



Incoming  
C/041/0002  
\*original to Fireproof

OK

KATHY L. BRITTIN  
Risk Manager

July 2, 2010

**Via UPS Next Day**

Ms. Angela Nance  
Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Re: Canyon Fuel Company  
Permit # C/041/0002  
Bond # Documents

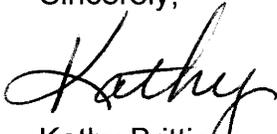
Dear Angela:

Enclosed are the following supporting documents to bond #

- Exhibit "A"
- Exhibit "D" amending the acres
- Permittee Affidavit
- Surety Affidavit
- Surety Power of Attorney
- Secretary's Certificate

I trust you will find the enclosure to be in order. If you have any questions or need anything further, please do not hesitate to give me a call at (314) 994-2800.

Sincerely,

  
Kathy Brittin  
Risk Manager

Enclosures

cc: Chris Hansen, CFC

RECEIVED  
JUL 08 2010  
DIV. OF OIL, GAS & MINING

**EXHIBIT "A"**

**Bonded Area  
Legal Description**

(Federal Coal)

Bond No.

**EXHIBIT "A"**

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

See Attached Plate 5-6

Legal description of BONDED AREA:

Mine Site Facility, Water Tank, South Portals, Spring Collection Field, Pump House, Pipeline, Leachfield

T. 22 S., R. 4 E., SLBM, Utah (Approximately 34.078 acres)

Section 12: A Portion of the following:

E1/2NW1/4;  
SW1/4NW1/4NE1/4;  
S1/2;

Waste Rock Disposal Site

T. 22 S., R. 4 E., SLBM, Utah (Approximately 10.986 acres)

Section 18: A Portion of the following:

NW1/4NE1/4

Portals - 3 East, 4 East, Quitcupah and Link Canyon, Link Canyon Substation No. 1 and No. 2

T. 21 S., R. 5 E., SLBM, Utah (Approximately 3.368 acres)

Section 26: A Portion of the following:

SE1/4SW1/4SW1/4NW1/4;  
E1/2NW1/4NW1/4SW1/4;  
SE1/4NE1/4SW1/4SW1/4;

Section 29: A Portion of the following:

NW1/4NW1/4SW1/4SE1/4;  
NE1/4NW1/4SE1/4SW1/4;  
NE1/4NE1/4SE1/4SW1/4

Section 32: A Portion of the following:

NE1/4SW1/4SW1/4NE1/4

Total approximately 48.432 Acres

Exhibit "A"  
Legal Description  
Federal

Bond No.

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

**IN WITNESS WHEREOF** the **SURETY** has hereunto set its signature and seal this

10<sup>th</sup> day of June, 2010.

Argonaut Insurance Company  
**SURETY**

TARA W. MEALER

By: Tara W. Mealer  
Attorney-in-Fact

\_\_\_\_\_  
Title:

**EXHIBIT "D"**

**Stipulation to Revise  
Reclamation Agreement  
(Federal)**

Permit Number: \_\_\_\_\_

Effective Date: June 10, 2010

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"- 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 46.03 acres to 48.432 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, Canyon Fuel Company, LLC the **PERMITTEE** has  
hereunto set its signature and seal this 2nd day of July, 2010.

Canyon Fuel Company, LLC  
**PERMITTEE**

By: James E. Florczak

James E. Florczak

Title: Vice President and Treasurer

ACCEPTED BY THE STATE OF UTAH this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
**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 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.

**AFFIDAVITS  
OF  
QUALIFICATION**

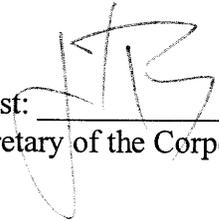
Bond Number . —

**AFFIDAVIT OF QUALIFICATION  
PERMITTEE  
--ooOOoo--**

I, James E. Florczak, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Vice President and Treasurer of Canyon Fuel Company, LLC ; 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)  
James E. Florczak—Vice President and Treasurer

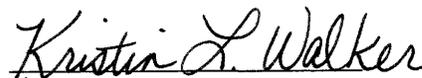
Attest:   
Secretary of the Corporation

STATE OF Missouri )

) ss:

COUNTY OF St. Louis )

Subscribed and sworn to before me this 2<sup>nd</sup> day of July, 20 10 .



