financial Strength Rating and rationale along with comprehensive analytical commentary, detailed business overview and key financial data.
Report Revision Date: 9/5/2013 (represents the latest significant change). Historical Reports are available in [AMB Credit Report - Insurance Professional Archive](#). **Best's Executive Summary Reports (Financial Overview)** - available in three versions, these presentation style reports feature balance sheet, income statement, key financial performance tests including profitability, liquidity and reserve analysis.

Data Status: 2013 Best's Statement File - P/C, US Contains data compiled as of 10/1/2013 Quality Cross Checked.

- **Single Company** - five years of financial data specifically on this company.
- **Comparison** - side-by-side financial analysis of this company with a peer group of up to five other companies you select.
- **Composite** - evaluate this company's financials against a peer group composite. Report displays both the average and total composite of your selected peer group.

 **Best's Key Rating Guide Presentation Report** - includes Best's Financial Strength Rating and financial data as provided in the most current edition of Best's Key Rating Guide products. (Quality Cross Checked).

Financial and Analytical Products

[Best's Insurance Reports - Online - P/C, US & Canada](#)[Best's Key Rating Guide - P/C, US & Canada](#)[Best's Statement File - P/C, US](#)[Best's Executive Summary Report - Composite - Property/Casualty](#)[Best's Executive Summary Report - Comparison - Property/Casualty](#)[Best's Statement File - Global](#)[Best's State Line - P/C, US](#)[Best's Regulatory Center Market Share Reports](#)[Best's Corporate Changes and Retirements - P/C, US/CN](#)[Best's Insurance Expense Exhibit \(IEE\) - P/C, US](#)[Best's Schedule P \(Loss Reserves\) - P/C, US](#)[Best's Regulatory Center](#)[Best's Schedule D \(Corporate Bonds\) - US](#)[Best's Schedule D \(Common Stocks\) - US](#)[Best's Schedule D \(Municipal Bonds\) - US](#)[Best's Schedule D \(Preferred Stocks\) - US](#)[Best's Schedule F \(Reinsurance\) - P/C, US](#)[Best's Schedule D - Hybrid - P/C & L/H, US](#)[Best's Schedule DA \(Short Term Investments\) - P/C & L/H, US](#)

European Union Disclosures

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Australian Disclosures

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