CHAPTER 3

LEGAL, FINANCIAL, AND COMPLIANCE INFORMATION

CHAPTER 3

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Revised 01/23/04

LEGAL, FINANCIAL, AND COMPLIANCE INFORMATION

Applicant/Operator Information

See Attachments 1 and 12 for identification of interests and compliance information pursuant to 30 CFR 774.12, 778.11, 778.12, and 778.14.

Applicant and Operator Pursuant to 30 CFR 778.11(b)

C. Scott Williams, Manager

Black Mesa and Kayenta Mines

Peabody Western Coal Company

P. O. Box 650, Navajo Route 41

Kayenta, Arizona 86033 (928) 677-3201

Surface and Mineral Owners - Leasehold Pursuant to 30 CFR 778.13(a)

The names and addresses of the owners of the surface and mineral property to be mined are:

The Navajo Tribe

P.O. Box 308

Window Rock, Arizona 86515 (Surface and Minerals)

The Hopi Tribe

P.O. Box 123

Kykotsmovi, Arizona 86039 (Minerals)

Property Owners - Contiguous Property Pursuant to 30 CFR 778.13(b)

The names and addresses of the owners of property contiguous to the proposed permit area are:

The Navajo Nation

The Hopi Tribe

P.O. Box 308

P.O. Box 123

Window Rock, Arizona 86515

Kykotsmovi, Arizona 86039



Revised 08/16/04

PWCC does not hold any current interests on options nor does PWCC hold any pending bids for lands contiguous to the existing permit area pursuant to 30 CFR 778.13(c).

Mine Safety and Health Administration Numbers Pursuant to 30 CFR 778.13(d)

Black Mesa Mine	02-00533
Kayenta Mine	02-01195
J-7 Dam	1211-AZ-09-00533-01
J-2A Dam	1211-AZ-09-00533-02
Kayenta Fresh Water Pond	1211-AZ-09-01195-01
N-14D Dam	1211-AZ-09-01195-02
N-14E Dam	1211-AZ-09-01195-03
N-14F Dam	1211-AZ-09-01195-04
N-14G Dam	1211-AZ-09-01195-05
N-14H Dam	1211-AZ-09-01195-06
J-16A Dam	1211-AZ-09-01195-07
J-16L Dam	1211-AZ-09-01195-08
J7-Jr Dam	1211-AZ-09-01195-09

Right of Entry Information Pursuant to 30 CRF 778.15

Peabody Western Coal Company (PWCC) operates the Black Mesa and Kayenta Mines on lands leased from the Navajo and Hopi Tribes. Three leases have been signed (two with the Navajo and one with the Hopi) which provide for mining activities on three separate but contiguous tracts of land.

The original lessee was Sentry Royalty Company, a Nevada Corporation (hereinafter "Sentry"). Sentry was a wholly owned subsidiary of Peabody Coal Company, an Illinois Corporation. Peabody Coal Company, an Illinois Corporation, was a predecessor of Peabody Coal Company, a Delaware Corporation. Sentry assigned the leases to Peabody Coal Company, an Illinois Corporation, February 5, 1968, prior to merging with the Illinois Corporation. Peabody Coal Company, an Illinois Corporation, assigned the leases to Peabody Coal Company, a Delaware Corporation, February 8, 1968, prior to re-incorporation into the Delaware Corporation. PWCC is successor in interest to Peabody (see Attachment 9). The transfers and assignments were made with the constant and approval of the Navajo and Hopi Tribes and the Secretary of Interior.

Sentry obtained the first coal mining lease, February 1, 1964, for approximately 24,858 acres of Navajo Reservation land (Lease Number 14-20-0603-8580). The 1964 lease area is within the area granted to the Navajo Tribe under the Executive Order of May 17, 1884. The Navajo Tribe has 100 percent surface and mineral interest in this area. On June 6, 1966, Sentry obtained a coal mining lease for approximately 40,000 acres of land in the Joint Mineral Use Area from the Navajo Tribe (Lease Number 14-20-0603-9910).

Because of the joint mineral interests of the two tribes in the Joint Mineral Use Area, Sentry obtained a separate lease, June 6, 1966, for the same area from the Hopi Tribe (Lease Number 14-20-0450-5743). The lease area for the 1964 lease and the Joint Mineral Use Area Leases are contiguous (Figure 1). Copies of the leases were provided to the Office of Surface Mining on January 6, 1981 as Appendices 11, 12 and 13, Volume 5, Mining and Reclamation Plan for the Black Mesa and Kayenta Mines.

The leases provide that PWCC may prospect, mine and strip leased lands for coal and kindred products, including other minerals, except for oil and gas, as may be found. Peabody also has the right to construct buildings, pipelines, plants, tanks and other structures; make excavations, openings, stockpiles, dumps, ditches, drains, roads, spur tracks, transmission lines and other improvements; and to place machinery and other equipment and fixtures and do all other things upon leased lands that may be necessary in the efficient operation of mining. PWCC may occupy that portion of the leased lands as is necessary to carry on mining operations including the right of ingress and egress and may develop and utilize water for the mining operations. A description of the land on the Black Mesa leased to PWCC may be found in Attachment 2.

On December 10, 1969, the Secretary of Interior with the consent of the Navajo Tribe granted the Navajo Project participants a right-of-way easement for the overland conveyor and coal loading site located outside the coal mining leases. On December 19, 1972 the Navajo Tribal Counsel Advisory Committee passed a resolution approving the granting of the right-of-way and easement to Peabody Coal Company. A description of the lands within the conveyor and coal loadout facility right-of-way may be found in Attachment 3. PWCC is successor in interest to Peabody Coal Company (see Attachment 3).

On June 24, 1994 PWCC submitted a Mine Support Facilities Right-Of-Way Application to the Bureau of Indian Affairs and Navajo Nation for four parcels of Navajo Tribal lands contiguous to two existing coal-mining leases located on the Black Mesa, Navajo County, Arizona. The

proposed right-of-way areas provide access for utilities, haul roads, maintenance roads, existing and additional sedimentation control ponds, and a rock borrow area which support the Black Mesa and Kayenta Mines. The right-of-way application and grant of easement for these two parcels were approved by the Navajo Nation and Bureau of Indian Affairs on August 19 and 28, 1996, respectively. A description of these approved right-of-entry documents, as required by 30 CFR 778.15(a), is presented in Attachments 3a and 3b.

On September 7, 1984 the Bureau of Indian Affairs granted Peabody a right-of-way for a 69 KV electrical transmission line between Tracks 1 and 2 of the Joint Mineral Area leases. The location of the right-of-way is shown in Attachment 4. PWCC is successor in interest to Peabody Coal Company (see Attachment 4). The revocable use permit for all environmental monitoring sites is presented in Attachment 4a.

Liability Insurance Pursuant to 30 CRF 778.18

A certificate of liability insurance may be found as Attachment 5.

Permit Term and Area

The Black Mesa and Kayenta Mines are operated pursuant to Permits AZ-0001 and AZ-0001D (Figure 2 and Drawings 85110 and 85360) issued by the Office of Surface Mining, and reclamation requirements of Permit AZ-0002A. Permit AZ-0001 was issued on January 29, 1982, and Permit AZ-0002A was issued on December 21, 1984. The permanent program permit for Kayenta Mine was issued on July 6, 1990. The permanent program permit is AZ-0001D and was renewed thrice; on July 6, 1995, on July 6, 2000, and lastly on July 6, 2005. Information pertaining to production and disturbed lands may be found in Chapters 5 and 21. The proposed life-of-mine permit area is shown in Figure 3 and in more detail on Drawings 85210 and 85360. About 1,307.4 acres between the N-6 and N-11 mining areas was transferred from Black Mesa Mine Permit AZ-0001 to Kayenta Mine Permit AZ-0001D on December 23, 2004. A metes and bounds description for the proposed permit area may be found in Attachment 6.

This application seeks regulatory authorization for permanent program Permit AZ-0001D to be renewed for a five-year term. No new permit area is proposed beyond that which is currently approved.

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Revised 03/11/05

Peabody Western Coal Company (PWCC) submitted a Permanent Program Permit Application Package (PAP) in 1985 for the entire Black Mesa Complex. At that time PWCC sought to obtain authorization to mine for a period of time coincident with the coal supply agreements with the owners of MGS and the Navajo Generating Station (2005 and 2011, respectively). Now, as the coal supply agreement renewal date approaches for Kayenta Mine, it is time to prepare to supply coal to NGS when the terms of the coal supply agreements are extended.

The existing leases with the Navajo Nation and the Hopi Tribe entitle PWCC to mine 670 million tons of coal. Thus, the mine plans in this submittal assume that the Kayenta Mine will continue for at least fifteen years (2026) beyond the currently approved life-of-mine. PWCC requests the Office of Surface Mining Reclamation and Enforcement (OSMRE) consider all the surface-recoverable reserves and all coal resource areas in the leases when conducting its review and approval activities all appropriate National Environmental Policy Act compliance activities.

Certification

Certification of information contained in this document as required by 30 CFR 777.11(c), 778.9(a) and (b), and 778.11(d) may be found in Attachment 7. A copy of the fully executed OSMRE Application for Permit Transfer form is also included in Attachment 7.

Permit History

A history of mining permits issued to Peabody and its successor in interest for the Black Mesa operations may be found in Table 1.

Information Required Pursuant to 30 CFR 750.12(d)(2)

Employment, Population, Revenues and Goods. The Black Mesa mining complex is an existing operation that began producing coal in 1970. The coal mined at the complex is dedicated to meeting the fuel supply requirements of the Mohave and Navajo Electric Generating Stations. The mining plan contained in this document does not represent any change in production levels, employment or coal processing and handling facilities. Any significant cumulative effects of the mining operation on economic, social, community, government, land use, transportation and cultural conditions should have already manifested themselves, as the mining operations have remained relatively unchanged since the mid to late 1970's. Peabody has not experienced and does not expect to experience any significant problems regarding acquisition of goods and services to support the mining and reclamation operations. Major changes in the goods and services needed to support these activities are not anticipated.

Unsuitability Claims Pursuant to 30 CRF 718.16

There are no unsuitability claims associated with the approved permit area for Black Mesa and Kayenta Mines.

Scenic and Aesthetic Resources. The site of the Black Mesa mining complex covers remote, rugged highlands ranging in elevation from approximately 6,200 to 7,200 feet. The surface is highly eroded and partially covered by sagebrush shrublands and pinyon-juniper woodlands.

The vegetation is spotty and irregular. Colors range widely. Grasses change in color seasonally from light green to brown. The shrublands are blue-green, and the woodlands are dark green. The woodlands extend from higher elevations in bands along ridge tops and slopes.

A seasonal progression reflected by the flowering aspect of scattered individuals of annual and perennial plants occurs in the woodlands. During the spring, the aspect is dominated by red-flowered penstemons and yellow-flowered mustards. In summer, mat penstemon, globe mallow and sky rocket color these woodlands with their blue, orange and red flowers. The apsect in the fall is dominated by many yellow-flowered composites. The shrublands also experience significant yellow coloring when snakeweed and rabbitbrush blossom.

Bare soil and rocks lie interspersed throughout the mining site. Soil colors range from light tan to dark brown with significant occurrences of redish tones due to porcellanite or clinker shale.

The area contains few structures: scattered hogans (dwellings), corrals and other outbuildings. Other manmade structures include fences and unimproved roads.

The vistas and features are typical of western, high desert locations. The mining complex is nestled below the rim of Black Mesa in a structural bowl, and cannot be seen even from a few miles away in most directions. Toward the north, east, and southeast, scenic vistas are limited to the uplands that form the Mesa escarpment. Toward the west and southwest, scenic vistas include the San Francisco Peaks and Hopi Mesa country. From the actual Mesa escarpment, several scenic mountain ranges, plateaus and valleys can be seen. However, at these points, the topography precludes visual identification of the mine site. The mining complex is not located on a major transportation route so that it goes unnoticed to highway travelers except for the overland conveyor and rail load-out facility that blend in well with



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The mining activities are spread out over the approximately 65,000-acre leasehold because of the nature of the coal reserves. Except from a few isolated vantage points, it is impossible to see or determine the extent of the entire operation from a single location. Due to the remote location, there is little evidence of commercial development except in the immediate vicinity of pits or preparation facilities. Even though mine equipment, support facilities, coal processing facilities, overland conveyors, a rail load-out facility, spoil piles, and haul roads have replaced native vegetation, it is possible to drive for 20 minutes at a time, from one mining area to another, with little evidence of land disturbing activities due to the dispersed nature of the operation and the irregular terrain. There are no concentrated, high noise areas. Only the sound of an occasional blast travels more than a mile or two.

The lines and forms of the mined land and spoil piles resemble the bluffs and breaks of surrounding un-mined land. The color and textures of the unearthed overburden and pits blend into the natural colors of the rocks and soils but do contrast with vegetation. The buildings and facilities also contrast with the surrounding rangeland but due to the unconcentrated construction pattern are like the scattered dwellings and outbuildings native to the area.

The recently created postmining landscape blends nicely with the existing terrain with regard to slope but the grasslands contrast with the shrublands and woodlands that are displaced. Initially, these grasslands are less diverse than the native vegetation; however, the gradual establishment of shrubs and native grasses used in the reclamation process and even trees will, in time, reduce the contrast with un-mined lands.

In summary, the aesthetic impacts of the mining complex are minor during mining and will not be significant after reclamation. The postmining landscape will have gentler topography, fewer rock outcrops and sharp breaks, and a different vegetal character. After several decades, however, the landscape and vegetation will blend in well with the surrounding unmined lands (see photographs in Attachment 8). The resulting mosaic of subtly contrasting form and color, caused in part by the irregular shape of the original coalfields, will achieve a diverse and aesthetically pleasing visual aspect.

Cultural and Historic Resources. Information pertaining to cultural and historical sites and compliance compliance and at protecting these resources may be found in Chapter 13.



Significant, Threatened, and Endangered Wildlife and Vegetation Species. Information regarding the location and condition of important habitats of selected indicator species, bald and golden eagles, threatened and endangered wildlife species, and critical habitats may be found in Chapters 9 and 10.

Air Quality. A discussion of air quality has been included in this document as Chapter 12.

Bond Riders

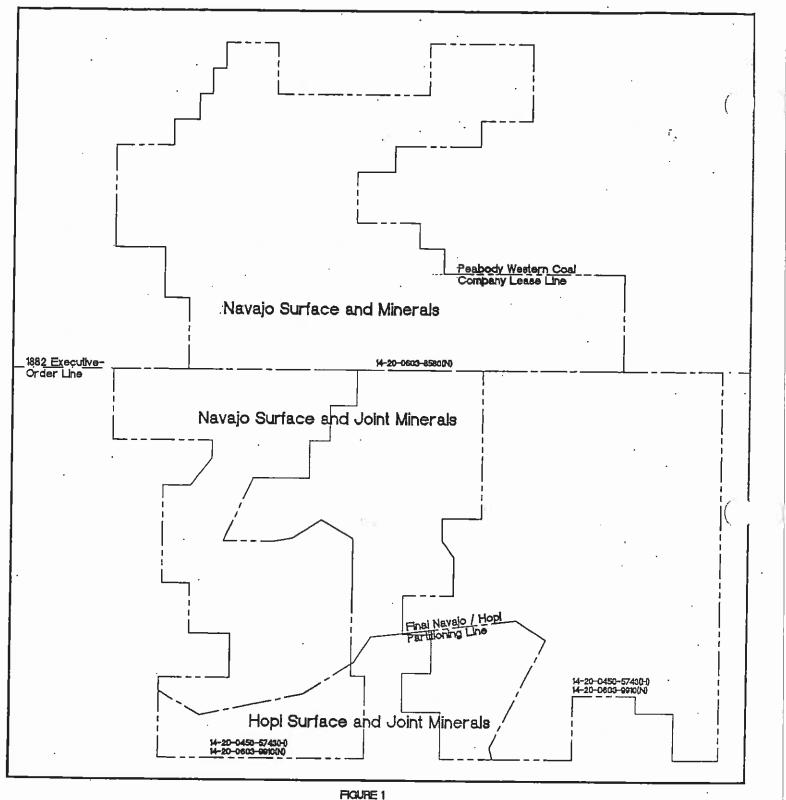
General-purpose reclamation performance bond riders that name PWCC as principal are contained in Attachment 10. Included are Surety Company Bond Numbers 4144114, 6197012, 8940860, 9264222, 9264224, 9264225, 9264241, 82154865, 104536183, 105191031, 105243347, and 105253365. Detailed reclamation liability cost estimates are presented in Chapter 24.

Proof of Publication Pursuant to 30 CFR 773.6 and 778.21

Proof of publication of notification of the filing of applications to transfer mining permits from Peabody Coal Company to PWCC is contained in Attachment 11. Also included are affidavits of publication for the 1995, 2000, 2005, and 2010 permit renewal applications, and the affidavits of publication for the N-11 Extension (N-99) significant permit revision application.

Business Authorization

Certification by the State of Arizona authorizing PWCC to conduct business in Arizona is contained in Attachment 12.



BLACK MESA LEASES PEABODY WESTERN COAL COMPANY

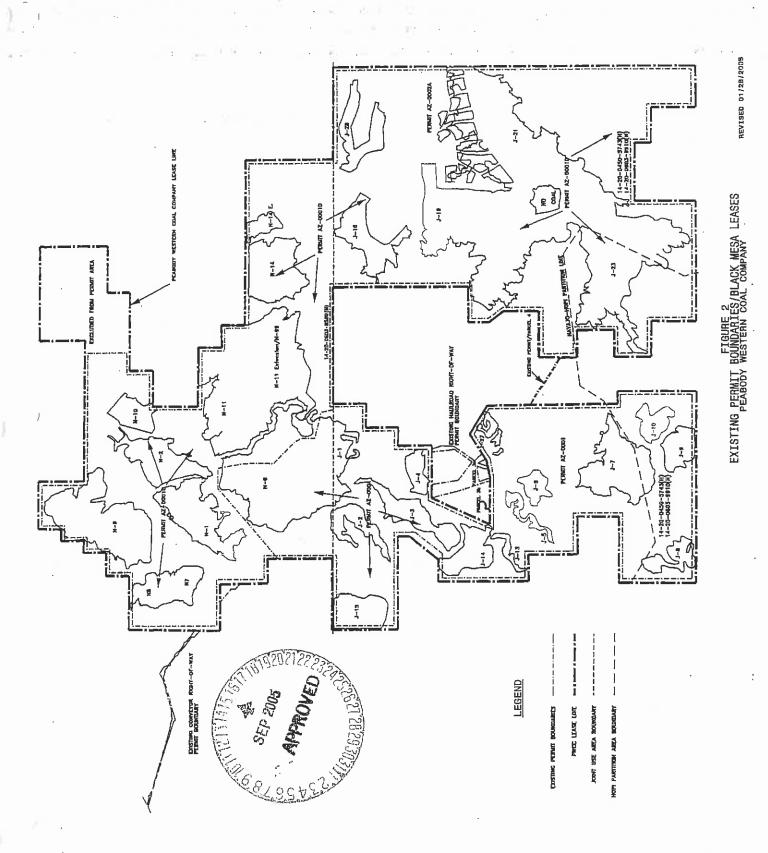
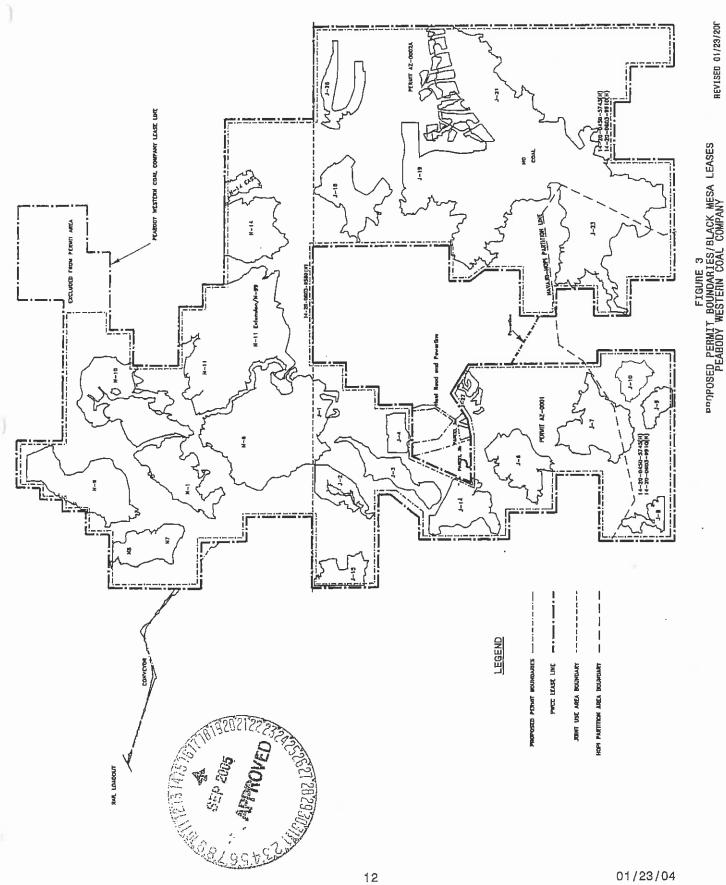


