

0020

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

ACT/041/002
#5

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

May 13, 1983

Mr. Vernal Mortensen
Southern Utah Fuel Company
P. O. Box P
Salina, Utah 84654

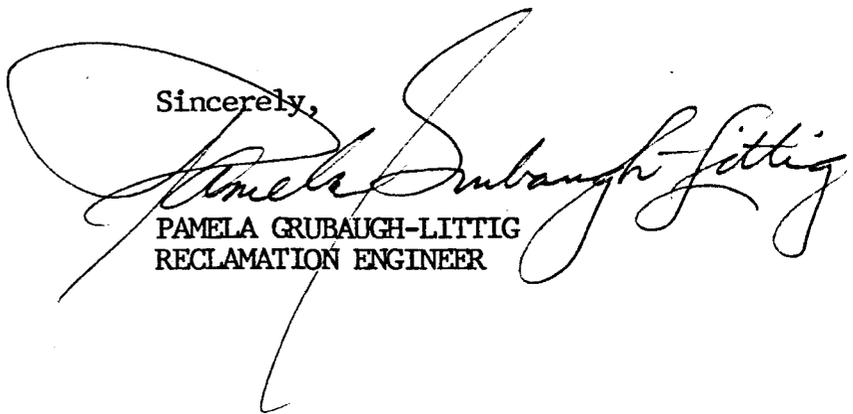
RE: Reclamation Surety
Convulsion Canyon Mine
ACT/041/002
Folder No. 5
Sevier County, Utah

Dear Mr. Mortensen:

The Division is in receipt of a bond for \$138,950.00 (bond #96-94-84) to
- be held as surety for this mine until such time as this operation is permitted
under Utah's permanent regulatory program.

Thank you.

Sincerely,


PAMELA GRUBAUGH-LITTIG
RECLAMATION ENGINEER

PGL/btb

cc: Allen Klein, OSM, Denver
J. Smith, DOGM
S. Linner, DOGM



**Coastal States
Energy Company**

Nine Greenway Plaza
Houston, Texas 77046
(713) 877-1400

file
ACT/041/002
Folder No. 5

Subsidiary of
The Coastal
Corporation

To Pam

JWS
4-19-83

April 18, 1983

Mr. James W. Smith, Jr.
Coordinator of Mined Land
Development
Natural Resources and Energy
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84144

Dear Mr. Smith:

Re: Interim Bond
Southern Utah Fuel Company Mine
ACT/041/002
Sevier County, Utah

RECEIVED
APR 18 1983

DIVISION OF
OIL, GAS & MINING

Enclosed herewith is a bond in the amount of \$138,950.00 to cover interim reclamation costs for the Southern Utah Fuel Company mine. If additional information is needed, please contact me.

Very truly yours,

Kevin L. Yocum
Kevin L. Yocum
Director, Land &
Environmental Affairs

KLY:dh
Enclosure
Federal Express

STATE OF UTAH
 DEPARTMENT OF NATURAL RESOURCES AND ENERGY
 DIVISION OF OIL, GAS AND MINING
 4241 State Office Building
 Salt Lake City, Utah 84114

THE MINED LANDS RECLAMATION ACT

Bond No. 96 94 84

BOND

The undersigned COASTAL STATES ENERGY COMPANY
 as principal, and HIGHLANDS INSURANCE COMPANY as
 surety, 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 the Interior, Office of Surface Mining
 in the penal sum of ONE HUNDRED THIRTY-EIGHT THOUSAND NINE HUNDRED FIFTY
dollars (\$ 138,950.00). Such sum shall be payable to
 one, but not both, of the above-named agencies.

The principal estimated in a "Notice of Intention to Commence Mining
 Operations and a Mining and Reclamation Plan," filed with the Division of Oil,
 Gas and Mining on the 1st day of April,
 1983, that 27.79 acres of land will be affected by this mining
 operation in the State of Utah. A description of the affected land is attached
 hereto as Exhibit "A."