Notary Public  
Kristin L. Walker

My Commission Expires:  
September 23, 20 12 .



**AFFIDAVIT OF QUALIFICATION  
SURETY COMPANY**

--ooOOoo--

I, Tara W. Mealer, being first duly sworn under oath, deposes and says that he/she is the (officer or agent) Attorney-in-Fact of Argonaut Insurance Company; and that he/she is duly authorized to execute and deliver the foregoing obligations; and that said SURETY COMPANY is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations herein.

Argonaut Insurance Company

TARA W. MEALER

(Signed) Tara W. Mealer, Attorney-in-Fact  
Surety Company Officer - Position

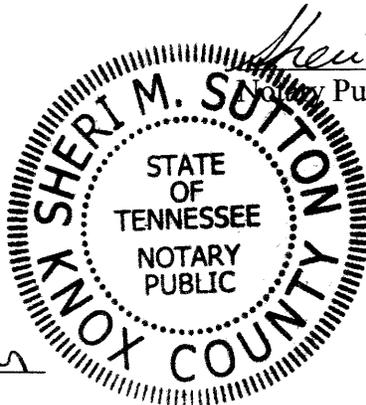
Subscribed and sworn to before me this 10<sup>th</sup> day of June 2010

My Commission Expires:

September 26, 2012

Witness:

Mary J. Volmar  
Mary J. Volmar



Notary Public - Sheri M. Sutton

STATE OF Tennessee )

) ss:

COUNTY OF Knox )

**Argonaut Insurance Company  
225 W. Washington, 6th Floor  
Chicago, IL 60606**

**POWER OF ATTORNEY**

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Joseph R. Poplawski, Elizabeth A. Hartzberg, Tara W. Mealer, Mary Y. Volmar, Deborah S. Hudgins, Sheri M. Sutton

its true and lawful agent and attorney-in-fact, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

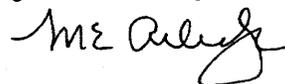
\$15,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 15th day of September, 2008.

Argonaut Insurance Company



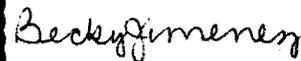
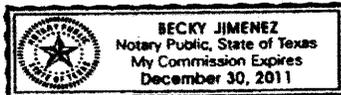
By: \_\_\_\_\_

Michael E. Arledge President

STATE OF TEXAS  
COUNTY OF BEXAR SS:

On this 15th day of September, 2008 A.D., before me, a Notary Public of the State of Texas, in and for the County of Bexar, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

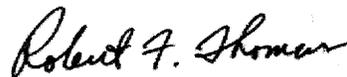
IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Bexar, the day and year first above written.



(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 10th day of June, 2010.



Robert F. Thomas Vice President

**SECRETARY'S CERTIFICATE**

**CANYON FUEL COMPANY, LLC**

I, Jon S. Ploetz, Secretary of CANYON FUEL COMPANY, LLC, a Delaware limited liability company (the "Company"), hereby certify that the following is a true and complete list of current Officers and Directors of the Company together with their respective starting dates:

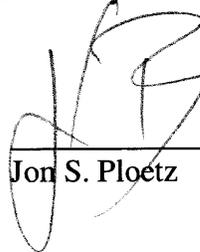
**DIRECTORS**

Eugene E. DiClaudio	July 30, 2004
John W. Eaves	February 21, 2005
Robert W. Shanks	June 1, 1998

**OFFICERS**

Eugene E. DiClaudio	President	July 30, 2004
C. David Steele	Vice President-Tax	May 23, 2003
James E. Florczak	Vice President and Treasurer	July 30, 2004
David N. Warnecke	Vice President	April 21, 2005
Jon S. Ploetz	Secretary	February 15, 2010
Jolene J. Mermis	Assistant Secretary	July 30, 2004

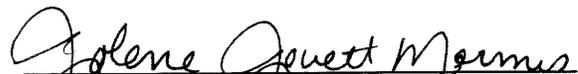
WITNESS my hand and seal of the Company this 1st day of July, 2010.

  
\_\_\_\_\_  
Jon S. Ploetz

State of Missouri    )  
                                  ) ss  
County of St. Louis )

Sworn and Subscribed to before me this 1st day of July, 2010.

My Commission Expires: May 21, 2011

  
\_\_\_\_\_  
Jolene Jouett Mermis  