FIGURE 2



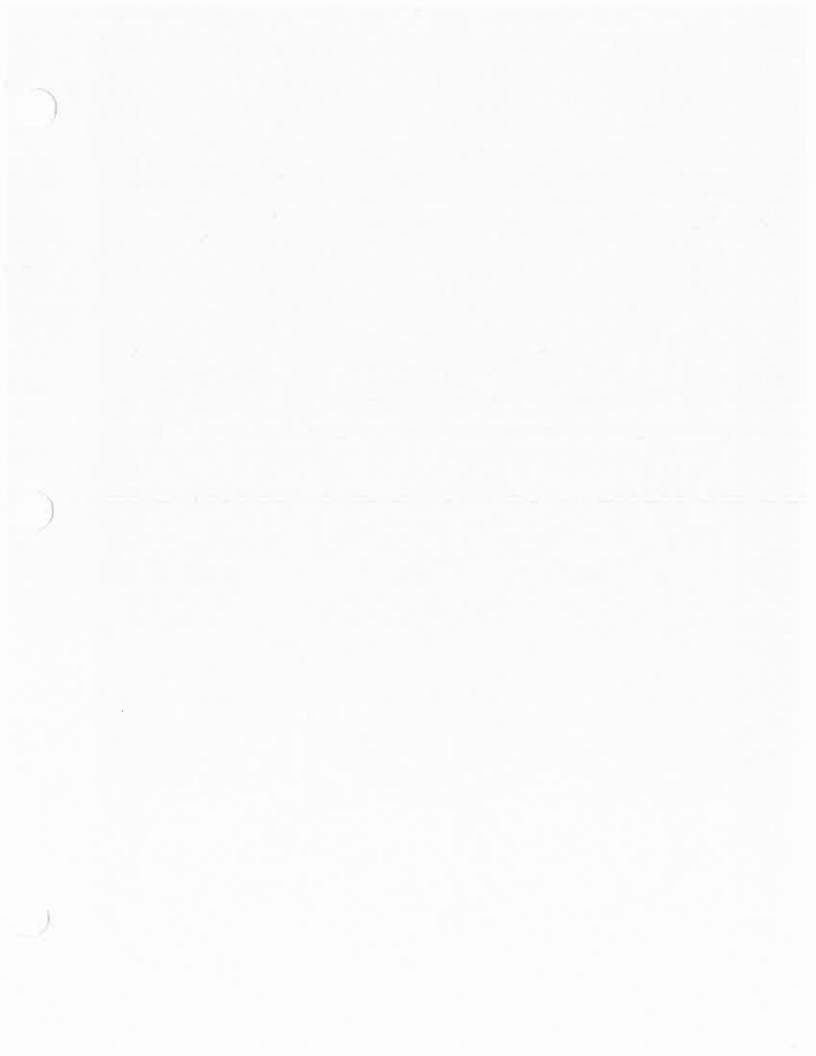
01/23/04

TABLE 1 Permit History Pre-SMCRA Mining and Reclamation Plans (U.S. Geological Survey)

Mining Area(s)	Submittal Date	Approval Date
J-3	02/16/70	03/25/70
J-27	04/01/70	04/21/70
J-1, N-6, N-5	06/20/72	07/13/72
N-1	01/16/73	01/03/74
N-7	10/10/73	07/16/74
N-2, N-10	10/16/73	07/16/74
J-13, J-14	10/18/73	07/16/74
J-5, J-6, J-11, J-12	01/22/74	07/16/74
J-7	05/12/75	07/21/75

Post-SMCRA Permit Activities

Action	Date		
SMCRA Adopted	08/77		
Interim Program	12/77		
Mining and Reclamation Plan to USGS	09/79		
N-7/8 Mining Plan Modification (USGS)	09/80		
Leg 25, Overland Conveyor, Kayenta Mine Approved (OSM)	01/81		
Mining and Reclamation Plan to OSM	01/81		
Phase I Overland Conveyor and Preparation Facilities,			
Kayenta Mine Approved (OSM)	05/81		
Interim Operating Plan (OSM)	06/81		
Permit AZ-0001 (OSM)	01/82		
Phase II Overland Conveyor and Preparation Facilities,			
Kayenta Mine Approved (OSM)	09/82		
Permit AZ-0002 (OSM)	08/84		
Permanent Program	09/84		
Permit AZ-0002A (OSM)	12/84		
Permanent Program Mining and Reclamation Plan to OSM	12/85		
Permanent Program Permit AZ-0001C (OSM)	07/90		
Permanent Program Permit AZ-0001D (OSM) Renewals	07/95, 07/00, 07/05		



ATTACHMENT 1

IDENTIFICATION OF INTERESTS

AND COMPLIANCE INFORMATION

ATTACHMENT 1

Identification of Interests and Compliance Information

Ownership and Control

Peabody Western Coal Company (PWCC) is owned by Peabody Holding Company, LLC (PHC), PHC is owned by Peabody Investments Corporation (PIC) which in turn is owned by Peabody Energy Corporation (PEC). Ownership and control information for the applicant and operator, PWCC, pursuant to 30 CFR 774.12(c), 778.11(c) and (e) is given in attached Exhibit A. Pursuant to 30 CFR 774.12(c), PWCC will notify OSM's Western Regional Coordinating Center (OWM-WRCC), the Regulatory Authority for the Black Mesa and Kayenta Mines, of any future change in their ownership and control information.

The PEC-PIC-PHC-PWCC organizational chart is presented in Exhibit B.

Information on PEC and its related operating companies required by 30 CFR 778.9(a) is routinely provided to the Office of Surface Mining, Applicator Violator System (AVS) office by Ms. Alexandrea Palensky, an employee of PIC as described on the certificate in Exhibit C.

Compliance Information

Per 30 CFR 778.12(b), PWCC has one pending permit application for the Black Mesa Mine filed with the OSM-WRCC in December 1985. Pursuant to 30 CFR 778.12(a), the names under which PWCC, their operator (PWCC), their principle shareholder (PHC), and their operator's partners or principle shareholders operate or have previously operated a surface coal mine since February 26, 2005 include:

Peabody Western Coal Company
Powder River Coal Company
Big Sky Coal Company
Bluegrass Mine Services, LLC
Eastern Coal Company, LLC
Sentry Mining, LLC
Peabody Venezuela Coal Corporation

Pursuant to 30 CFR 778.12(c), PWCC has not owned or controlled any other surface coal mining operations within the five-year period preceding February 26, 2010.

Pursuant to 30 CFR 778.14(c), Exhibit E contains a list of Notices of Violations received by PWCC in connection with any surface coal mining and reclamation operations for the period February 26, 2007 to June 16, 2010. PWCC does not have any outstanding Notices of Violations that have not been terminated, vacated, or for which the abatement period has not yet expired.

Pursuant to 30 CFR 778.14(a) and (b), PWCC has not had a State or Federal mining permit revoked nor forfeited a performance bond or similar security deposited in lieu of bond for the period from February 26, 2005 to June 16, 2010.

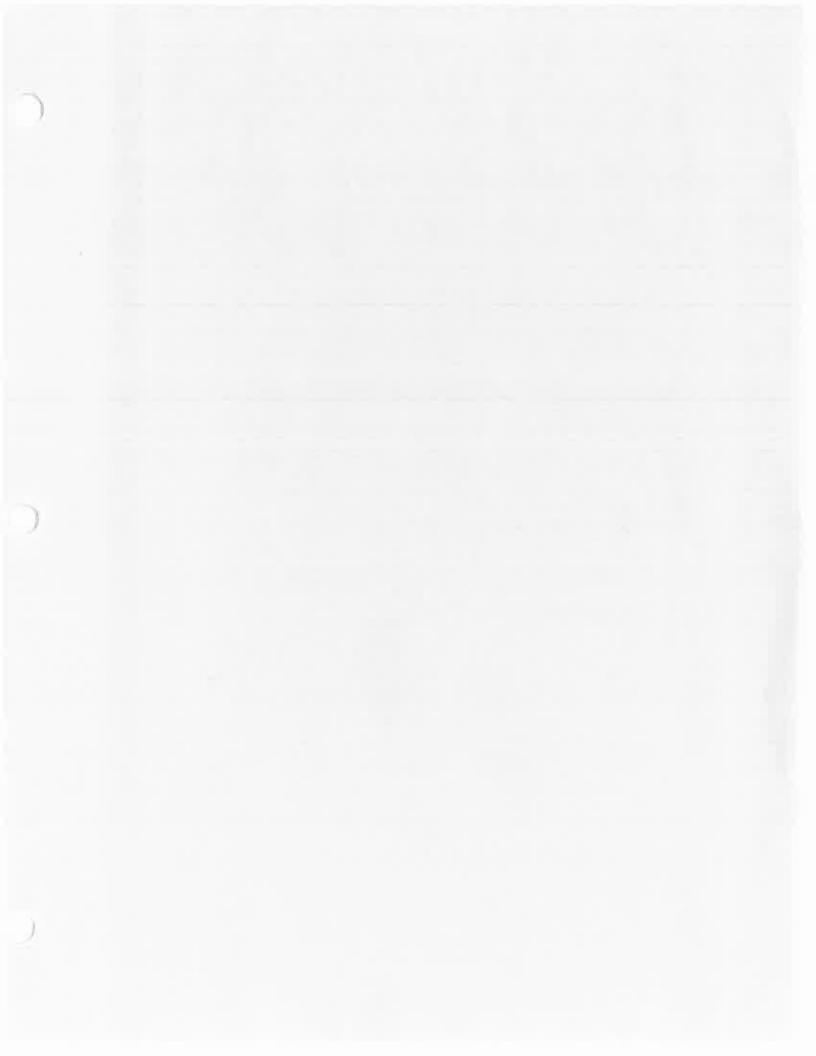


EXHIBIT A

PEABODY WESTERN COAL COMPANY,
DIRECTORS AND OFFICERS

Peabody Western Coal Company P. O. Box 650 Kayenta AZ 86033 Phone: 520-677-3201

Fed EIN: 86-0766626 Avs ID: 134706

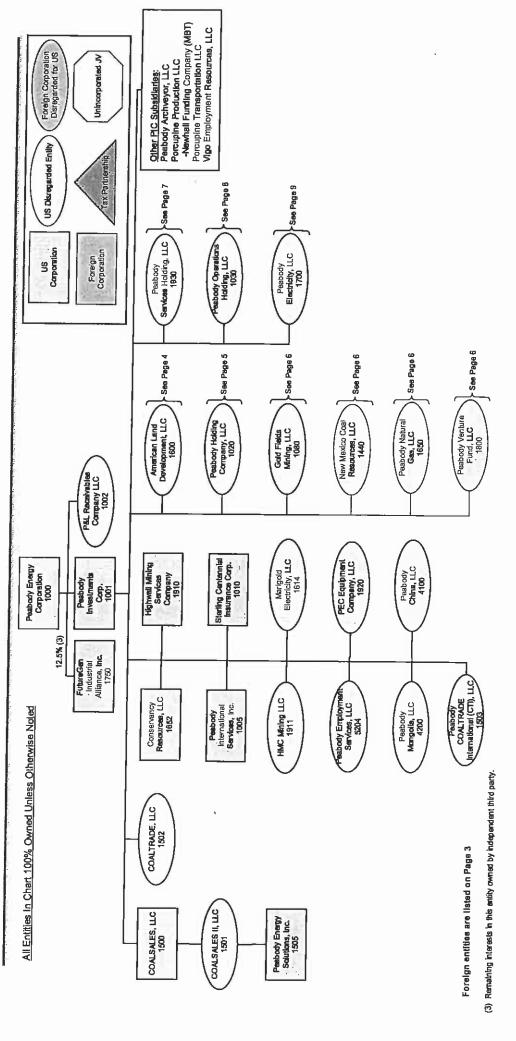
AVS ID	Officer	Title	Begin Date	End Date
150783	Williamson, Kemal	DIRECTOR	01/01/2009	
157787	Frontczak, Mary L.	ASSISTANT SECRETARY	01/01/2009	
247044	Wagner, Kenneth L.	VICE PRESIDENT &	01/01/2009	
	•	SECRETARY		
133381	Navarre, Richard A.	DIRECTOR	01/01/2009	
249020	Kim, Chino	ASSISTANT TREASURER	01/01/2009	
156232	Hammond, Robert	VICE PRESIDENT	06/01/2008	
247045	Davis, Mathew S.	ASSISTANT TREASURER	01/01/2008	
149653	Brown, G. Bradley	PRESIDENT	01/01/2008	
152210	Hawkins, Walter L., Jr.	SENIOR VICE PRESIDENT	01/01/2008	
098596	Peabody Holding	OWNER	12/05/2005	
	Company, LLC			
155551	Quinn, John F., Jr.	VICE PRESIDENT	07/26/2004	
152210	Hawkins, Walter L., Jr.	TREASURER	01/01/2004	
247044	Wagner, Kenneth L.	ASSISTANT SECRETARY	01/01/2008	01/01/2009
150783	Williamson, Kemai	PRESIDENT	01/01/2008	01/01/2009
158281	Crews, Michael C.	ASSISTANT TREASURER	04/03/2006	01/01/2008
157787	Frontczak, Mary L.	SECRETARY	12/12/2005	01/01/2009
156664	Peabody Coal Company,	OWNER	07/11/2005	12/07/2005
	LLC			
156232	Hammond, Robert	PRESIDENT	06/23/2005	01/01/2008
156232	Hammond, Robert	DIRECTOR	05/09/2005	01/01/2009
149160	Pulz, Janette I.	ASSISTANT TREASURER	04/01/2005	12/31/2008
155743	Morrow, Christina A.	ASSISTANT TREASURER	11/17/2004	01/01/2008
152209	Bean, Joseph W.	ASSISTANT SECRETARY	07/20/2004	10/31/2007
073870	Kegley, Morris W.	SECRETARY	03/02/2004	09/30/2005
154573	Kaclch, Gary T.	ASSISTANT TREASURER	01/01/2004	04/03/2006
152209	Bean, Joseph W.	ASSISTANT SECRETARY	03/14/2003	06/27/2003
152211	Reilly, Robert L.	VICE PRESIDENT	08/28/2002	07/26/2004
152482	Stottlemyre, L. Brent	TREASURER	08/28/2002	01/01/2004
152210	Hawkins, Walter L., Jr.	ASSISTANT TREASURER	01/25/2002	01/01/2004
100500	Klinger, Jeffery L.	ASSISTANT SECRETARY	08/27/2001	05/15/2008
149652	Wasik, John L.	DIRECTOR	07/10/2000	03/21/2005
108384	Schaab, Steven F.	VICE PRESIDENT	03/20/2000	01/01/2004
135754	Maher, Jeffrey A.	ASSISTANT TREASURER	08/10/1998	01/01/2008

EXHIBIT B

ORGANIZATIONAL CHART FOR THE FEC FAMILY OF COMPANIES

Peabody Energy Corporation Organizational Chart – December 31, 2009





Foreign Subsidiary Organizational Chart - December 31, 2009 Peabody Energy Corporation



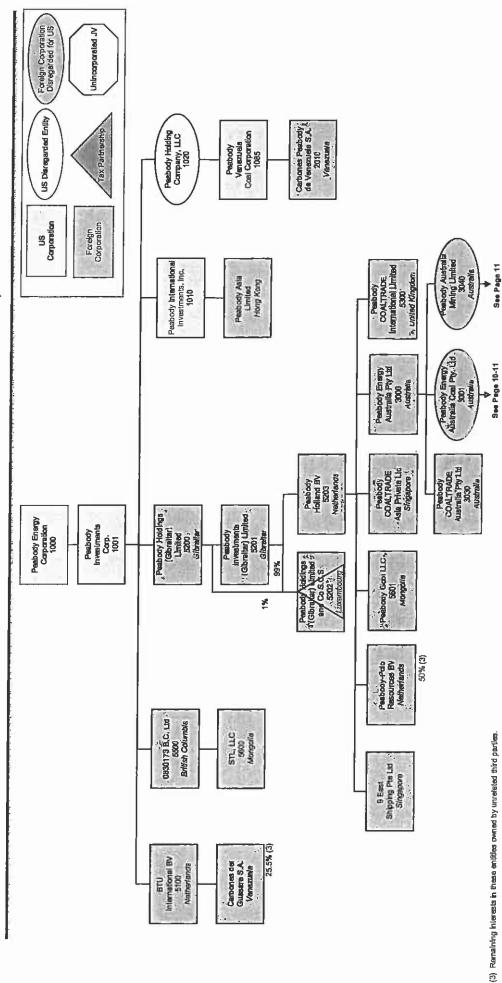


EXHIBIT C

AVS CERTIFICATION DOCUMENT FOR THE PEC FAMILY OF COMPANIES

Peabody Energy Corporation

Assistant Secretary's Certificate

I, Kenneth L. Wagner, Assistant Secretary of Peabody Energy Corporation, a Delaware corporation (the "Company"), do hereby certify that:

- (i) Alexandrea Palensky is authorized to provide information on the Company and its related operating subsidiary companies (the "Subsidiaries") to the Office of Surface Mining, Applicant Violator System (the "AVS Office"). This information consists of changes and updates to the AVS Ownership and Control database system which lists company officers and directors, and their beginning and ending dates of service.
- (ii) Alexandrea Palensky will provide the status of officers and directors to the AVS Office as is current with the corporate minute books of the Subsidiaries. The Subsidiaries are listed on the organization chart attached as Exhibit A. The organizational structure of the Company and its Subsidiaries may change from time to time.

IN WITNESS WHEREOF, the undersigned has executed this Assistant Secretary's Certificate as of this 5th day of November, 2009.

By:

Name: Kenneth I. Wagner Title: Assistan Secretary

Notary

State of Missouri

(SS)

City of Saint Louis

On this 5th day of November in the year 2009, before me, the undersigned notary public, personally appeared Kenneth L. Wagner, known to me to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

MARY UNNERSTALL
Notary Public - Notary Seal
State of Missouri, St Charles County
Commission # 07525127

Mary Universiall
Notary Public

EXHIBIT D

CURRENT, PREVIOUS, AND PENDING
COAL MINING PERMITS

Peabody Holding Company, Inc. **Issued Mining Permits Pending Mining Permits**

Page: 1

Date: 06/16/2010

State:

Arizona

Mine Name:

KAYENTA

Address:

P O BOX 650

KAYENTA, AZ, 86033

MSHA ID #:

02-01195

MSHA ID Date:

03/27/1973

Employer ID #: 13-2606920

Permit Number

AZ-0001D

Issue Date

07 / 2005

Expire Date

07 / 2010

Issued Ву

OSM

Issued To

PWCC

Applicant Ownership

and Control

PHCLLC

State:

Arizona

Mine Name: Address:

KAYENTA P O BOX 650

KAYENTA, AZ, 86033

MSHA ID#:

02-01195

MSHA ID Date:

03/27/1973

Employer ID #:

13-2606920

Permit Number

Issue Date

07 / 2000

Expire Date

07 / 2005

Issued By

OSM

Issued To

PWCC

Applicant Ownership

and Control

PHCLLC

State:

AZ-0001D

Arizona

Mine Name: Address:

BLACK MESA P O BOX 650

KAYENTA, AZ, 86033

MSHA ID #:

02-01195

MSHA ID Date:

03/27/1973

Employer ID #:

13-2606920

Permit Number

AZ-0001

Issue Date

01/2000

Expire Date

01/2005

Issued Ву

OSM

Issued То

PWCC

Applicant Ownership

and Control

PHCLLC

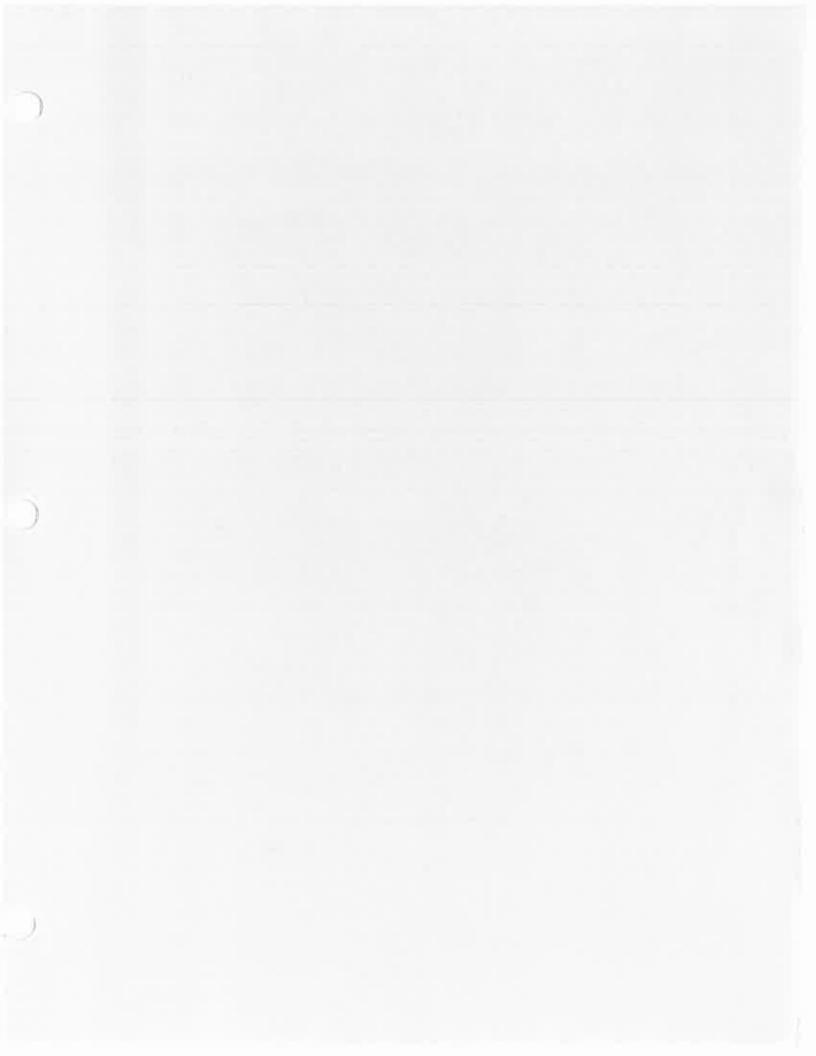


EXHIBIT E

COMPLIANCE INFORMATION

COMPLIANCE INFORMATION

Pursuant to Section 510(c) of the Surface Mining Control and Reclamation Act of 1977 and the applicable regulations thereunder, including 30 CFR 778.14, the attached is a listing of each violation notice received by PWCC in connection with any surface coal mining and reclamation operation for the period February 27, 2007 to May 16, 2010. PWCC does not have any outstanding Notices of Violations that have not been terminated, vacated, or for which the abatement period has not yet expired. PWCC has not had a State or Federal mining permit revoked or forfeited a performance bond or similar security deposited in lieu of bond for the period from February 26, 2005 to June 16, 2010. For each violation notice reported, the list includes the following information, as applicable:

- The company, mine, permit, MSHA ID, and State for each violation issued; the violation number, the date of issuance, and identity of the issuing regulatory authority, department, or agency;
- 2. A brief description of the particular violation alleged in the notice;
- 3. The date, location, and type of any administrative or judicial proceeding initiated concerning the violation, including, but not limited to, proceedings initiated by the applicant to obtain administrative or judicial review of the violations;
- 4. The penalty assessment and the current status of the proceedings and of the violation notice;
- 5. The actions, if any, taken by the applicant to abate or correct the violation;
- 6. If the abatement period for a violation in a Notice of Violation has not expired, certification that the violation is being abated or corrected to the satisfaction of the agency with jurisdiction over the violation.