If the principal shall satisfactorily reclaim the above-mentioned lands
 affected by mining by the said principal in accordance with the Mining and
 Reclamation Plan and shall faithfully perform all requirements of the Mined
 Land Reclamation Act, and comply with the Rules and Regulations adopted in
 accordance therewith, then this obligation shall be void; otherwise it shall
 remain in full force and effect until the reclamation is completed as outlined
 in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
 piecemeal or cyclic basis, and the land is reclaimed in accordance with such
 plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
 of the land affected or increased reclamation work, then this bond may
 accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.



COASTAL STATES ENERGY COMPANY

Principal (Company)

By

Leo C. Smith

Company Official - Position

LEO C. SMITH, PRESIDENT

Date: April 15, 1983

HIGHLANDS INSURANCE COMPANY

Surety (Company)

By

Janice Watts

Official of Surety - Position

Janice Watts, Attorney-in-Fact

DATE: 4-1-83

HIGHLANDS INSURANCE COMPANY

HOUSTON, TEXAS

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That the Highlands Insurance Company, a corporation duly incorporated under the laws of the State of Texas, doth hereby constitute and appoint Ollie F. Menasco, Dan C. Jones, Ben A. Reid, Kenneth L. Meyer, Janice Watts, Jointly or Severally of the City of Houston, State of Texas, to be its true and lawful attorney-in-fact for the following purposes, to-wit:

To sign its name as surety, and to execute, seal and acknowledge any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of the same, and to respectively do and perform any and all acts and things set forth in the appended resolution of the Board of Directors of the said Highlands Insurance Company; provided, that the penal sum of no single one of such bonds, recognizances, obligations, stipulations or undertakings shall exceed the sum of

Unlimited Dollars (\$ Unlimited): the Company hereby ratifying and confirming all and whatsoever the said attorney-in-fact may lawfully do in the premises by virtue of these presents, but reserving to itself full power of substitution and revocation.

IN WITNESS WHEREOF, the said Highlands Insurance Company, pursuant to a resolution passed by its Board of Directors, at a meeting held on the 29th day of July, A.D., 1974, a certified copy of which is hereto annexed, has caused these presents to be sealed with its corporate seal, duly attested by the signature of its President, Vice Presidents, Assistant Vice Presidents and Secretary this 15th day of November, A.D. 19 82.



HIGHLANDS INSURANCE COMPANY

D. E. Walk
Secretary

By J. L. Darnold
Vice President

STATE OF TEXAS
COUNTY OF HARRIS
CITY OF HOUSTON

On this 15th day of November in the year 19 82 before me personally

appeared J. L. Darnold to me known, who, being by me duly sworn, did depose and say: That he resides in Houston, Texas; that he is Vice President of the Highlands Insurance Company, the corporation described in and which executed the above instrument; that he knows the Seal of said corporation; that the Seal affixed to said instrument is such corporation Seal; that it was affixed to such instrument by and under authority conferred by the Board of Directors of said corporation; and that he signed his name thereto by like authority.



Vickie Ann Beyer
Notary Public, State of Texas

EXHIBIT "A"

"Being an area of 27.79 acres of land included in metes and bounds described commencing at a point located North 2496.35 feet and East 1328.25 feet from the Southwest corner of Section 12, Township 22 South, Range 4 East, Salt Lake Base and Meridian; thence North $05^{\circ}40'35''$ East 475.16 feet; thence North $10^{\circ}48'06''$ East 733.69 feet; thence North $09^{\circ}09'52''$ East 324.72 feet; thence North $79^{\circ}52'45''$ East 566.78 feet; thence South $06^{\circ}14'10''$ West 229.10 feet; thence South $02^{\circ}27'59''$ West 315.17 feet; thence South $16^{\circ}33'$ East 675.62 feet; thence South $04^{\circ}14'46''$ East 384.92 feet; thence South $75^{\circ}06'07''$ West 457.81 feet; thence South $74^{\circ}53'25''$ West 151.96 feet; thence North $73^{\circ}06'06''$ West 405.04 feet to the point of beginning."