It should be noted that the attached represents a complete listing of the above-described violations and their status as reflected by the file of the Office of the General Counsel of Peabody Holding Company, Inc., 701 Market Street, St. Louis, Missouri as of June 16, 2010. PWCC reserves the right to supplement this listing to reflect any information received by the Office of the General Counsel after said date.

Peabody Energy Corporation: Notice of Violation List Page: 1

For NOV's Issued Between

03/15/2007 and

07/30/2009

Date: 06/16/2010

07-005 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

NOV: 07-020-107-001 Issued: 03/15/2007

Issuer: U.S. Office of Surface Mining Issued To: Darrell Elkins

Cause: FAILURE TO REMOVE TOPSOIL IN A RECLAIMED AREA BY DRAGGING A DRAGLINE

ELECTRICAL THROUGH AREA;

Status: TERMINATED: 06/01/07;

As of: 06/01/2007

Action: 1) REMOVED ELECTRICAL CABLE, REDISTRIBUTED TOPSOIL, 2) SEEDED AND MULCHED

DISTURBED AREA;

Penalty: NONE;

07-006 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA
Permit: AZ-0001D

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

 NOV:
 07-020-352-001
 Issued:
 03/22/2007

 Issuer:
 U.S. Office of Surface Mining
 Issued:
 03/22/2007

Cause: FAILURE TO ESTABLISH A VEGETATIVE COVER CAPABLE OF STABILIZING THE SOIL

SURFACE WITH RESPECT TO EROSION;

Status: VACATED: 02/15/08;

As of: 04/17/2008

Action: REPAIRED THE EROSION AND STABILIZED THE AREA TO THE EXTENT POSSIBLE USING

CURRENT SOIL STABILIZING PRACTICES;

Penalty: CONFERENCE HELD 06/27/07; ASSESSED \$606.00 PER COC ISSUED 08/02/07; SUBMITTED

APPEAL 08/30/07 WITH PENALTY PAYMENT; HEARING STAYED UNTIL 03/06/08; SETTLEMENT REACHED ON 02/15/08; PENLALTY PAYMENT REFUNDED 04/17/08;

07-038 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA
Permit: AZ-0001D

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

 NOV:
 07-020-355-001
 Issued:
 09/05/2007

 Issuer:
 U.S. Office of Surface Mining
 Issued To: Gary Wendt

Cause: FAILURE TO PROTECT TOPSOIL STOCKPILE N-11-14 FROM CONTAMINANTS;

Status: VACATED: 09/13/07;

As of: 09/13/2007

Action: LAB ANALYSIS VERIFIED ALL MATERIALS SUITABLE FOR USE AS TOPSOIL;

Penalty: NONE;

Peabody Energy Corporation: Notice of Violation List

For NOV's Issued Between

03/15/2007 and

07/30/2009

Page: 2

Date: 06/16/2010

07-039

PEABODY WESTERN COAL COMPANY

Mine:

KAYENTA

Permit: AZ-0001D

NAVAJO

State:

MSHAID:

02-01195

County:

Arizona

NOV:

07-020-352-002

issued:

09/25/2007

Issuer:

U.S. Office of Surface Mining

Issued To: Received Certified Mail

Cause:

Status:

1) FAILURE TO MAINTAIN REQUIRED 1 TO 2 FEET OF FREEBOARD IN GRADIENT

TERRACE; 2) FAILURE TO MAINTAIN INLET AND SPILLWAYS OF SEDIMENT PONDS; 1) VACATED: 02/15/08; 2) VACATED: 03/25/08;

As of:

03/25/2008

Action:

1) RECONSTRUCTED TERRACE PER APPROVED PLAN; 2) RECONSTRUCTED INLET AND

SPILLWAYS TO APPROVED DESIGN:

Penalty:

1) CONFERENCE HELD 12/18/07; ASSESSED \$474.00 PER COC; SETTLEMENT REACHED

ON 02/15/08; 2) NONE;

07-040

Company:

PEABODY WESTERN COAL COMPANY

Mine:

KAYENTA

Permit:

AZ-0001D

MSHAID:

02-01195

County:

OLAVAIO

State:

Arizona

NOV:

07-020-352-003

Issued:

10/22/2007

Issuer:

U.S. Office of Surface Mining

Issued To: Received Certified Mail

Cause:

FAILURE TO MAINTAIN DIVERSION RESULTING IN DISTURBED AREA RUNOFF GOING **OUTSIDE OF SEDIMENT CONTROL;**

Status:

TERMINATED: 10/23/07;

As of:

02/14/2008

Action:

REPAIRED AND MAINTAINED DIVERSION TO APPROVED DESIGN;

Penalty:

CONFERENCE HEARING HELD 02/14/08; ASSESSED \$518.00 PER COC AND PENALTY

VACATED 08/05/08;

08-006

PEABODY WESTERN COAL COMPANY

Company: Mine:

KAYENTA

Permit:

AZ-0001D

MSHA ID:

02-01195

County:

OLAVAN

State:

Arizona

NOV:

08-020-352-001

Issued:

03/21/2008

Issuer:

U.S. Office of Surface MinIng

Issued To: Darrell Elkins

Cause:

FAILURE TO MAINTAIN A SEDIMENT POND TO INSURE AGAINST EXCESSIVE SEDIMENT;

Status:

TERMINATED: 04/18/08;

As of:

08/05/2008

Action:

RECONSTRUCTED SEDIMENT POND EMBANKMENT TO PREVENT CRACKING;

Penalty:

CONFERENCE HELD 07/02/08; ASSESSED \$518.00 PER COC AND PENALTY VACATED ON

08/05/08;

Peabody Energy Corporation: Notice of Violation List Page: 3

For NOV's Issued Between

03/15/2007 and

07/30/2009

Date: 06/16/2010

08-007 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

 NOV:
 08-020-107-002
 Issued:
 03/14/2008

 Issuer:
 U.S. Office of Surface Mining
 Issued To: Greater F. James

Issuer: U.S. Office of Surface Mining

Issued To: Greg E. Jones

Cause: FAILURE TO PROTECT TOPSOIL STOCKPILE FROM WATER EROSION AT TWO BERM

LOCATIONS;

Status: TERMINATED: 1) & 2) 05/07/08;

As of: 05/07/2008

Action: 1) INSTALLED STRAW BALES IN BREACHES; 2) REPAIRED THE PIPE HOLES IN EACH

BERM

Penalty: NONE;

08-008 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA
Permit: AZ-0001D

County: NAVAJO State: Arizona

NOV: 08-020-190-003 Issued: 03/20/2008

Issuer: U.S. Office of Surface Mining Issued To: Received Certified Mail

MSHA ID:

02-01195

Cause: FAILURE TO PROTECT DISTURBANCE BY COAL MINING OPERATIONS WITHIN A STREAM

BUFFER ZONE;

Status: TERMINATED: 04/17/08;

As of: 04/17/2008

Action: IDENTIFIED AND REMOVED ANY FLY ROCK INSIDE THE STREAM BUFFER ZONE;

Penalty: NONE;

08-009 Company: PEABODY WESTERN COAL COMPANY

Mine: KAYENTA
Permit: A7-0001D

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

NOV: 08-020-352-002 Issued: 04/23/2008

Issuer: U.S. Office of Surface Mining Issued To: Received Certified Mail

Cause: FAILURE TO PLACE SPOIL IN ACCORDANCE WITH APPROVED PLAN AND DRAWING #

85352;

Status: TERMINATED: 05/22/08;

As of: 05/22/2008

Action: SUBMITTED REVISED PLAN AND DRAWING #85352 TO REGULATORY AUTHORITY FOR

SPOIL PLACEMENT AT N9 SPOIL DUMP# 2 AND OBTAINED APPROVAL;

Penalty: NONE;

Page: 4 Peabody Energy Corporation: Notice of Violation List

For NOV's Issued Between

03/15/2007 and

07/30/2009

Date: 06/16/2010

08-020 Company: PEABODY WESTERN COAL COMPANY

> Mine: **KAYENTA**

AZ-0001D MSHA ID: 02-01195 Permit: County: **NAVAJO** State: Arizona

NOV: 08-020-352-005 10/22/2008 Issued: ssuer: U.S. Office of Surface Mining

Issued To: Darrel Elkins Cause: FAILURE TO MAINTAIN GRADIENT TERRACE ACCORDING TO THE APPROVED MINING

PLAN;

Status: **TERMINATED: 11/13/08;**

As of: 04/09/2009

Action: GRADIENT TERRACE HAS BEEN CLEANED OUT AND BREACHES WERE REPAIRED;

Penalty: CONFERENCE HELD 02/05/09; ASSESSED \$1870.00 AND PAID 04/08/09;

08-028 Company: PEABODY WESTERN COAL COMPANY

> Mine: **KAYENTA**

Permit: AZ-0001D MSHA ID: 02-01195 **NAVAJO** State: County: Arizona

NOV: 08-020-352-006 11/12/2008 Issued: Issued To: Gary Wendt Issuer: U.S. Office of Surface Mining

1) FOUR J21 PONDS HAVE EMBANKMENT CRACKS; 2) EROSION AND HOLES ON THREE Cause:

PONDS; 3) ROCK DISPLACEMENT, EROSION AND DOWN CUTTING ON TWO J21 CHANNELS; 4) & 5) FAILURE TO RECLAIM ABANDONED ROAD & MAINTAIN TERRACE; 6)

UNAPPROVED J21-36 POND CONSTRUCTION;

Status: TERMINATED: 1) 12/12/08; 2) 12/12/08; 3) 12/23/08; 4) 12/12/08; 5) 12/12/08; & 6) 12/12/08;

As of: 05/29/2009

Action: 1) RECONSTRUCTED & STABILIZED EMBANKMENTS; 2) REPAIR EROSION &

> RECONSTRUCT V-DITCHES; 3) REPAIR CHANNELS & REPLACE ROCKS; 4) RECLAIM ROAD TO PROTECT FROM EROSION; 5) REMOVE OR MAINTAIN TERRACE; 6) RÉMOVE POND &

PROVIDE FOR POSITIVE DRAINAGE IN THE AREA;

3), 4) & 5) NONE; 1), 2) & 6) CONFERENCE HELD 02/11/09; ASSESSED \$1730. AND PAID Penalty:

05/29/09;

PEABODY WESTERN COAL COMPANY 08-029 Company:

> Mine: **KAYENTA**

Permit: AZ-0001D MSHAID: 02-01195 County: **NAVAJO** State: Arizona

NOV: 09/26/2008 08-020-190-005 Issued:

Issued To: Received Certified Mail Issuer: U.S. Office of Surface Mining

Cause: FAILURE TO PROTECT STOCKPILED TOPSOIL FROM EROSION;

Status: TERMINATED: 10/03/08;

As of: 02/06/2009

Action: REPAIRED ALL BREACHES TO BERMS AROUND STOCKPILE AND SEEDED AND MULCHED

DISTURBANCE AREAS;

Penalty: CONFERENCE HELD 01/08/09; ASSESSED \$264.00 PER COC AND PENALTY VACATED; Peabody Energy Corporation: Notice of Violation List

For NOV's Issued Between

03/15/2007 and

07/30/2009

Date: 06/16/2010

08-030

Company:

PEABODY WESTERN COAL COMPANY

Mine:

KAYENTA

Permit:

AZ-0001D

MSHAID:

02-01195

County:

OLAVAN

State:

Arizona

NOV:

08-020-352-004

issued:

09/11/2008

Issuer:

U.S. Office of Surface MinIng

Cause:

1) FAILURE TO MAINTAIN A SEDIMENT POND EMBANKMENT FROM CRACKING; 2) FAILURE

Issued To: Darrel Elkins

TO MAINTAN A GRADIENT TERRACE ACCORDING TO THE APPROVED PLAN; Status:

TERMINATED: 10/16/08; 2) VACATED 09/16/08;

As of:

10/16/2008

Action:

1) RECONSTRUCTED THE EMBANKMENT TO ELIMINATE THE CRACK AND TO BE STABLE;

2) GRADIENT TERRACE HAS BEEN CLEANED OUT AND BREACH REPAIRED

Penalty:

1) CONFERENCE HELD 12/12/08; ASSESSED \$1090.00 AND PENALTY VACATED 02/23/09; 2)

NONE;

08-032

Company:

PEABODY WESTERN COAL COMPANY

Mine:

KAYENTA

Permit: AZ-0001D MSHA ID:

02-01195

County:

OLAVAN

State:

Arizona

NOV:

CO: 08-020-352-001

Issued:

12/12/2008

Issuer:

U.S. Office of Surface Minlng

Issued To: Darrell Elkins

FAILURE TO CORRECT INSLOPE EROSION ON POND J21-A1 (NOV 08-020-352-006, NOV # 2 Cause:

OF 6) BY REQUIRED ABATEMENT DATE OF 12/12/08; CO TERMINATED: 12/12/08:

Status: As of:

01/29/2009

Action:

RECONSTRUCTED THE DITCH AND REPAIRED THE EROSION ON THE INSLOPE;

Penalty:

ASSESSED \$1025.00 PER NOPA AND PAID 01/29/09;

Peabody Energy Corporation: Notice of Violation List

Page 6

Date: 06/16/2010

For NOV's Issued Between

07/30/2009 and 06/16/2010

2009-02 Company: Peabody Western Coal Company

NOV:

Issuer:

Cause:

Mine: KAYENTA

Permit: AZ-0001D
County: NAVAJO

09-020-107-003

MSHA ID: 02-01195 State: Arizona Issued: 11/18/2009

U.S. Office of Surface Mining

FAILURE TO PROVIDE A SEISMOGRAPH RECORD FOR A BLAST THAT EXCEEDED THE

TOTAL WEIGHT OF EXPLOSIVES THAT COULD BE DETONATED WITHIN AN 8 MILLISECOND

PERIOD (SCALE DISTANCE EQUATION);

Status: TERMINATED: 11/18/09;

As of: 02/18/2010 Action: NONE;

Penalty: \$584.00 ASSESSED PER NOPA ISSUED 01/29/10 AND PENALTY PAID 02/18/10;

2009-01 Company: Peabody Western Coal Company

Mine: KAYENTA
Permit: AZ-0001D

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

 NOV:
 09-020-107-002
 Issued:
 07/30/2009

Issuer: U.S. Office of Surface Mining Issued To: Gary Wendt

Cause: FAILURE TO COMPLY WITH AIRBLAST LIMITS AS SPECIFIED BY THE REGULATIONS WITH A

Cause: FAILURE TO COMPLY WITH AIRBLAST LIMITS AS SPECIFIED BY THE R READING OF 135.2 Db EXCEEDING LIMIT OF 133 Db;

Status: TERMINATED: 07/30/09;

As of: 10/19/2009 Action: NONE;

Penalty: \$1,100.00 ASSESSED PER NOPA ISSUED 09/23/09 AND PENALTY PAID 10/19/09;

2010-01 Company: Peabody Western Coal Company

 MIne:
 KAYENTA

 Permit:
 AZ-0001D
 MSHA ID:
 02-01195

 County:
 NAVAJO
 State:
 Arizona

NOV: 10-020-190-002 Issued: 03/23/2010

Issuer: U.S. Office of Surface Mining IssueD To: Received Certified Mail

Cause: FAILURE TO COMPLY WITH TERMS AND CONDITIONS OF THE APPROVED PERMIT, SPECIFICALLY FAILURE TO INSTALL A CULVERT AS APPROVED BY REVISION TO THE

PERMIT (CULVERT P0412);

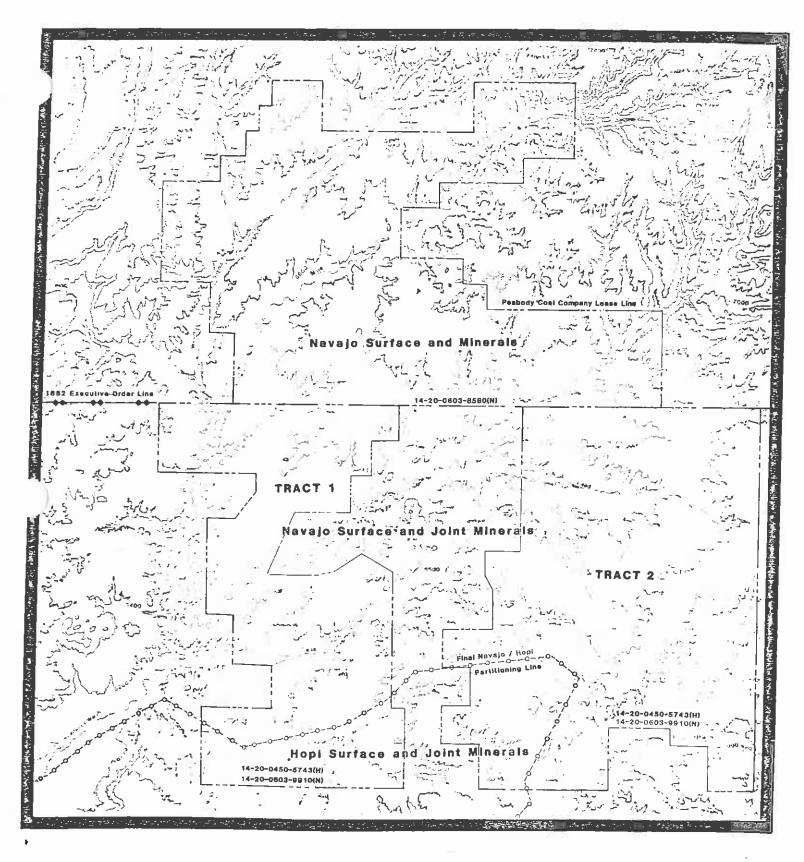
Status: TERMINATED: 05/10/10;

As of: 05/10/2010

Action: CULVERT INSTALLED PER APPROVED PERMIT;
Penalty: NONE ASSESSED PER NOPA ISSUED 04/27/10;

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS



BLACK MESA LEASES
PEABODY COAL COMPANY

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 1320.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence South 5280.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence South 7920.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence West 8765.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence West 5150.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence South 5280.0 ft., thence North 5280.0 ft., thence South 5280.0 ft., thence North 5280.0 ft., thence North 5280.0 ft., thence North 5280.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence North 10,560.0 ft., to the point of Deginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R18E:

Secrions 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135% R1SE:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 28, N 2063.0 ft. 27, N 2063.0 ft. 26, N 2063.0 ft. 25.

T33N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.3 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers
14-20-0450-5743
14-20-0603-9910

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

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T. 36 N., R. 19 E.
25, 26, 27, 28, 29, 32, 33, 34, 35, 36
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ATTACHMENT 3

DESCRIPTION OF CONVEYOR AND COAL LOADOUT FACILITY RIGHT-OF-WAY AND EASEMENT

NAVAJO PROJECT

Application and Grant of

Rights-of-Way and Easements

(25 U.S.C. § 323)



1.23 "Granted Lands" - The Plant Site, the Pumping Plant Site, Ash Disposal Area, Rail Loading Site, and the Reservation Lands located within the rights-of-way and casements described in Section 2.2 hereof.

1.24 "Secretary" - the Secretary of the Interior or his authorized representative or such person or agency as he may expressly designate to perform the functions provided in this §323 Grant to be performed by him or such Federal agency as may succeed to the duties of the Secretary of the Interior under this §323 Grant.

1.25 "Area Director" - Area Director of the Navajo Area Office of the Bureau of Indian Affairs at Window Rock, Arizona, or other official in charge of the Indian Agency having jurisdiction over the Reservation Lands.

2. GRANT OF RIGHTS-OF-WAY AND EASEMENTS. The Secretary of the Interior hereby grants to the Grantees, their successors and assigns, as tenants in common with the respective undivided interests hereinafter described, rights-of-way and easements in, on, over, along and across the real property hereinafter shown and described on Exhibit A hereof and the supplemental Exhibits thereto for the purpose hereinafter described:

2.1. A right-of-way and casement for the Plant Site, the Pumping Plant Site, Ash Disposal Area and Rail Loading Site, with Arizona having an undivided 14% interest therein; Los

Angeles baving an undivided 21.2% interest therein; Salt River Project having an undivided 46.0% interest therein; Nevada having an undivided 11.3% interest therein; and Tucson having an undivided 7.5% interest therein.

- 2.2 Rights-of-way and easements for the purposes of constructing, reconstructing, installing, operating, maintaining, relocating and removing the improvements hereinafter described within the areas shown and described in the referenced Exhibits, with the Grantees having the respective undivided interests set forth in paragraph 2.1.
 - 2.2.1. Power and communication lines, extending from the Pumping Plant Site to the Plant Site in, on, over and across the real property shown on Exhibit A hereof and described on supplemental Exhibit 5 hereto.
 - 2.2.2. A water pipeline and access road extending from the Pumping Plant Site to the Plant Site in, on, over and across the real property shown on Exhibit A hereof and described on supplemental Exhibit 6 thereto.
 - 2.2.3. An access road extending from the Pumping Plant Site to the Proposed Indian Service Route N-228 on, over and across the real property shown on Exhibit A hereof and described



United States Department of the Interior

OFFICE OF SURFACE MINING Reclamation and Enforcement P.O. Box 46667

Denver, Colorado 80201-6667

AZ0001

October 18, 2005

Gary W. Wendt Supervisor Environmental Program Arizona Business Unit Peabody Western Coal Company P.O. Box 650 Navajo Route 41 Kayenta, Arizona 86033

Re:

Chapter 7 Revised Blasting Monitoring Map Drawing 94700 / Black Mesa/Kayenta Mines / Permit AZ0001D / OSM Project # AZ0001-D-J-29

Dear Mr. Wendt:

We have completed review of Peabody Western Coal Company's (PWCC's) September 9, 2005, submittal of a permit revision for Chapter 7 (Blasting), Revised Blasting Monitoring Map, Drawing No. 94700.

As set forth in the enclosed findings and "technical evaluation" document, we find that the proposed minor permit revision application complies with the requirements of the Surface Mining Control and Reclamation Act of 1977 and the implementing Federal regulations. In accordance with 30 CFR 750.12(c)(1)(ii) and 774.13(c), I approve this proposed minor revision to permit AZ-0001D.

By copy of this letter, OSM/WR requests PWCC, other OSM offices, and other agencies/offices to insert the materials transmitted with OSM's memoranda dated September 13, 2005, (OSM ID 05/09/12-14) into the approved permit application package, in accordance with the insertion instructions.

As set forth in the Indian Lands Program at 30 CFR 750.12(c)(1)(iii), PWCC, or any person with an interest which is or may be adversely affected, may appeal this decision under the procedures of 30 CFR Part 775 and 43 CFR Part 4.



If you have any questions, please contact me by telephone at (303) 844-1400, extension 1496, or by e-mail at ggavette@osmre.gov.

Sincerely,

Jerry D. Gavette, Leader

Black Mesa/Kayenta Mine Team

Enclosures

cc: AFO

BIA-Navajo Regional Office BIA-Western Regional Office BIA-Western Regional Office SM-Farmington Area Office Forest Lake Chapter House Hopi Office of Realty Services Hopi Office of Mining & Mineral Resources Navajo Minerals Department

OFFICE OF SURFACE MINING (OSM) FINDINGS FOR PROPOSED MINOR PERMIT REVISION

Permit No. AZ0001D
Permit Revision No. AZ-0001-D-J-29
Peabody Western Coal Company (PWCC)
Black Mesa/Kayenta Mines

Under the Indian Lands Program (30 CFR Chapter VII, Subchapter E), PWCC on September 9, 2005, submitted to OSM proposed minor permit revision AZ-0001-D-J-29 for Black Mesa/Kayenta Mines permit AZ0001D. The application was updated Chapter 7, Revised Blasting Monitoring Map, Drawing No. 94700.

Based upon OSM's review of the permit revision application (attached), I find that:

- Reclamation as required by the Surface Mining Control and Reclamation Act of 1977 (SMCRA) and the Indian lands Program (30 CFR Part 750) can be accomplished;
- 2. The revision application complies with all requirements of SMCRA and the Indian Lands program;
- 3. No other approval requirements at 30 CFR § 773.15(c) are applicable, and;
- 4. Environmental Reevaluation and Finding of No Significant Impact Under the National Environmental Policy Act:
 - a. The proposed permit revision would not result in any additional surface disturbance, and no additional environmental impacts would occur beyond those identified in OSM's May 1990 environmental impact statement (EIS) for the Black Mesa/Kayenta Mine permit approval;
 - b. The 1990 EIS adequately addresses the impacts of the mine; and
 - c. Because the approval of the permit revision would not result in additional impacts, the approval would not cause OSM to change its finding of no significant impact for the permit.
 - d. The approval of this permit revision application would not significantly impact the quality of the human environment under section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332(2)(C). Therefore, an environmental impact statement is not required.

OSM provided copies of the proposed permit revision application to the Bureau of Indian Affairs-Western Regional Office (BIA/WRO) and Navajo Regional Office (BIA-NRO), Hopi Tribe-Office of Mining and Mineral Resources (HT-OMMR) and Office of Realty Services (HT-ORS) and the Navajo Nation Minerals Department-Office of Surface Mining (NNMD-OSM). It notified but did not provide application copies to the U.S. Fish and Wildlife Service-Arizona (USF&WS-AZ), Navajo Environmental Protection Agency, Navajo Air Quality Control Program and BIA Hopi Agency. No comments or concerns were received.

For the reasons set forth above and in accordance with 30 CFR 750.12(c) and 774.13(c), I approve PWCC's proposed minor permit revision AZ-0001-D-J-29 to Federal permit AZ0001D.

Jerry D. Gavette, Leader Black Mesa/Kayenta Mine Team

Western Region

Office of Surface Mining

October 18, 2005

Date

TECHNICAL EVALUATION OF CHAPTER 7 REVISION OF BLASTING MONITORING

1. (COMPANY: Peabody Western Coal Company (PWCC)
2. <u>N</u>	MINE/OPERATION: Black Mesa / Kayenta Mine
3. <u>]</u>	TRACKING SYSTEM INFORMATION.
	A. Mine Information Project Planning System (MIPPS): AZ-0001- D-J29
	B. Workload Assignment Tracking System (WATS): FPD07437
	C. Administrative Records Management System (ARMS): 05/09/12-14
	D. <u>Letterhead date of submittal</u> : September 9, 2005
4. <u>T</u>	TYPE OF APPLICATION/DOCUMENT REVIEWED.
	 □ New permit application ☑ Permit revision application □ Permit renewal application □ Permit transfer, assignment, or rights sale application □ Other Chapter 7 Revision for Blasting Monitoring and New Locations of Seismographic Stations.

5. EVALUATION.

- A. Part of application/document reviewed: Chapter seven and Location Map
 - (1) <u>Citation of applicable regulations</u>: 816.67 (b)(2), 816.68 (o)(2) Requirement to monitor and Monitoring Locations
 - (2) Evaluation of compliance with the requirements of the applicable regulations:
 - (a) Evaluation of compliance with the permit application requirements (30 CFR Parts 777 through 784):

I have discussed this matter with Colin Matheson of Matheson Mining Consultants at length. We both agree that due to the movement of some pits, the reclamation of other pits and the alignment of other pits, a change is needed to comply with the special monitoring requirement of the permits.

Because it takes up to two years to arrange to place the seismographs outside the permit area it is the desire of all parities to place all seismographs inside the permit area to minimize the time necessary to make the needed changes.

It is the desire to place all instruments at a point between the blast and the closest structure or at a point that may not be the direct natural straight line distance but at a point that can be used to accurately measure the air blast and peak ground motion.

To this end the current revision does that. There is also some data available that a regression equation can be established to calculate the peak particle velocity at any point in a straight line.

The reason I say that there is some data is because there have only been a few times during the current recording period when there has been sufficient blast energy to trigger the monitoring units.

The J-7 pit will no longer be mined so there is no reason for a seismograph at that location, the Katie Charley location is too far from the blasting now and the Kescoli site for J-21 is much better, the J-19/ J-19 West Pit north side should be placed on the north side of the area on the Dugout Wash ancillary road. The Alice Yazzie site will continue to be used.

- (b) Evaluation of compliance with the performance standards (30 CFR Parts 816 and 817): The operator must monitor all blasts and at a location APPROVED BY OSM. This is being done and is in compliance with the regulations.
- (3) On the basis of the preceding evaluation, I conclude that:

☐ or ☐ This part of the application/document complies with the req	uirements of the applicable
regulations.	

☐ or ☐ The above evaluation concerns a proposed revision of the reclamation plan that does not affects reclamation costs.

Michael F. Rosenthal Mining Engineer

October 11,

2005

Black Mesa/Kayenta Mine Team

B. Peer reviewer:

Eugene hay, Mining Engineer

October 12, 2003

on supplemental Exhibit 7 thereto.

- 2.2.4. An access road extending between the Plant Site and the Ash Disposal Area on, over and across the real property shown on Exhibit A hereof and described on supplemental Exhibit 7 thereto.
- 2.2.5. A water pipeline extending from the Flant Site to Lake Powell in, under and across the real property shown on Exhibit A hereof and described on supplemental Exhibit 8 thereto.
- 2.2.6. A conveyor and communication lines extending from the Peabody Leased Lands to the Rail Loading Site on, over and across the real property shown on Exhibit B hereof and described on supplemental Exhibit 9 thereto.
- 3. CONSENT OF THE MAVAJO TRIBE OF INDIANS. The Tribe has consented to the grant of the rights-of-way and easements hereunder, as required by applicable regulations of the Department of the Interior, by resolutions, duly approved, of its Tribal Council and Advisory Committee. Such consent is further set forth in the Lease. Upon the execution and delivery of this \$323 Grant, the Lease, subject to the rights-of-way and easements granted to the Grantees hereunder, will be approved by the Secretary of the Interior. All present existing Indian uses of any land described herein are hereby

regulations, the Secretary hereby specifically waives and makes exceptions to the application of any of the existing regulations of the Department of the Interior with regard to any provisions of the \$323 Grant which are inconsistent with any of such regulations, and the Secretary finds that this valver and exception is permitted by law and is in the best interest of the Tribe.

IN TESTIMONY WIEDEOF, the Secretary of the Interior, in accordance with the provisions of the Act of February 5, 1948 (62 Stat. 17, 18, 25 U.S.C. \$323-328), the Act of March 8, 1879 (20 Stat. 894, 5 U.S.C. \$485), as anedded, and the Acts of July 9, 1832 and July 27, 1868 (4 Stat. 564, 15 Stat. 228, 25 U.S.C. \$2), and such regulations promulgated thereunder as are applicable, including 25 CFR \$1.2 and Part 161, has, in the name of the United States, caused this instrument to be executed and the seal of the Department of the Interior to be hereunto affixed.

the 10th day of Lecember, 1969.

SECRETARY OF THE INTERIOR

Welter J. Hickel

The covenants and conditions of this \$323 Grant are

1	accepted and agreed to this 23 day of Recomber,
2	1969.
3	ARIZONA PUBLIC SERVICE COMPANY
4	mest
5	ATTEST: EXECUTIVE VIUE RELEASE.
6	
7	Assistant Segretary
8	
9	APPROVED AS 13 FORM AND LEGALITY TO DEPARTMENT OF MATER AND POWER OF THE CUTY OF LOS ANGELES
10	By the Board of water and Foxer
11	Commissioners
12	Donald J. Rossner Deputy City Attornay
13	ATTEST:
14.	198
15	Mary Secretary
16	
17	NEVADA POWER COMPANY
18	By Olic Fills
19	
20	ATTEST:
21	- Carling ()
22	Secretary
23	
24	
25	
20	·

	1	SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT
	2	
	3	By Horkell,
	4	ATTEST AND COUNTERSIGNED:
	5	
	6	January 1
	7	Secretary
	8	TUCSON GAS & ELECTRIC COMPANY
	9	71.16
	10	ATTEST: By Hall
		Z Cetter XX
	11	Secretary
	12	
	13	
	14	STATE OF (Augusta)) SS County of Municipa)
ı	15	County of Marcofa)
	16	The foregoing instrument was acknowledged before me
	17	this 23th day of Seconder, 1969, by 900 C. Titus,
	18	Executive These President of ARIZONA PUBLIC SERVICE COMPANY,
	19	a corporation, on behalf of said corporation.
	20	
	21	Elizabet my will
	22	Notary Public
	23	Ny Commission expires:
	24	July 4 1972
	25	
	26	
	20	

Ţ

1	STATE OF California)
2	County of La Emaries)
3	The foregoing instrument was acknowledged before me
4	this 18 day of December, 1969, by FRANK R. PALMIERI PRESIDENT,
5	Board of Water & Power Commissioners Of DEPARTMENT OF WATER AND POWER OF THE
6	CITY OF LOS ANGELES, a department organized and existing under
7	the Charter of the City of Los Angeles, a municipal corporation
8	of the State of California, on behalf of said corporation.
9	9 . 3)2
10	Linda d. Meuman Notary Public
11	Try Commission expires: OFFICIAL SEAL LINDA L. NEWMAN
12	PRINCIPAL OFFICE IN LOS ANCELES COUNTY
13	My Commission Expires May 27, 1973
14	STATE OF Durana) ss
14 15	County of Clark)
	County of Clark) The foregoing instrument was acknowledged before me
15	The foregoing instrument was acknowledged before me this 18th day of Muenther, 1969, by
15 16	The foregoing instrument was acknowledged before me this 18th day of Muenter, 1969, by John C. Life, Michael Merchant of NEVADA POWER COMPANY, a Nevada
15 16 17	The foregoing instrument was acknowledged before me this 18th day of Luenter, 1969, by
15 16 17 18	The foregoing instrument was acknowledged before me this 18th day of Alexander, 1969, by John Company, a Nevada corporation, on behalf of said corporation.
15 16 17 18	The foregoing instrument was acknowledged before me this 18th day of Muenter, 1969, by John C. Life, Michael Merchant of NEVADA POWER COMPANY, a Nevada
15 16 17 18 19 20	The foregoing instrument was acknowledged before me this 18th day of Muenther, 1969, by John C. Life, Much President of NEVADA POWER COMPANY, a Nevada corporation, on behalf of said corporation. Myrtice of Carrelle Notary Public
15 16 17 18 19 20 21	The foregoing instrument was acknowledged before me this 18th day of Muenter, 1969, by John C. Like, Mile President of NEVADA POWER COMPANY, a Nevada corporation, on behalf of said corporation. My Commission expires: MY Commission expires:
15 16 17 18 19 20 21 22	The foregoing instrument was acknowledged before me this 18th day of Muenther, 1969, by John C. Life, Much President of NEVADA POWER COMPANY, a Nevada corporation, on behalf of said corporation. Myrtice of Carrelle Notary Public
15 16 17 18 19 20 21 22 23	The foregoing instrument was acknowledged before me this 18th day of Muember, 1969, by John A. John, Mile President of NEVADA POWER COMPANY, a Nevada corporation, on behalf of said corporation. My Commission expires: My Commission expires: MY Commission expires: MY Commission expires: MY Commission expires:

1	STATE OF Chingon) ss County of Marriage)
2	County of Marriage) ss
3	The foregoing instrument was acknowledged before me
4	this 22 day of becember, 1969, by V. I. CORBELL,
5	President of SALT RIVER PROJECT AGRICULTURAL
6	INPROVEMENT AND POWER DISTRICT, an Arizona agricultural im-
7	provement district, on behalf of said District.
8	O = O = 1
9	Notary Public
10	My Commission expires:
11	My Commission Expires May 3, 1971
12	
13	
14	STATE OF (Congana)) ss
15	County of Fina) ss
16	The foregoing instrument was acknowledged before me
17	this 19th day of Learnder, 1969, by Af Calling
18	The Presedent of TUCSON GAS & ELECTRIC COMPANY, an
19	Arizona corporation, on behalf of said corporation.
20	
21	Notary Public
22	My Commission expires:
23	
24	- 1-11. 15 m
25	
26	

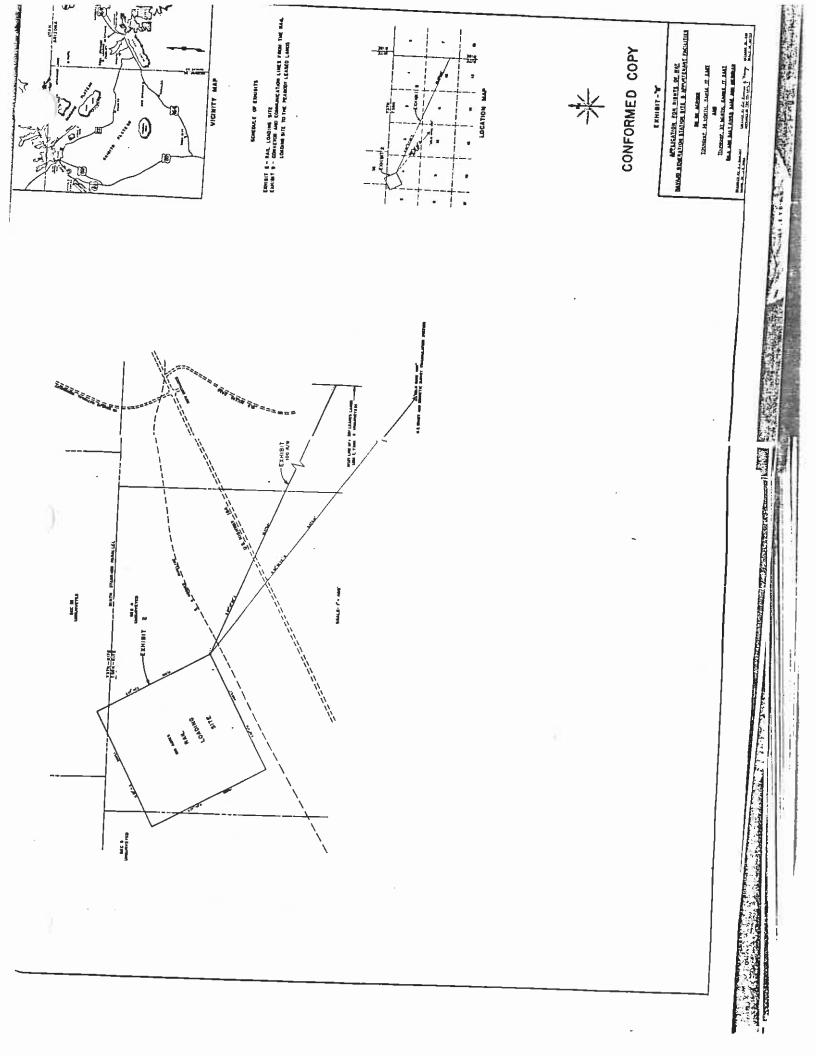


EXHIBIT 2 RAIL LOADING SITE

A parcel of land located in Sections 4 and 5 (Unsurveyed),
Township 36 North, Range 17 East, and Section 33 (Unsurveyed),
Township 37 North, Range 17 East, Gila and Salt River Base
and Meridian and described as follows:

Beginning at a U. S. Coast and Geodetic Survey Triangulation
Station being a brass disk set in a concrete monument and
stamped "Gold Mine 1951"; thence North 53° 38' 40" West (True
Bearing), 8,277.31 feet to the true point of beginning of the
parcel of land herein described; thence South 62° 11' West,
2,087.10 feet; thence North 27° 49' West, 2,087.10 feet; thence
North 62° 11' East, 2,087.10 feet; thence South 27° 49' East,
2,087.10 feet to the true point of beginning. Said described
parcel contains 100.00 acres.

EXHIBIT 9 CONVEYOR AND COMMUNICATION LINES FROM THE RAIL LOADING SITE TO THE PEABODY LEASED LANDS

A right-of-way extending from the Rail Loading Site through or across Sections 4, 3, 2, 11, and 12 (Unsurveyed), Township 36 North, Range 17 East, Gila and Salt River Base and Meridian, to the Peabody Leased lands, said right-of-way being 100 feet wide whose centerline is described as follows:

Beginning at a U. S. Coast and Geodetic Survey Triangulation
Station being a brass disk set in a concrete monument and
stamped "Gold-Mine 1951"; thence North 53° 38' 40" West (True
Bearing), 8,277.31 feet to a point common with the most Easterly
corner of the Rail Loading Site which is the true point of
beginning; thence South 67° 37' 20" East, 19,979.61 feet to a
point common with the West line of Section 7 (Unsurveyed),
Township 36 North, Range 18 East, said line being identical
with the West line of the Peabody Leased lands.

ACD-411-72

Class "C" Resolution

No BIA Action Required.

Rule 6 - - -

RESOLUTION OF THE ADVISORY COMMITTEE OF THE MAYAJO TRIBAL COUNCIL

Approving and Consenting to Revisions in the Final Allgament for a Conveyor and Communications Lines Extending from the Peabody Leased Langs to the Kall Loading Site

WHEREAS:

- 1. On May 27, 1969, the Navajo Tribal Council, by Resolution CMY-45-69, delegated to the Advisory Committee of the Navajo Tribal Council the authority to prescribe and approve the terms and conditions of the Navajo Generating Station Indenture of Lease, which was entered into as of September 29, 1969, between the Navajo Project Co-owners as Lessees and the Navajo Tribe as Lessor, and
- 2. By the same resolution, the Navajo Tribal Council authorized the Advisory Committee to consent to the terms and conditions of the grant of rights-of-way and easements by the Secretary of the Interior covering the lands and related rights leased and granted by the Indenture of Lease and said rights-of-way and easements (§323 Grant) were issued by the Secretary on December 10, 1969, and
- 3. As required by Section (1) of the Indenture of Lease, dated September 2, 1969, referred to in Resolution No. ACS-213-69, the final surveys of the Plant Site, Ash Disposal Area, the Rail Loading Site and the Pumping Plant Site, and the adjacent roads and rights-of-way were approved by the Advisory Committee as to precise location pursuant to Resolution No. ACN-340-69, and
- 4. The Navajo Project Lessees and Peabody Coal Company desire to revise the location of the conveyor and communication line right-of-way in order (i) to avoid interference with uses being made of land by Navajo Indians and (ii) to make the conveyor more environmentally acceptable and economically feasible by avoiding a box canyon, and
- 5. Lessees and Peabody Coal Company desire to revise the location of said conveyor and communication line right-of-way as shown on revised Exhibit B and revised Exhibit 9 attached to the §323 Grant which includes no additional land, and such route has been approved by the Office of Navajo RECEIVED Tribal Land Administration, and compensation has been paid the affected surface users.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Advisory Committee of the Navajo Tribal Council has reviewed and approved the surveys to be attached to the §323 Grant as revised Exhibit B and revised Exhibit 9 as attached to this resolution and has consented to the substitution of said revised exhibits in the §323 Grant in place of the presently attached Exhibit B and Exhibit 9.
- 2. The Advisory Committee of the Navajo Tribal Council consents, agrees and approves the amendment of the \$323 Grant by the substitution of the revised Exhibit B and revised Exhibit 9 for the current Exhibit B and Exhibit 9 and consents, agrees and approves of the granting of rights-of-way and easements as shown in said exhibits to the Peabody Coal Company for the purposes of conveyors and communication lines.
- 3. The consent and approval of the Advisory Committee as evidenced hereby shall not alter the terms and conditions of the Indenture of Lease or the §323 Grant except as herein provided.
- 4. The Chairman of the Navajo Tribal Council is hereby authorized to execute any papers or documents required to be executed by the Navajo Tribe and to take any actions in connection with effectuating this resolution.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Advisory Committee of the Navajo Tribal Council at a duly called meeting at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that same was passed by a vote of 14 in favor and 0 opposed, this 19th day of December, 1972.

Vice Chairman

Navajo Tribal Council

William C. Stact

1140 111 10

REVISED EXHIBIT 9 CONVEYOR AND COMMUNICATION LINES FROM THE RAIL LOADING SITE TO THE PEABODY LEASED LANDS

A right-of-way extending from the Rail Loading Site through or across Sections 4, 3, 2, 1 and 12 (unsurveyed), all being in Township 36 North, Range 17 East and Section 18, Township 36 North, Range 18 East, Gila and Salt River Base and Meridian, to the Peabody Leased Lands, said right-of-way being 100 feet wide and extending on each side of center line to join leased lands with center line of said right-of-way described as follows:

Beginning at a point being 4,524.61 feet north and 8,139.20 feet west of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument);

Thence, from point of beginning South 72° 32' 24" East for a distance of 10,749.29 feet to a point;

Thence, North 73° 44' 02" East for 5,125.33 feet to a point;

Thence, South 49° 52' 13" East for a distance of 6,304.06 feet to a point on the west property line of Peabody Leased Lands;

Thence, continuing on same bearing of South 49° 52' 13" East crossing Peabody Leased Land for a distance of 4,392.27 feet to a point in a south line of Peabody Leased Lands;

Thence, leaving leased lands and crossing lands of this survey on a bearing of South 49° 52' 13" East for a distance 2,814.22 feet to a point in a west property line of Peabody Leased Lands and being the end of this survey.



UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS
Navajo Area Office
Window Rock, Arizona 86515

March 9, 1973

Salt River Project Agricultural
Improvement and Power District
c/o Secretary
P. O. Box 1930
Phoenix, Arizona 85001

Gentlemen:

Right-of-way easement for conveyor and communication line was granted by \$ 323 Grant, Exhibit 9, issued by the Secretary of the Interior on December 10, 1969. Based on request of the grantee, the Advisory Committee has enacted Resolution No. ACD-411-72, authorizing a new conterline alignment of the right-of-way easement extending from the Rail Loading Site to Peabody leased land. The new alignment as authorized is described in attachment to the resolution and designated as "Revised Exhibit 9."

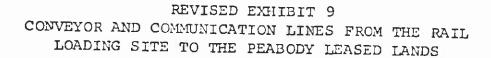
The Area Director has approved the Assolution and authorized Revised Exhibit 9 to be substituted for Exhibit 9 in the § 323 Grant. Enclosed for your information and records is a copy of Advisory Committee Resolution No. ACD-411-72 with Revised Exhibit 9 and a copy of the Area Director's letter dated March 5, 1973, approving the resolution.

Sincerely yours,

andrew W. Fasiem

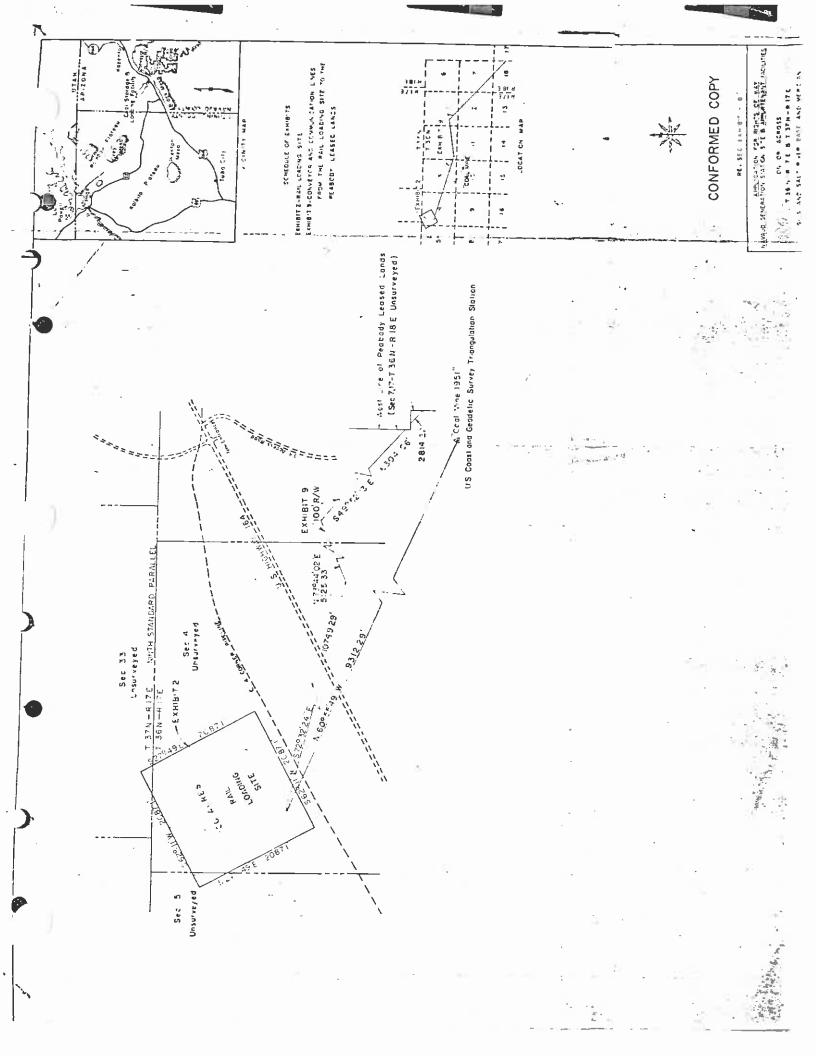
ASSISTANT Area Real Property Management Officer

Enclosures

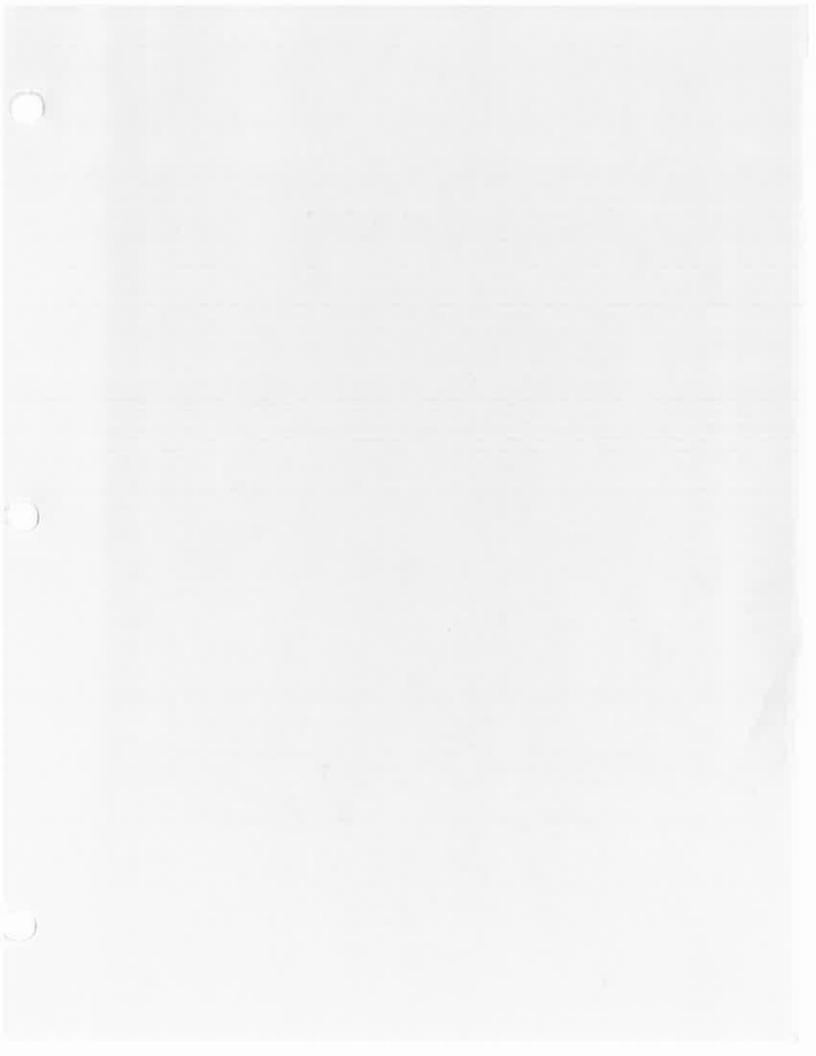


A right-of-way extending from the Rail Loading Site through or across Sections 4, 3, 2, 1 and 12 (unsurveyed), all being in Township 36 North, Range 17 East and Section 18, Township 36 North, Range 18 East, Gila and Salt River Base and Meridian, to the Peabody Leased Lands, said right-of-way being 100 feet wide and extending on each side of centerline to join leased lands with centerline of said right-of-way described as follows:

Beginning at a point being 4,524.61 feet North and 8,139.20 feet West of U. S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrede monument); thence, from point of beginning South 72° 32' 24" East for a distance of 10,749.29 feet to a point; thence, North 730 44' 02" East for 5,125.33 feet to a point; thence, South 490 52' 13" East for a distance of 6,304.06 feet to a point on the · West property line of Peabody Leased Lands; thence, continuing on same bearing of South 490 52' 13" East crossing Peabody leased land for a distance of 4,392.27 feet to a point in a South line of Peabody Leased Lands; thence, leaving leased lands and crossing lands of this survey on a bearing of South 49° 52' 13" East for a distance of 2,814.22 feet to a point in a West property line of Peabody Leased Lands and being the end of this survey.



Approved assignments of the conveyor and coal loadout facility right-of-way and easement from Peabody Coal Company to Peabody Western Coal Company will be inserted in Attachment 3 upon final execution (by approximately September 1, 1994).



ATTACHMENT 4

DESCRIPTION OF POWERLINE
RIGHT-OF-WAY

TRIBAL	XXX	·	
INDIVIDUAL	LY 0	WNED	
GOVERNMENT	OWN	ED	
RIGHT-OF-W	ΑY	Un-numbered	
REFERENCE	NO.	AZ-84-36	

GRANT OF EASEMENT FOR RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS:

That the United States of America for and on behalf of the Indian Owners of the lands
described in Exhibit hereof, acting by and through the Area Director, Bureau of
Indian Affairs, Department of the Interior, Window Rock, Arizona, hereinafter referred to as
"Grantor", under authority contained in Commissioner's Redelegation Order 10 BIAM Section 3.1,
and pursuant to the provisions of the Act of February 5, 1948 (62 Stat. 17, 25 U.S.C. § 323-
328), and Part 169, Title 25, Code of Federal Regulations, in consideration of \$22,493.00**
and other good and valuable consideration, the receipt of which is acknowledged, does hereby
grant to the PEABODY COAL COMPANY, Arizona Division, 1300 South Yale,
a Delaware corporation of Wilmington, Delaware, Flagstaff, Arizona 86001, hereinafter referred to
as "Grantee", an easement for a right-of-way for the following purposes(s), namely:
Construction, operation and maintenance of a 69 KV electrical transmission line
, over, across, in and upon the following described lands
located in the County of <u>Navajo</u> , State of <u>Arizona</u> .
The said easement, as shown on the Map(s) attached consisting of one sheet
marked Exhibit, attached hereto, is limited to and more particularly described
as a strip of land sixty (60) feet in width, 6,185.64 feet and 374.89 rods in length, and
consisting of 8.52 acres, more or less, within Navajo County and across Navajo Partitioned
area of the 1882 Executive Order and is more particularly described in the powerline right-
of-way description marked Exhibit "A" attached hereto which by this reference is made a part
hereof.
Said easement is subject to "Navajo Area Land Clearing, Excavation and Reclamation
Said easement is subject to "Navajo Area Land Clearing, Excavation and Reclamation Stipulations for Rights-of-Way over Indian Land".

Said easement is further subject to compliance with the conditions contained in the letter of the Chairman, Navajo Tribal Council, dated August 24, 1984.

- A. Failure to comply with any term or condition of the grant or the applicable regulations.
- B. A nonuse of the right-of-way for a consecutive two-year period for the purpose for which it was granted.
 - C. An abandonment of the right-of-way.
- D. Failure of the Grantee, upon the completion of construction, to file with the Grantor an affidavit of completion pursuant to 25 CFR 169.16.
- E. Failure to comply with conditions contained in the BIA Navajo Area Office's archeological clearance dated May 7, 1984.
- F. Failure to comply with conditions contained in the letter of the Chairman, Navajo Tribal Council, dated August 24, 1984.

G. ----

The conditions of this easement shall extend to and be binding upon and shall inure to the benefit of the heirs, representatives, successors, and assigns of the Grantee.

IN WITNESS WHEREOF, Grantor has executed this grant of easement this

day of September ______, 1984_.

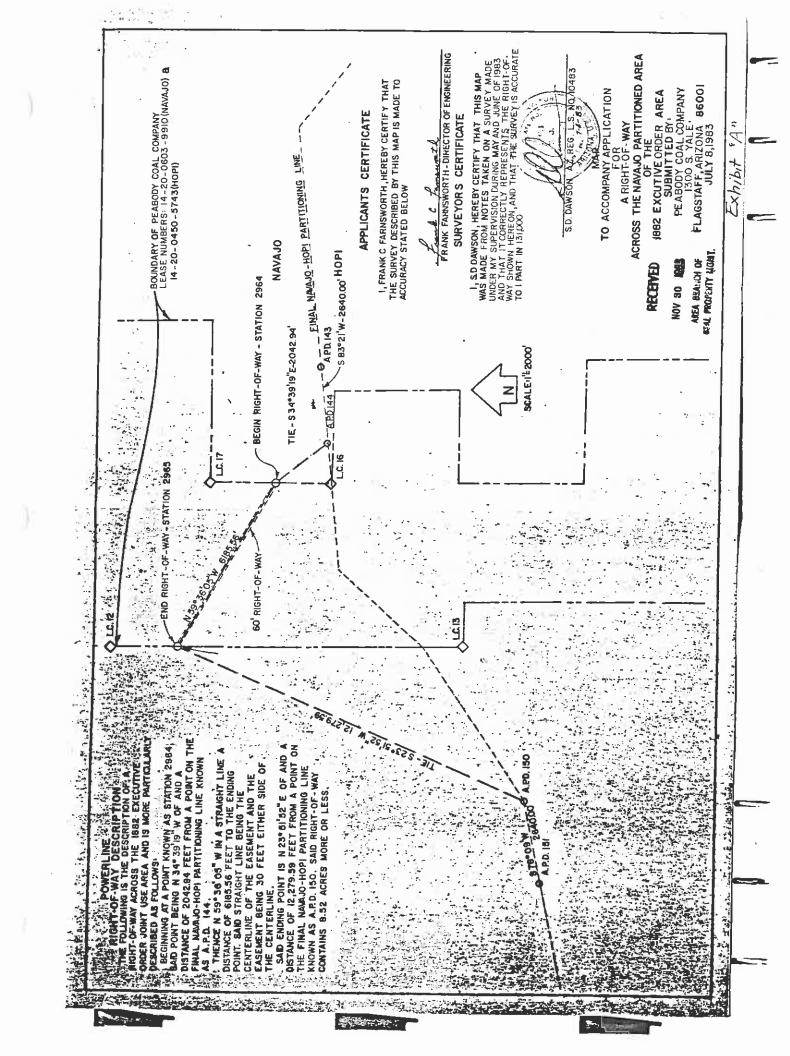
UNITED STATES OF AMERICA

Area Director

(Title)

(Name)

U. S. DÉPARTMENT OF THE INTERIOR Bureau of Indian Affairs Navajo Area Office P. O. Box "M" Window Rock, Arizona 86515-0714



Approved assignment of the 69KV powerline right-of-way from Peabody Coal Company to Peabody Western Coal Company will be inserted in Attachment 4 upon final execution (by approximately September 1, 1994).

ATTACHMENT 3b

Description of Road, Utility, Pond, and

Rock Borrow Area Facilities Right-of-Way and

Easement Grant Issued During August 1996



APPLICABLE RULES AND REGULATIONS

An application for a right-of-way, including 283.45 acres for two parcels, was submitted on June 24, 1994 to the Bureau of Indian Affairs in accordance with the requirements contained in 24 CFR Part 169 entitled <u>Rights of Way Over Indian Lands</u>. These regulations have been promulgated pursuant to 5 U.S.C. 301, 25 U.S.C. 323-328 and other acts cited in the regulations.

DESCRIPTION AND SPECIFIC USE OF THE PROPOSED RIGHT-OF-WAY

Following is a description and discussion of the specific use of the two right-of-way parcels:

- Parcel #1 is located in portions of Sections 3, 4, 9, 10, Township 35 North, Range 18 East and contains approximately 278.91 acres (see Drawing 85110). The surface coal mining support facilities and associated disturbance areas included are as follows:
 - a. Existing Black Mesa haul road
 - b. Proposed Black Mesa haul road
 - c. Existing 69KV powerline
 - d. Existing 14-inch buried waterline and maintenance road
 - e. Existing underground telephone line
 - f. Existing sedimentation Ponds MW-A and MW-B
 - g. Existing utilities access roads
 - h. Proposed rock (scoria) borrow area

Parcel #2 is located in a portion of Section 9, Township 35 North, Range 18 East and contains approximately 4.54 acres (see Drawing 85110). This parcel includes be existing portion of the Navajo Water Well #4 access road disturbance area of the Navajo Lease #14-20-0503-9910, Tract No. 1.

The roposed right-of-way areas in Parcels #1 and #2 provide access for utilities (i.e., water, electrical, telephone), access roads, sedimentation control ponds, etc. which support the Black Mesa Mine. The existing Black Mesa haul road provides ingress and egress to the lease area for coal haulage and mine traffic from the N-6 coal reserve area to the Black Mesa Mine coal crushing/handling facilities. Additional right-of-way is also

included in Párcel #1 for a proposed Black Mesa haul road which will provide better vertical and horizontal alignment for coal haulage trucks and includes sufficient culverts to safely pass the design storm for Moenkopi Wash. After the new haul road is constructed in 1997, the existing haul road will be reclaimed in accordance with the applicable regulations.

The proposed right-of-way in Parcel #2 provides ingress and egress from Navajo Route #41 to Peabody's Navajo Water Well #4.

The right-of-way application and Grant of Easement for Parcels 1 and 2 were approved by the Navajo Nation and Bureau of Indian Affairs on August 19 and 28, 1996, respectively. A description of these approved right-of-entry documents, as required by 30 CFR 778.15(a), is presented below.



File Number:

Memorandum of Agreement

File Name:

The Navajo Nation and Peabody Western Coal Company

Type of Control: Date of Execution: Right-of-Way Grant August 19, 1996

Intended or Present Use:

Existing haul road, proposed haul road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, proposed rock borrow area, and water well

monitoring road which support the Black Mesa Mine.

Description:

See Attachment 6 and File Number W-AZ-96-13

File Number:

RCAU-168-96

File Name:

The Navajo Nation and Peabody Western Coal Company

Type of Control:

Resolution of the Resources Committee of the Navajo Nation

Council

Date of Execution:

August 19, 1996

Intended or Present Use:

Approving a Memorandum of Agreement between the Navajo Nation and Peabody Western Coal Company; approving and consenting to the grant of a right-of-way to Peabody Western Coal Company for four parcels adjacent to coal lease numbers 14-20-0603-8580 and 14-20-0603-9910, and acknowledging the Attorney General's Authority under 2 N.N.C. 1964(F) and supporting the partial settlement of certain outstanding

royalty valuation cases.

Description:

See Attachment 6 and File Number W-AZ-96-13.

File Number:

W-AZ-96-13

File Name:

Bureau of Indian Affairs and Peabody Western Coal Company

Type of Control:

Grant of Easement for Right-of-Way

Date of Execution:

August 28, 1996

Term Provision:

July 1, 1996 to so long thereafter as mining or reclamation activities are being conducted pursuant to one or more of Coal Lease Nos. 14-20-0603-8580, 14-20-0603-9910, and 14-20-

450-5743.

Intended or Present Use:

Existing haul road, proposed haul road, buried waterline, underground telephone line, 69KV transmission line,

sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, proposed rock borrow area, and water well

monitoring road which support the Black Mesa Mine.

Description:

The approval letter from BIA is presented at the end of this attachment. The legal description for Parcels 1 and 2 is

presented below.



PARCEL 1

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

COMMENCE at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

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Thence S 47°40'55" E, 24,700.68 feet;
Thence run N 89°57'28" E, 5,282.67 feet;
Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described
parcel of land;
Thence N 89°59'39" W, 319.71 feet;
Thence N 17°32'34" W, 3,800.01 feet;
Thence N 13°47'51" W, 3,022.99 feet;
Thence S 89°57′58" E, 1,481.20 feet;
Thence S 08°25'47" E, 2,996.97 feet;
Thence S 52°18'31" E, 2,590.25 feet;
Thence N 35°26'54" E, 2,471.01 feet;
Thence N 11°34'01" W, 579.33 feet;
Thence N 04°48'25" W, 1,976.86 feet;
Thence N 89°57'58" E, 300.03 feet;
Thence S 17°31'51" E, 1,181.49 feet;
Thence S 01°28'41" W, 1,355.00 feet;
Thence S 34°48'05" W, 2,899.45 feet;
Thence S 45°02'43" E, 1,176.18 feet;
Thence S 56°34'51" W, 735.21 feet;
Thence N 29°03'31" W, 971.29 feet;
Thence S 18°31'12" W, 1,130.25 feet;
Thence S 79°23'08" W, 299.88 feet;
Thence N 04°48'12" E, 425.40 feet;
Thence N 18°28'48" E, 895.18 feet;
Thence S 81°36'55" W, 1,758.19 feet;
Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.
```

This tract contains 276.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.



PARCEL 2

The following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona, which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left, having a radius of 268.66 feet and a central angle of 31°42′29";

Thence N 00°17′54″ E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of 7°14'21"

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

To the S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thenceo Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

Maying @ kadius of 577.75 feet and a central angle of 45°30'17";

Exence S 31'58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of

ළිවි25.74 feed and a central angle of 13°37′44″;

hence N 50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Exterly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the

Eving a radius of 34.55 feet and a central angle of 100°51'49";

left left leving a radius of 54.00 lett line to the beginning of a curve;

Thence Scutnerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42'29";

Thence \hat{s} 32°00′23″ W, a distance of 23.13 feet to the above described Peabody lease line;

Thence % 99°59'39" W, along said lease line, a distance of 141.50 feet to the True Point

of Beginning of this description.

The active described parcel contains 4.5379 acres of land, more or less.

Revised 09/25/96



United States Department of the Interior



IN REPLYREFER TO:

ARES/542

BUREAU OF INDIAN AFFAIRS
Navajo Area Office
P.O. Box 1060
Gallup, New Mexico 87305-1060

AUG 28 1996

Mr. W. Howard Carson, President Peabody Western Coal Company Arizona Division 1300 South Yale Street Flagstaff, Arizona 86001

Dear Mr. Carson:

Enclosed for your information and use is an approved Grant of Easement for the existing and proposed Right-of-Way for Parcels Nos. 1 and 2 located on Navajo Tribal Trust lands adjacent to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910. The right-of-way is situated in Sections 3, 4, 9 & 10, Township 35 North, Range 18 East, G&SRM, Navajo County, Arizona.

The purpose of this easement is to settle certain disputes concerning the undocumented and unauthorized use of particular tracts of land.

The area is comprised of two parcels, containing approximately 283.45 acres, more or less. The right-of-way will provide haul roads (Navajo Route 41), 69 kV transmission line, water & telephone lines, utilities access roads, two (2) sedimentation ponds, rock borrow area and access road to Navajo Water Well #4 which supports the Black Mesa Mine.

We will require affidavits of completion for all existing structures, corrected/revised maps and legal descriptions to be submitted within thirty (30) days from the date of this letter.

Sincerely,

Area Director

Enclosures



ATTACHMENT 4a

REVOCABLE USE PERMIT FOR ENVIRONMENTAL MONITORING STATIONS

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United States Department of the Interior



BUREAU OF INDIAN AFFAIRS
Navajo Area Office
P.O. Box 1060
Gallup, New Mexico 87305-1060

ARES/542

AUG 24 1995

Mr. W. Howard Carson Peabody Western Coal Company 1300 South Yale Street Flagstaff, Arizona 86001

Dear Mr. Carson:

Enclosed for your information is the approved Assignment of Revocable Use Permit from the Peabody Coal Company, Assignor, to Peabody Western Coal Company, Assignee.

Copies of the approved documents will be furnished to all concerned parties .

Sincerely,

Acting Area Director

Enclosures

eference	No.	
7 G G 10 C	110	4

UNITED STATES DEPARTMENT OF THE INTERIOR ' BUREAU OF INDIAN AFFAIRS

REVOCABLE USE PERMIT ASSIGNMENT OF RIGHTWAY EASEMENTS

ļ	ASSIGNMENT OF REGISER	
WRS	FREAS, the Secretary of the Interi	or through the Area Director, Bureau of Indian
Accident Nave	aio Area Office, Window Rock, Ariz	ona has heretofore approved a Amminoto
REVOCABIE" (136		
	- incomption	CLOSSING (Manalo cripari) Amamamamamamamamamamamamamamamamamamama
	Jest a located in the County of N	avajo, State of _Arizona
	boing more narticularly	described as a segmental monthly monthly
YGGEXXNXMIGT.	R1 Stations	and/or remove 15 environmental and containing
	acres, more or less.	•
NO:	W THEREFORE, for and in considerat	ion of ten and more*****************
	114+4+4+4+4+4+4+4+4+4+4+4+4+4+4+4+4+4+4	**, and other good and valuable constociations
	todo company a Delaware corpo	ration the owner of
above-descri	bed Engravement which the resident to the resi	reinafter called Assignor, hereby bargains, evocable Use Permit (XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
sells, trans	ifers, assigns, and conveys sale w	the Assignee from and after the full execution
named below	to HAVE AND 10 HULD the same unto	of the term of said easement, together with al
of this assi	ignment, for the unexpired portion	(.
	title, and interest therein granted	
TN	N WITNESS WHEREOF, said Assignor ha	as hereunto set <u>its</u> hand and seal,
this ^28th	day of <u>September</u>	_, 19 <u>94</u> .
ciits		Peabody Coal Company, a
		Delaware Corporation Company Assignor 1300 South Yale Street
		Flagstaff, Arizona 86001
		Address
		By W. Howard Carl
		W. Howard Carson
•		Vice President Title
		,,,,,
=======================================	=======================================	REVOCABLE USE PERMIT
	ASSUMPTION OF	EXSCRIENX
assumes and and stipula	tions of the above described Forces	or the consideration described above, hereby ill all of the obligations, terms, conditions, which is the same extent as if Assignee were the t
	N WITNESS WHEREOF, the said Assign	ee has hereunto setits hand
th:	is day of September_	, 19 <u>94</u>
and sear ch		Peabody Western Coal Company,
		Company Assignee
•	·	1300 South Yale Street Flagstaff, Arizona 86001
	•	Modress
		By Lang Walen
	·	Gary I/. Melvin
		Vice President Title
		11916

BY:

The Navajo Nation

AUG 2 3 1995

Date

UNITED STATES OF AMERICA

Bureau of Indian Affairs Navajo Area Office P.O. Box 1060 Gallup, New Mexico

Approved Pursuant to Secretary Redelegation Order 209 DM 8, Secretary's Order Nos. 3150 and 3177, and 10 BIAM Bulletin 13, as amended.

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RESOLUTION OF THE RESOURCES COMMITTEE OF THE NAVAJO NATION COUNCIL

Approving the Assignment of a Revocable Use Permit from Peabody Coal Company to Peabody Western Coal Company

WHEREAS:

- 1. 2 N.T.C. § 695 authorizes the Resources Committee to approve assignment of leases on the Navajo Nation; and
- 2. On December 16, 1985, the Department of the Interior (DOI) approved a Revocable Use Permit for Peabody Coal Company for 15 environmental monitoring sites (Exhibit "A"); and
- 3. On October 05, 1994, the Navajo Nation approved the assignments of coal mining leases 14-20-0603-9910 and 14-20-0603-8580 from Peabody Coal Company to Peabody Western Coal Company. The assignments were approved by the DOI on January 31, 1995; and
- 4. Peabody Coal Company has submitted an application (Exhibit "B") to assign the Revocable Use Permit to Peabody Western Coal Company; and
- 5. A \$300.00 assignment fee has been paid to the Navajo Nation.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Resources Committee of the Navajo Nation Council approves the assignment of the Revocable Use Permit described as Exhibit "A" from Peabody Coal Company to Peabody Western Coal Company.
- 2. Peabody Western Coal Company shall abide by the terms and conditions stipulated in Exhibit "A".
- 3. The Resources Committee of the Navajo Nation Council authorizes the President of the Navajo Nation to execute all documents which are necessary to fulfill the intent of this resolution.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Resources Committee of the Navajo Nation Council at a duly called meeting at Window Rock, Navajo Nation (Arizona),

at which a quorum was present and that same was passed by a vote of $\underline{4}$ in favor, $\underline{0}$ opposed and $\underline{0}$ abstained, this 13th day of July, 1995.

Elmer L. Milford, Chairperson Resources Committee

Motion: Jones Begay Second: Willis Peterson

	υ.	
Reference	uo.	

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF INDIAN AFFAIRS

REVOCABLE USE PERMIT
ASSIGNMENT OF RIGHXXOKXWAXXXAXIMEMAX

ASSIGNMENT OF RIGHTXORXWAXXEASES	KIENAX
· · · · · · · · · · · · · · · · · · ·	the Area Director, Bureau of Indian
WHEREAS, the Secretary of the Interior through Affairs Le Nayajo Area Office, Window Rock, Arizona has he Revocable Nayajo Area Office, Window Rock, Arizona has he Revocable Nayajo Area Office, Window Rock, Arizona has he	netofore approved a XXXXXXXXXX
Affairs, Nayajo Area Office, Window Rock, Arizona has her	to Peabody Coal Company. A
Revocable Navaje Area Office, window Rock, Al 22010 Revocable Navaje Area Office, and A	g (Navajo tribal), (xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
(103311)	9 /1141-01
Govaxxxxxx lands located in the County of Navajo	WYWYYYYYYWWW - Pormit to
being more particularly described construct, operate, maintain, repair, replace, and/or repair stations for the country of the construct operate, maintain, repair, replace, and/or repair stations for the country of t	
4.191379 acres, more or less.	• • • • •
a the consideration of	ten and more************
NOW THEREFORE, for and in consideration of	her good and valuable consideration,
**************************************	the owner of the
the said Peabody Coal Company, a Delaware corporation Revocable Use Permit Revocable Use Permit	ralled Assignor, hereby bargains,
the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Company, a peraware corporation of the said Peabody Coal Coal Coal Coal Coal Coal Coal Coal	Se Permit MANAGEMENTY TO THE Assigne
above-described EXECUTATION AND AND AND AND AND AND AND AND AND AN	age from and after the full execution
of this assignment, for the unexpired portion of the sec	I'm or said sussiming
the right, title, and interest therein granted.	
IN WITHESS WHEREOF, said Assignor has hereunto	o set <u>its</u> hand and seal,
IN WINESS WHEREOF, Suita his same and suitable s	•
this circle day or	abody Coal Company, a
	laware Corporation
	Company Assignor
	agstaff, Arizona 86001
	Address
Bv	W. Howard Cart
	W. Howard Carson
•	Vice President
	,,,,,,
======================================	E USE PERMIT
ACCUMPTION OF BOSTON X	
I (we), the Assignee named below, for the con assumes and agrees to be bound by and to fulfill all of	sideration described above, hereby the obligations, terms, conditions, he same extent as if Assignee were the
Grantee originally named therein.	equato set its hand
Grantee originally named thereth. IN WITNESS WHEREOF, the said Assignee has her	, 19 94
and seal this <u>28th</u> day of <u>September</u>	
· Per	abody Western Coal Company, Delaware corporation
	Company Assignee
. 130	00 South Yale Street
<u>.</u> <u></u>	agstaff. Arizona 86001 Address
	Done Malen
ву	Gary V. Melvin
	Vice President
	Title

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UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that	M_ Howard Carson and
G. Irene Crawford	were on the12th day
	Vice e duly elected, qualified, and acting president, and secretary,
respectively, ofPea	oody Coal Company
a corporation organized under the laws of	Delaware on which day they le Use Permit
executed	(K) * for and in behalf of said cor-
poration, covering certain Trust or Restri	cted Indian lands on theNavajo
Reservation, in the State ofArizona	; that they were fully empowered to execute said
instrument and all papers in connection t	herewith, and that their action in executing the same binds the
said corporation to full performance of al	obligations thereunder.
[CORPORATE SEAL]	J. D. C. J. C.
This12th day of	
Subscribed and sworn to before me the	(Signed) Jamela Columnia
[SEAL]	Notary_Public

^{*} Indicate whether lease, bond, or assignment.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF INDIAN AFFAIRS

EVIDENCE OF AUTHORITY OF OFFICERS TO EXECUTE PAPERS

(To be sworn to by secretary or president of a corporation and sealed with its seal)

I solemnly swear that	Gary L. Melvin		and
G. Irene Crawford		ware on the 20th	day
	9 <u>94</u> , the duly elected, qualified	1/100	
respectively, of Peabody West	ern Coal Company		
a corporation organized under the an Assignment of Re	Delaware vocable Use Permit XXXXXXX*	on wh	ich day they
poration, covering certain Trust	or Restricted Indian lands on the	Navajo	
Reservation, in the State of	Arizona; that the	ey were fully empowered to	execute said
instrument and all papers in con	nection therewith, and that their	action in executing the sar	me binds the
said corporation to full performs	nce of all obligations thereunder,		
	D. Qu	ene Crawford	
[CORPORATE SEAL]			
	ار ما جاعدادانغه مصدور <u>.</u>	(Title)	
This28th	day of September	, 19.94	
Subscribed and sworn to bef	ore me this28thday of	September 19	94
	(Signed) Janel	2 Schurmm	<u> </u>
[SEAL]	·N	otary Public	
			9/27/97

^{*} Indicate whether lease, bond, or assignment.



ARPM/332

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Navajo Area Office P. O. Box M Window Rock, ARizona 86515-0714

JAN - 7 1926

Mr. Kenneth R. Moore Arizona Division Peabody Coal Company 1300 South Yale Flagstaff, Arizona 86001

Dear Mr. Moore:

Enclosed is the approved Revocable Use Permit between the Navajo Tribe of Indians and the Peabody Coal Company for 15 environmental monitoring stations to serve Coal Lease Numbers 14-20-0603-8580 and 14-20-0603-9910.

Please note that all other concerned parties are being furnished a copy of the executed document.

Sincerely,

Ading Assistant Area Director

Enclosures

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REVOCABLE USE PERMIT

THIS PERMIT entered into this <u>lst</u> day of <u>June</u>, , 1980, by and between the NAVAJO TRIBE OF INDIANS, hereinafter called the Permitter and PEABODY COAL COMPANY,, hereinafter called Permittee, whose address is 1300 South Yale, Flagstaff, Arizona 86001, under the provisions of the Act of August 09, 1955, as implemented by Part 162 (formerly 131) Leasing and Permitting of the Code of Federal Regulations, Title 25 - Indians, and any amendments thereto relative to permits on restricted lands which by this reference are made a part hereof.

1. The Permitter hereby permits the Permittee to construct, operate, maintain, repair, replace and/or remove 15 environmental monitoring stations to serve Coal Lease Numbers 14-20-0603-8580 and -9910 described as follows:

TABLE 1. LOCATIONS AND AREAS OF DISTURBANCE FOR MONITOR SITES

	•								
SITE NO.	AL	LUVIAL W	ELLS				ACRES		
31	NW4, NW4, SE4,	Section	21.	T35N.	R18E	(avietine)	000000		
94	NEZ, NEZ, NWZ,	Section	20.	T35N.	RISE	(evisitie)			
95	NEZ, NEZ, NWZ,	Section	20.	ፕ35N	PIRE	tt .	.000298		
102	SW1, SW1, NW1,	Section	18.	T35N	RIOL	11	.000298		
108	NWY, NEZ, SEZ,	Section	13	T35N	DIOR	11	.000298		
	4,000 4,000 4,	5001011	- J ,	13311,	KIJE		.000298		
STREAM STATIONS									
16	SE'z, SE'z, SE'z,	Section	2,	T36N,	R18E	11	.040634		
18	NEW, NEW, NWW,	Section	2,	T36N,	R18E	11	.092562		
25 ·	SWŁ, SWŁ, NEŁ,	Section	9,	T35N,	R18E	(new)	.045914		
26	NWZ, NEZ, NWZ,	Section	20,	T35N.	R18E	11	.001148		
34	NW4, NW4, SE4,	Section	4,	T34N,	R19E	11	.001148		
155	NEW, SEW, INV.	Section	20,	T35N,	R18E	n	.001148		
CREST GAUGES									
16	SWŁ, SWŁ, SWŁ,	Section	1.	ፐ 36ክ.	RISE	(evictina)	000200		
18	NE', NE', NW',	Section	2.	T36N.	RISE		.000298		
25	SEL, SEL, NWL,	Section		T35N,			.000298		
26	NW4, NE4, NW4,						.000298		
34	NW4, NW4, SE4,	Section	4	T34N.	R19E		.000298		
37	SEL, SEL, NWL,	Section	31.	T35N.		(existing)			
85	SWIZ, SWIZ, SWIZ,	Section	21.	T35N.	R18E		.000597		
155	NEW, SEY, MILE,	Section	20,	T35N,	R18E		.000597		
PRECIPITATION GAUGES									
152	CEL NEL ON		• 4						
154	SEL, NEL, SWL,	Section :	24,	T3/N,	RISE		.000459		
201	SEL, NEL, SEL,	Section	Ι,	T36N,	KIYE	.,	000459		
	MON	ITORING I	ROAD	<u>s</u>					
34	NW4, Section T34N, R19E; a	4, ፐ34N, nd SE½, S	R19	E; NE½ 1on 32	, Sect , T35h		884298		
TRAINING DIKES									
16	SW14, SW14, SW14,	Section	1, 7	r36N,	R18E	(new) .	114784		

Said station sites are more particularly shown on the attached drawing, marked Exhibit "A", which by this reference are made a part hereof.

The monitoring stations are necessary to assess what impacts Permittees' coal mining operations may have on the local hydrologic system in accordance with Federal and Tribal regulations. The Permittee shall have the right of ingress and egress on and across the Navajo Reservation over existing roads for movement of personnel, vehicles and equipment to the station sites for the purpose of constructing, maintaining and operating the subject environmental monitoring facilities and equipment. The Permittee shall obtain permission from the Permitter and Area Director prior to constructing any new access roads to the station sites.

- 2. TERM: The term of this permit shall be for a period of twenty-five (25), beginning June 1, 1980, and may be extended for two (2) five year terms by written approval of all parties hereto.
- 3. RENTAL: The Permittee shall pay to the Permitter an annual rental of Two Hundred Three Dollars (\$203) for the use of the premises described above for the term of the permit. Said rental shall be subject to review and adjustment by the Area Director at not less than five (5) year intervals in accordance with the regulations in 25 CFR 162 (formerly Part 131). Such review shall give consideration to economic conditions at the time, exclusive of improvements or development required by this permit or the contribution value of such improvements.
- 4. NOT A LEASE: It is understood and agreed that this permit is not a lease and is not to be taken or construed as granting any leasehold interest in or right to the land herein described. This permit is merely a non-exclusive right to use said lands and is revocable by the permitter upon ninety (90) days written notice.
- 5. TERMINATION: Upon termination of this permit, the Permittee will clean up all refuse in the areas permitted, reseed denuded areas, and restore the areas to their original contour leaving them in a neat and presentable condition satisfactory to the Permitter. The Environmental Protection Commission of the Division of Resources of the Navajo Nation will be responsible for inspection of the areas and shall determine whether the Permittee has complied with provisions of this permit to the satisfaction of the Permitter.
- 6. OPTION TO ACQUIRE IMPROVEMENTS: The Permittee agrees that upon expiration or revocation of this permit he shall give the Navajo Nation the opportunity to acquire all equipment and improvements located at the subject station sites and used for or related to obtaining the environmental data for which the subject site is granted at cost less accumulated depreciation consistent with commonly accepted accounting methods and practices.
- 7. WASTE: The Permittee agrees to commit or cause to be committed no waste on the premises and at the termination of the permit to have the premises left in the same condition in which they they were at the at the date of issuance of this permit, excepting normal wear or tear.
- 8. INTOXICATING BEVERAGES: The Permittee further agrees that it will not use or permit to be used any part of said property and/or premises for any unlawful conduct or purpose whatsoever; that it will not use or permit to be used any part of said property and/or premises for the manufacture, sale, gift, transportation, drinking or storage of intoxicating liquors or beverages. Violation of this clause by the Permittee or with its knowledge shall render this permit voidable at the option of the Permitter.

- '9. LIABILITY FOR USE: It is further understood and agreed that the Permittee shall hold the Permitter harmless from any and all claims or liabilities arising out of the use, occupancy or possession of said property and premises by the Permittee, or injury sustained by the Permittee, or any other person or damage to property, on or about said property and premises during the term of this permit.
- 10. OBLIGATIONS OF PERMITTEE: While the leased premises are in trust or restricted status, all of Permittees' obligations under this permit and the obligations of their sureties, are to the United States as well as to the Permitter.
- 11. TERMINATION OF FEDERAL TRUST RESPONSIBILITIES: Nothing contained in this permit shall operate to delay or prevent a termination of Federal Trust Responsibilities with respect to the subject land by the issuance of a fee patent or otherwise during the term of the permit; however, such termination shall not serve to abrogate the permit. The owners of the land and the Permittee and its surety or sureties shall be notified of any such change in the status of the land.
- 12. UNLAWFUL CONDUCT: The Permittee agrees that it will not use or cause to be used any part of the permitted premises for any unlawful conduct or purposes.
- 13. MEMBER OF CONGRESS NOT TO BENEFIT: No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of this permit or to any benefit that may arise herefrom, but this provision shall not be construed to extend to this permit if made with a corporation for its general benefit.
- 14. AGREEMENT TO ABIDE BY NAVAJO LAWS: The Permittee and the Permittees' employees and agents agree to abide by all laws, regulations, and ordinances of the Navajo Tribal Council now in force and effect or which may be hereafter in force and effect. This agreement to abide by Navajo laws shall not forfeit rights which the Permittee and the Permittees' employees and agents, enjoy under the Federal laws of the United States Government.
- 15. ENVIRONMENT: Permittee shall take all necessary measures to assure compliance with applicable Federal and Tribal laws and regulations now in force and effect and any amendments thereto, which by this reference are made a part hereof. This shall include, but shall not be limited to aesthetics, erosion controls and protection of timber or other vegetation. An environmental protection plan shall be submitted in writing to the Area Director for his approval prior to construction of improvements or any required access roads.
- 16. REPORTS: The Permittee agrees to submit to the Permitter periodic reports on the information and data obtained in connection with operations under this permit. The reports shall be filed with the Director of the Navajo Coal Commission, the Director of the Division of Water Resources and the Area Director at intervals not to exceed six (6) months in duration.
- 17. EMPLOYMENT: The Permittee agrees to employ Navajo Indians when available in all positions for which, in the judgement of the permittee, they are qualified, and to pay prevailing wages to such Navajo employees and to utilize services of Navajo contractors whenever feasible.

Any construction activity resulting from this permit shall provide employment preference to Navajos in conformance with Navajo Manpower Utilization Guide-

IN WITNESS WHEREOF, the parties hereto have executed the permit this 14th day of October 1985, XXXX

MAVAJO IRTPE OF INDIANS, PERMITTER

PEABODY COAL COMPANY, PERMITTEE

APPROVED UNDER AUTHORITY OF COMMISSIONER'S REDELEGATION ORDER 10 BIAM, SECTION 3.1.

APPROVED:

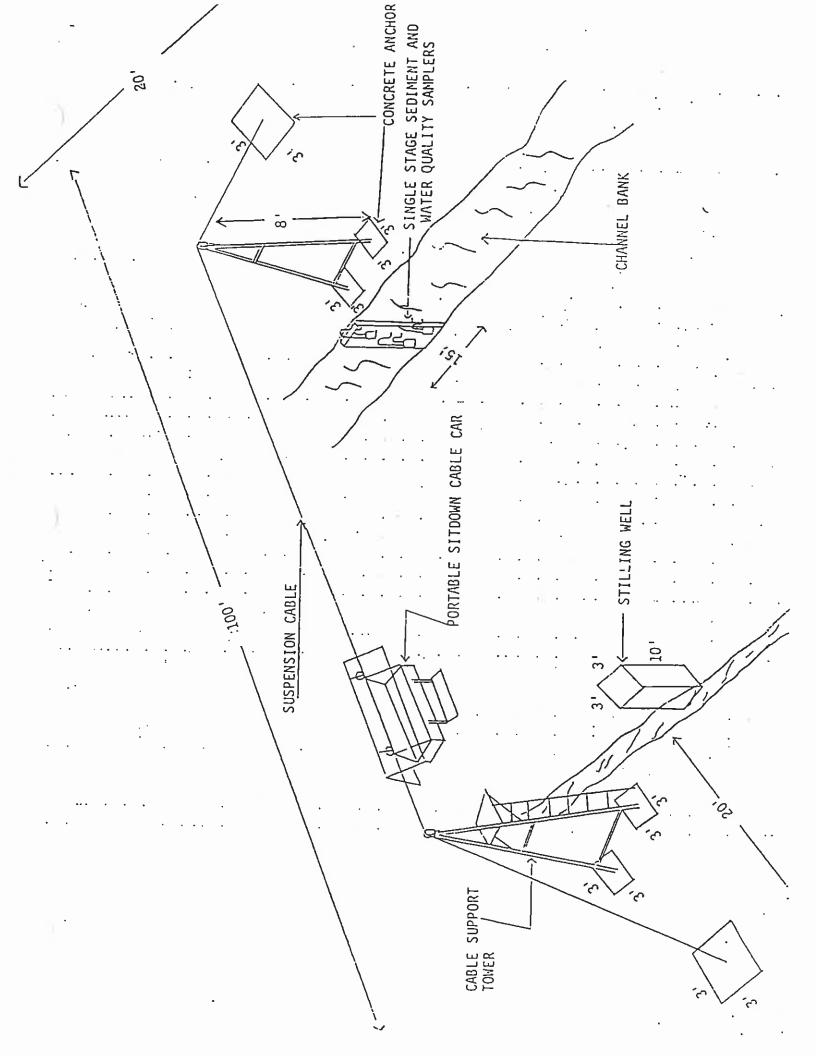
DEC 1.6 1985

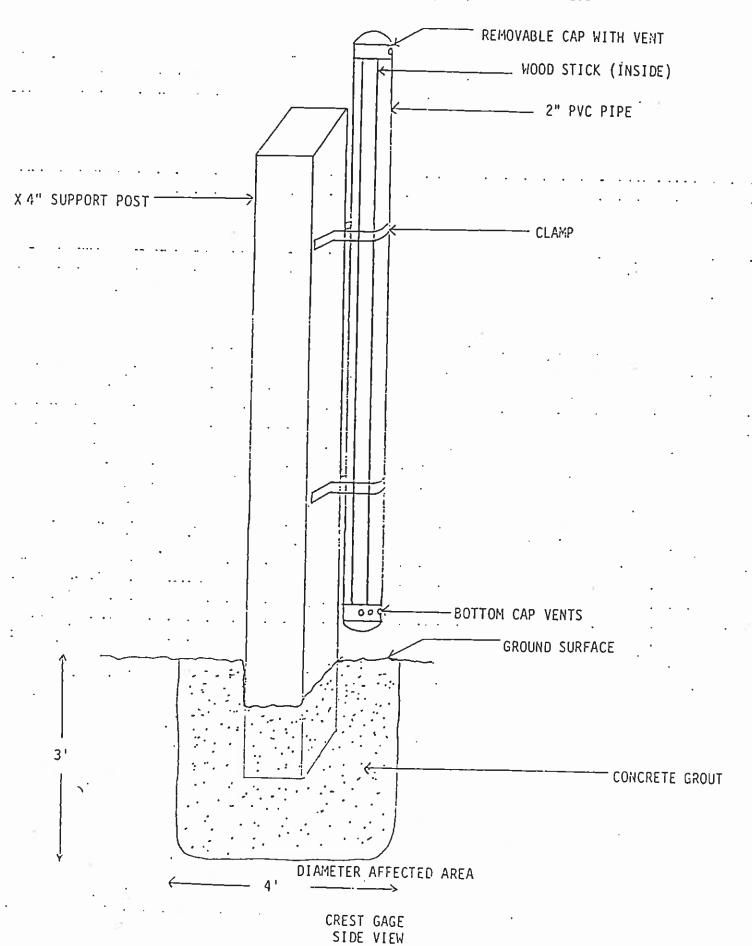
BY: KENNETH R. MOORE
PRESIDENT, ARIZONA DIVISION

PEABODY COAL COMPANY

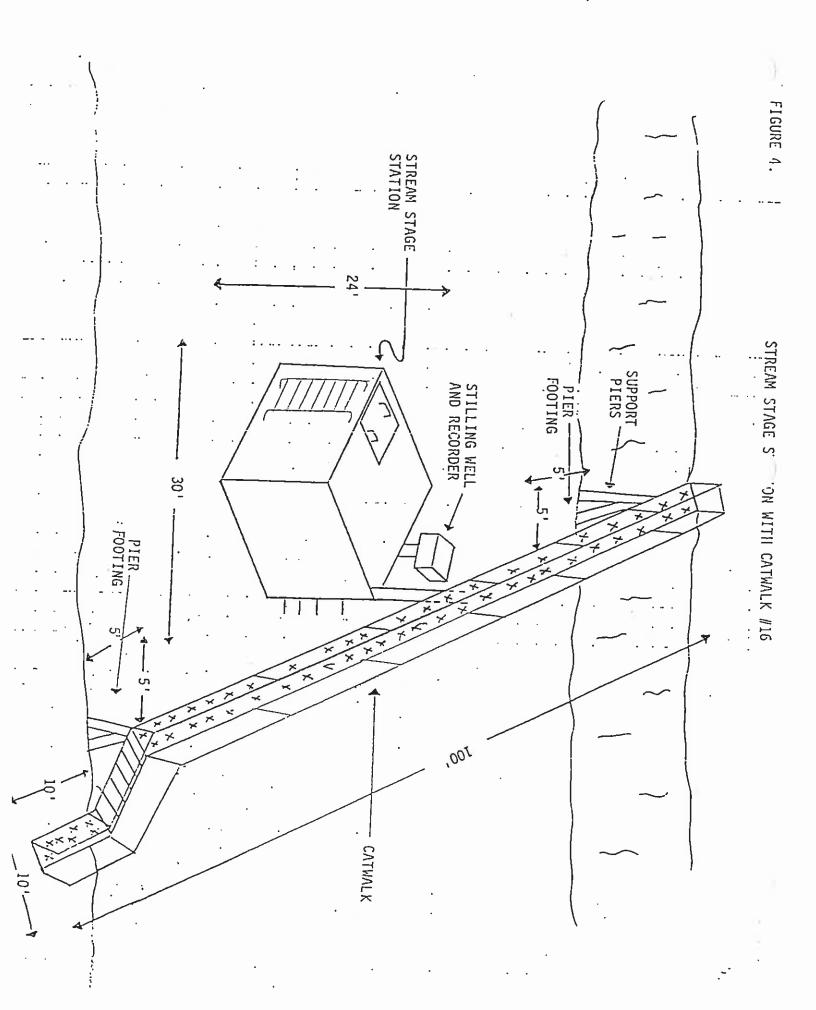
EXHIBIT A

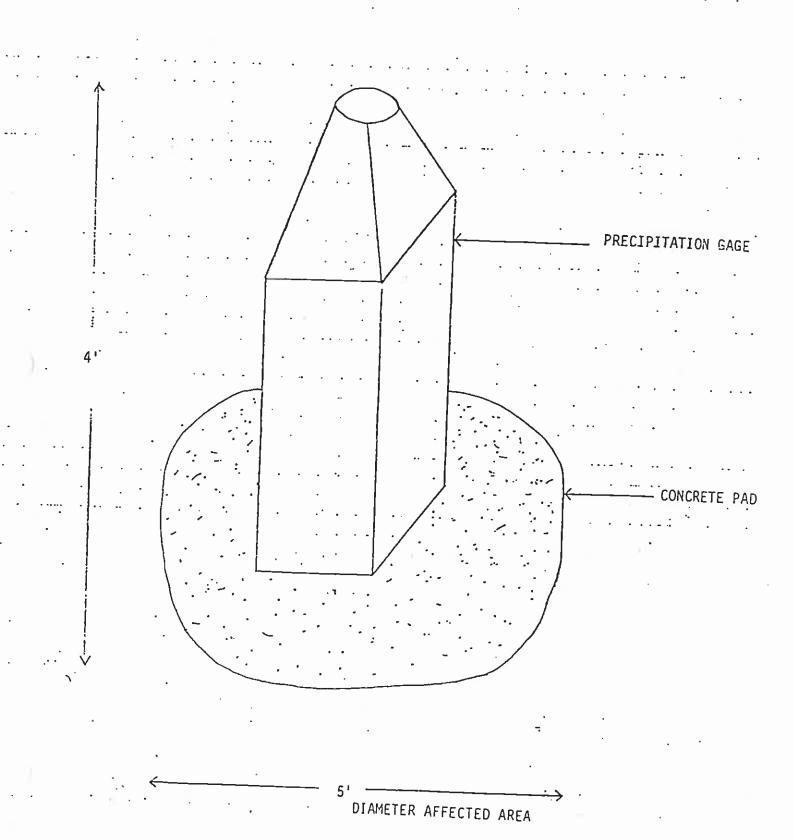
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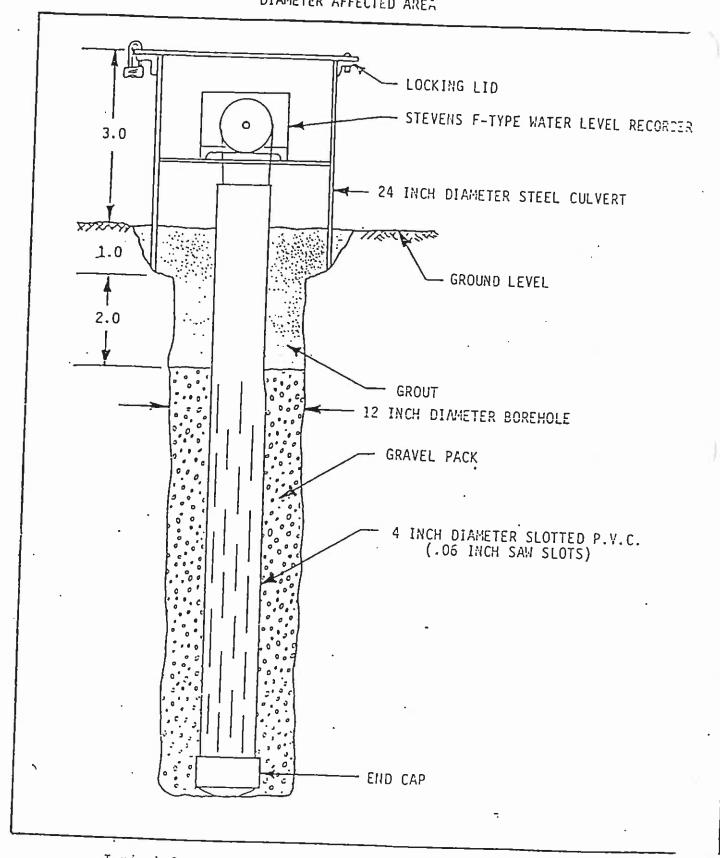




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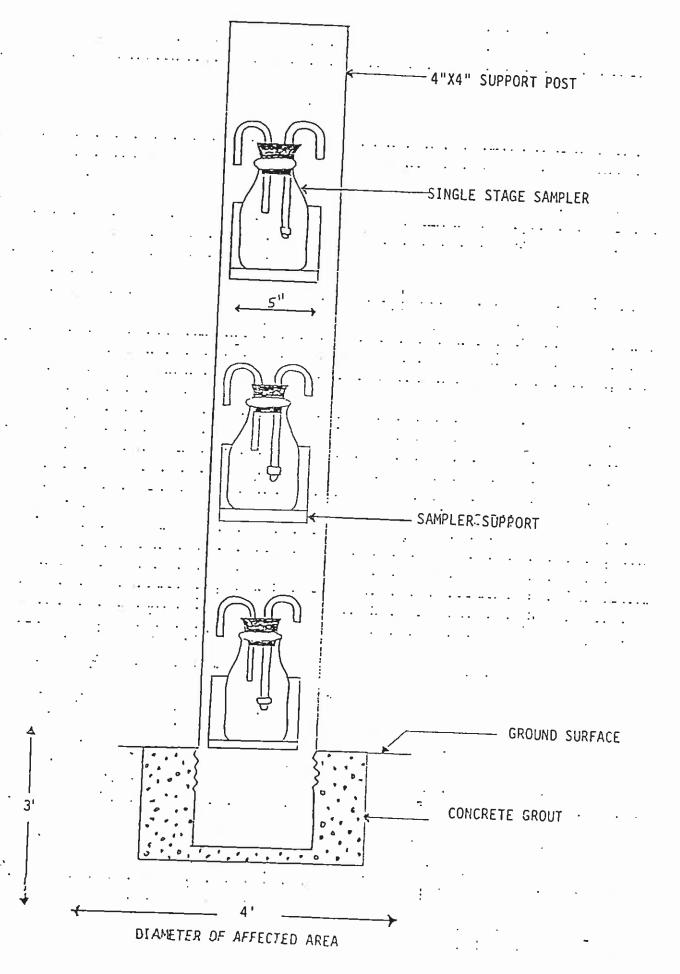


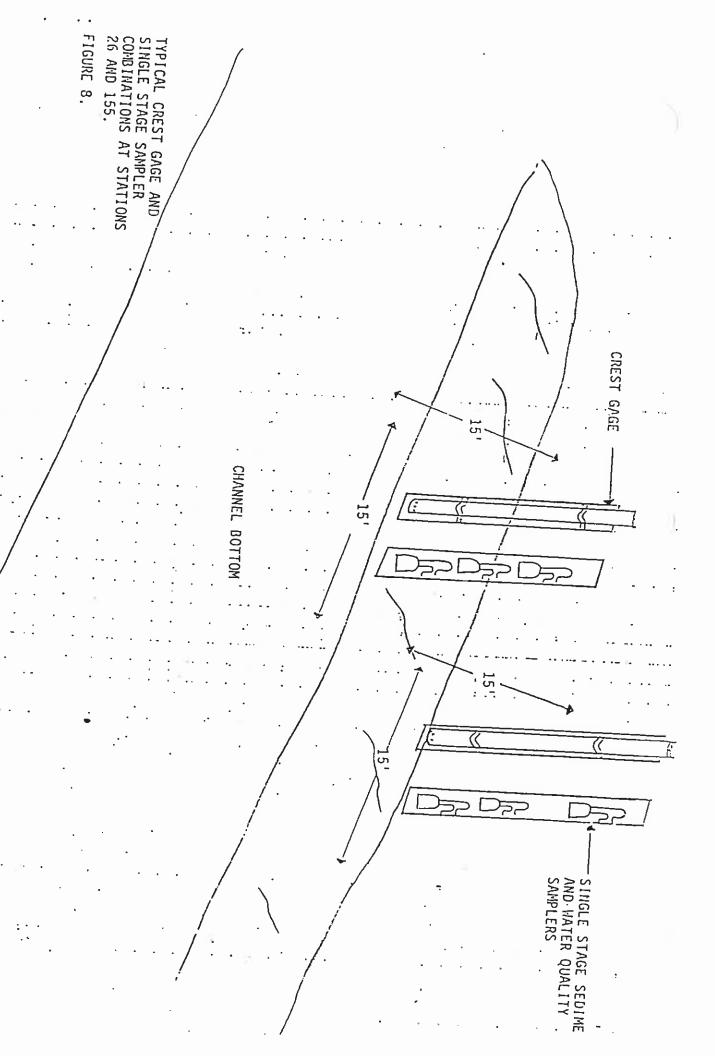
Typical Construction of 4.0 Inch Diameter Alluvial Piezometer with Continuous Water Level Recorder.

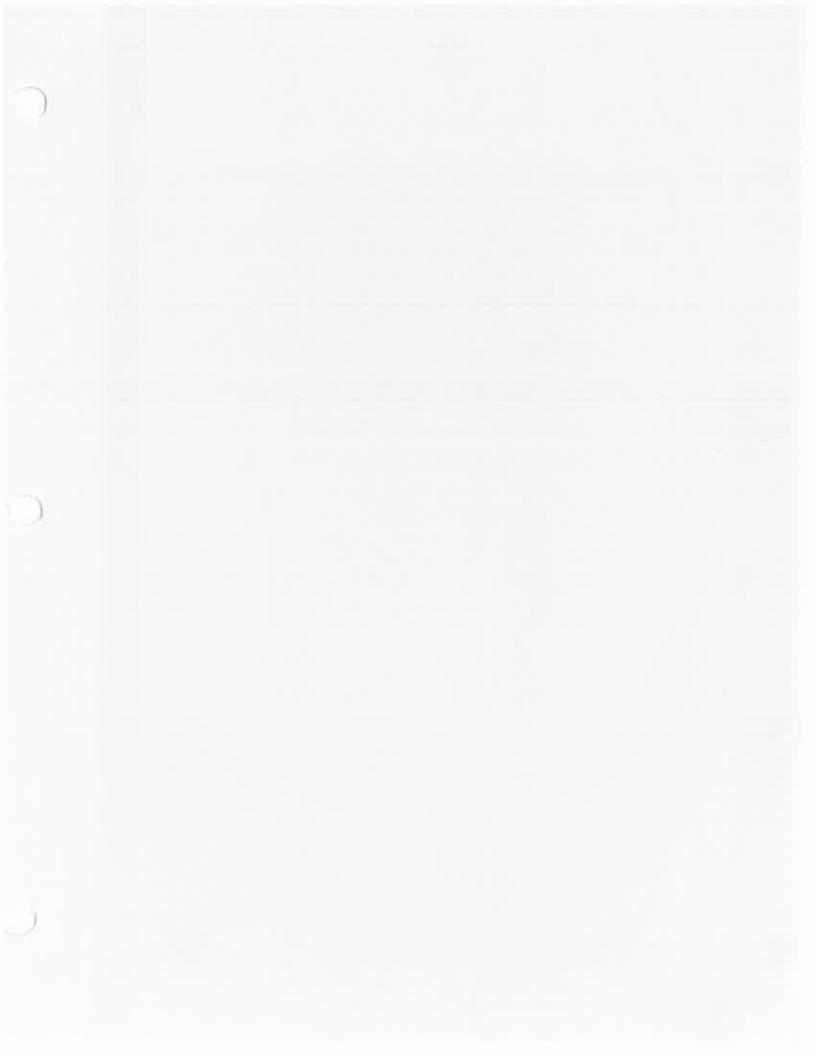
ALLUVIAL WELLS #31, 94, 95, 102

AND 108

SINGLE STAGE SEDIMENT AND WATER QUALITY SAMPLERS #25, 26 AND 155







ATTACHMENT 5

CERTIFICATE OF LIABILITY INSURANCE

ACCRE) ®
	-

CERTIFICATE OF LIABILITY INSURANCE TO A 1 of 3

DATE (MM/DD/YYYY) 03/08/2010

ORMATION RTIFICATE KTEND OR S BELOW.
NAIC#
19445-011

THE 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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	s	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO- LOC	GL4807243	11/1/2009	11/1/2010	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	\$ \$ \$ \$ \$	2,000,000 100,000 5,000 2,000,000 2,000,000 2,000,000
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS	CA4806729	11/1/2009	11/1/2010	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person)	\$	2,000,000
	HIRED AUTOS NON-OWNED AUTOS	10-03-	17-0	and the second second	BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	\$	
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: AGG	\$ \$	
	DEDUCTIBLE RETENTION \$		127. 23.24.257	677	EACH OCCURRENCE AGGREGATE	\$ \$ \$ \$	
AND ANY OFFI (Man	IKERS COMPENSATION EMPLOYERS' LIABILITY PROPRIETOR/PARTNER/EXECUTIVE CER/MEMBER EXCLUDED? datory in NH) , describe under CIAL PROVISIONS below ER	10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	MAR 20	DVED 23	WC STATU- TORY LIMITS OTH- ER. E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 10/30/2009 WITH ID: 13317896

Covers all operations at the Black Mesa Complex which includes Kayenta and Black Mesa Mines for bodily injury and property damage, including damage from the use of explosives as a result of surface coal mining and reclamation operations.

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CANCELLATION

office of Surface Mining Reclamation and nforcements Western Region Attn: Dennis Winterringer 1999 Broadway, Suite 3320 Denver, CO 80202-3050

DATE THEREOF, THE ISSUING INSURER WILL KNOWN MAIL 30 DAYS WRITTEN

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION

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IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.



PRODUCER	Willis North America, 26 Century Blvd.	877-945-7378 Inc.	ONLY AN	ID CONFERS N THIS CERTIFIC	SUED AS A MATTER TO RIGHTS UPON TATE DOES NOT AME AFFORDED BY THE F	HE C	ERTIFICATI EXTEND OI
).	P. O. Box 305191 Nashville, TN 372305	191	INSURERS AFFORDING COVERAGE				NAIC#
INSURED	Peabody Energy Corpora Attn: Ryan Brown 701 Market Street Suite 700 St. Louis, MO 63101-	ation and Subsidiaries	INSURER A Nat INSURER B INSURER C	cional Union F	ire Insurance Compa	ny	19445-01
	ı		INSURERE			-	
ANY REQU	CIES OF INSURANCE LISTED BE DIREMENT, TERM OR CONDITION AIN, THE INSURANCE AFFORD	LOW HAVE BEEN ISSUED TO THE IN ON OF ANY CONTRACT OR OTHER ED BY THE POLICIES DESCRIBED H AY HAVE BEEN REDUCED BY PAID C	DOCUMENT WITH EREIN IS SUBJEC	RESPECT TO WI	HIGH THIS CERTIFICATE	MAY F	RE ISSUED OF
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	CLAIMS MADE X OCCUR	GL4807243	11/1/2008	11/1/2009	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person)	\$ \$ \$	2,000,00 100,00 5,00
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	POVISIONS below				E.L DISEASE - POLICY LIMIT	S	
vers al	ll operations at the damage from the us	E/EXCLUSIONS ADDED BY ENDORSEMENT/S Black Mesa-Kayenta M Se of explosives as a	ine Complex	for bodily turface coal	injury and pro mining and rec	pert lama	y damage tion
RTIFICAT	E HOLDER		CANCELLATIO	NC			
1			DATE THEREOF, T	THE ISSUING INSURER ERTIFICATE HOLDER I	D POLICIES BE CANCELLED BI WILL XXXXXXXX MAIL _ NAMED TO THE LEF XXXXXX	<u>30</u>	DAYS WRITTE
Attn: P. O.	ce of Surface Mining R Dennis Winterringer Box 46667 cr, CO 80201-6667	eclamation & Enforcement	MACASE ALE ADEMIC MECHECANIA NOS AUTHORIZED REPR	XXX	ENTENT HONEN KINKER		N A A KIPNASA &

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or aller the coverage afforded by the policies listed thereon.

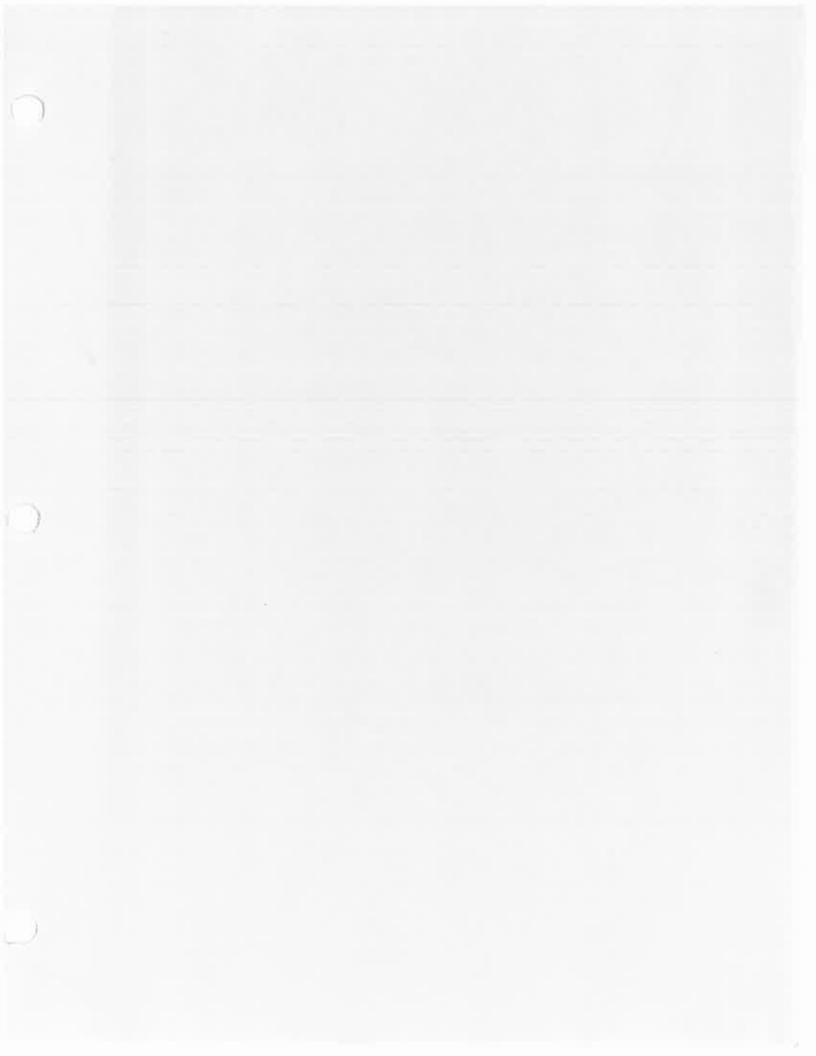
	MARS W2	2-09-25-0	CERTIFIC	ATE OF IN	ISURANCE	CERTIFICATE NUMBER CHI-000217684-03	
Marsh USA Inc. 800 Market Street, Suite 2600 St. Louis, MO 63101-2500			NO RIGHTS U	NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.			
1				COMPAN	IES AFFORDING COVER	AGE	
<u>ا</u>	GL/AL-02/03 G-0	02	COMPANY A F	PACIFIC EMPLOY	ERS INSURANCE CO.		
INS	URED Peabody Western Coal Corr	עמפתי	COMPANY				
	701 Market Street	ipany	COMPANY				
	Suite 700 St. Louis, MO 63101-1826						
		2007/00/00/2007 10 0 11 V WG 2 1 W W W W W W W W W W W W W W W W W W	COMPANY				
CO	VERAGES This	s certificate supersedes and replace:	s any previously is:	sued certificate for	the policy period noted b	elow; 0	
	NOTWITHSTANDING ANY REQUIREMENT,	OF INSURANCE DESCRIBED HEREIN HAVE TERM OR CONDITION OF ANY CONTRACT (Y THE POLICIES DESCRIBED HEREIN IS SUI TO BY PAID CLAIMS.	OR OTHER DOCUMENT	WITH RESPECT TO V	WHICH THE CERTIFICATE MAY (BE ISSUED OR MAY	
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	רוז	MITS	
Α	GENERAL LIABILITY	HDOG20297475	10/01/02	10/01/03	GENERAL AGGREGATE	\$ 4,000,000	
	X COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 2,000,000	
	CLAIMS MADE X OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000	
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 2,000,000	
	X Broad Form Vendors				FIRE DAMAGE (Any one fire)	\$ 50,000	
	X Coverage Included				MED EXP (Any one person)	\$ 5,000	
Α	X ANY AUTO	ISAH07969879	10/01/02	10/01/03	COMBINED SINGLE LIMIT	\$ 1,000,000	
	ALL OWNED AUTOS SCHEDULED AUTOS				BODILY INJURY (Per person)	\$	
	HIRED AUTOS				BODILY INJURY (Per accident)	\$	
					PROPERTY DAMAGE	\$	
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$	
	ANY AUTO				OTHER THAN AUTO ONLY:		
					EACH ACCIDENT	\$	
	EXCESS LIABILITY				AGGREGATE	\$	
				}	EACH OCCURRENCE	\$	
	UMBRELLA FORM				AGGREGATE	\$	
-	OTHER THAN UMBRELLA FORM WORKERS COMPENSATION AND				WC STATU- OTH-	о 	
	EMPLOYERS' LIABILITY		1		TORY LIMITS ER	\$	
	THE PROPRIETOR/ INCL		1	†	EL DISEASE-POLICY LIMIT	\$	
	PARTNERS/EXECUTIVE OFFICERS ARE. EXCL				EL DISEASE-EACH EMPLOYEE	·	
	OTHER						
	RIPTION OF OPERATIONS/LOCATIONS/VEH	IICLES/SPECIAL ITEMS I-Kayenta Mine Complex, including d	amage from surface	e coal mining one	rations and the use of ev	nlosives	
	everse and/or allached	Tayana nino oonipiesi, maaanig a	amage nom dance	a dody maning ope	Tanana ana ana asa ar ar	piodivos.	
ER	TIFICATE HOLDER		CANCELLAT	ION		EST TURE	
# 14.	Mar and Market Market Market and a community		SHOULD ANY OF THE	POLICIES DESCRIBED HE	REIN BE CANCELLED REFORE THE	EXPIRATION DATE THEREOF	
Office of Surface Mining				SHOULD ANY OF THE POLICIES DESCRIBED HEREN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WAITTEN NOTICE TO THE			
					LURE TO MAKE SUCH NOTICE SHALL		
	Reclamation and Enforcement Attn. Jerry Gavette					1	
1999 Broadway, Ste. 3320				LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, IT'S AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.			
Denver CO 80202-5733			MARSH USA INC.	MARSH USA INC			
			BY: Alfred A. Pe		hes a Peter		
			MM1(3/02)	.≘u2⊞. 3	VALID AS OF:	09/19/02	

CHJ-000217684-03 09/19/02
COMPANIES AFFORDING COVERAGE
COMPANY E
COMPANY
COMPANY
COMPANY H

CANCELLATION: Should any of the aforementioned policies be cancelled or substantial changes be made to the policy before expiration date thereof, the insurance company will mail 30 days written notice to the certificate holder named herein.

CERTIFICATE HOLDER

Office of Surface Mining Reclamation and Enforcement Attn. Jerry Gavette 1999 Broadway, Ste. 3320 Denver, CO 80202-5733

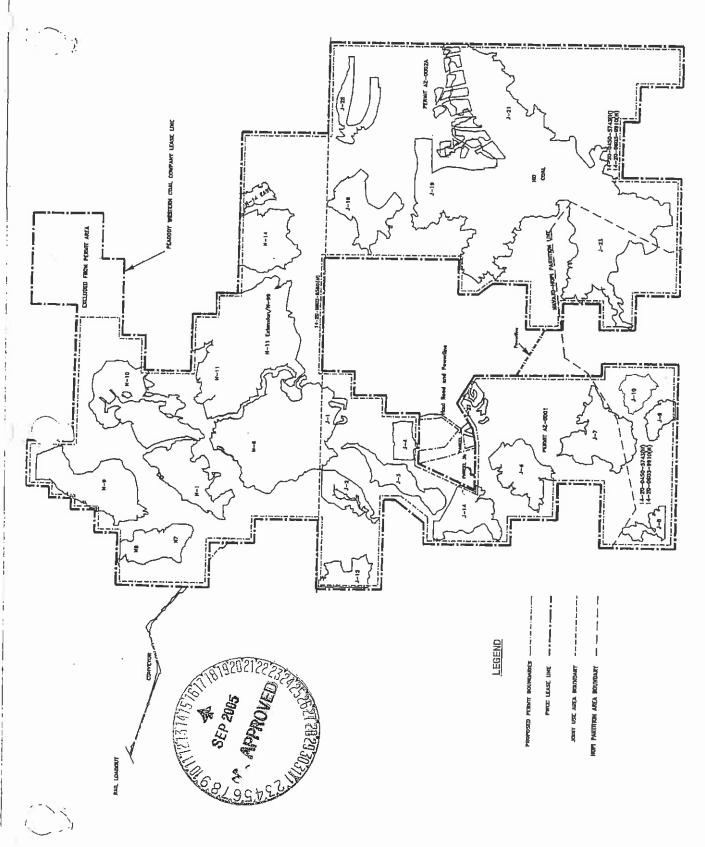


ATTACHMENT 6

Description of Life-of-Mine

Permit Area





Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: {1} a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area for Parcels 1 thru 4 contains 62,929.74 acres, more or less. Drawing No. 85110, Leases, Right-of Way, and Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk sat in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 0°0'0" East a distance of 5,280.0 feet to a point; Thence, North 90°0'0" East a distance of 10,550.0 feet to a point; Thence, South 0°0'0" East a distance of 7,920.0 feet to a point; Thence, North 90°0'0" West a distance of 5,280.0 feet to a point; Thence, South 0°0'0" West a distance of 2,640.0 feet to a point; Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Sald excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail-loading site is 163.57 acres, more or less. The rail-loading site is more particularly described as follows:



2

Revised 01/23/04

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly

leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence S $89^{\circ}59'36''$ E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B1: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

- Thence S 73°43'13" W, 4,167.54 feet;
- Thence S 17°24'00" E, 5.40 feet;
- Thence S 71°26'00" W, 918.66 feet;
- Thence N 19°36'41" W, 227.35 feet;
- Thence N 71°01'58" W, 1,006.37 feet;
- Thence N 72°18'32" W, 1,296.59 feet;
- Thence N 72°38'11" W, 1,263.68 feet;
- Thence S 33°40'49" W, 21.40 feet;
- Thence N 74°01'47" W, 172.39 feet;
- Thence N 08°47'08" W, 30.44 feet;
- Thence N 71°44'38" W, 911.11 feet;
- Thence N 02°48'30" W, 109.38 feet;
- Thence S 72°26'55" E, 915.42 feet;
- Thence N 81°37'19" E, 56.42 feet;
- Thence S 72°30'52" E, 137.21 feet;
- Thence S 45°45'57" E, 54.64 feet;
- Thence S 72°39'06" E, 1,083.60 feet;
- Thence N 77°25'42" E, 64.46 feet;
- Thence S 69°06'09" E, 76.26 feet;
- Thence S 60°08'19" E, 92.71 feet;
- Thence S 75°11'56" E, 1,373.56 feet;
- Thence S 80°50'06" E, 470.30 feet;
- Thence S 71°14'14" E, 571.25 feet;
- Thence N 78°55'59" E, 327.04 feet;
- Thence N 88°35'45" E, 611.69 feet;
- Themse N 73°39'50" E, 2,028.36 feet;
- Thence N 52°41'12" E, 151.80 feet;
- Thence S 84°47'43" E, 213.05 feet;
- Thence N 73°38'22" E, 696.24 feet;
- Thence N 56°06'02" E, 143.09 feet;
- Thence N 60°49'03" E, 371.81 feet;
- Thence N 56°41'49" E, 801.84 feet;
- Thence S 53°41'20" E, 900.38 feet;
- Thence S 23°41'41" E, 486.36 feet;
- Thence S 49°52'40" E, 1,306.12 feet;

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet:

Thence N 86°43'08" E, 154.54 feet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel B2</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N $57^{\circ}21'49''$ W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N $72^{\circ}46'06''$ W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B3: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N $62^{\circ}11'06''$ E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 81°36′55″ W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left, having a radius of 268.66 feet and a central angle of 31°42′29°;

Thence N 00°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.96 feet along a curve to the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 76°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37′44″;

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°G1'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left, having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of f*14'29" and being subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°C1'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31′58″ W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37′44″;

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100 51.49";

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right, having a radius of 388.66 feet and a central angle of 31°42°29°;

Thence S 32°00'23" W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

Parcel No. 4: / Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

ATTACHMENT 6

Description of Life-of-Mine

Permit Area



PROPOSED AND EXISTING PERMIT BOUNDARIES/BLACK MESA LEASES
REVISED 11/21/2003

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area for Parcels 1 thru 4 contains 62,929.74 acres, more or less. Drawing No. 85110, Leases, Right-of Way, and Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 0°0'0" East a distance of 5,280.0 feet to a point;

11.01.00, 11.01.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01 11.01

Thence, North 90°0'0" East a distance of 10,550.0 feet to a point;

Thence, South 0°0'0" East a distance of 7,920.0 feet to a point;

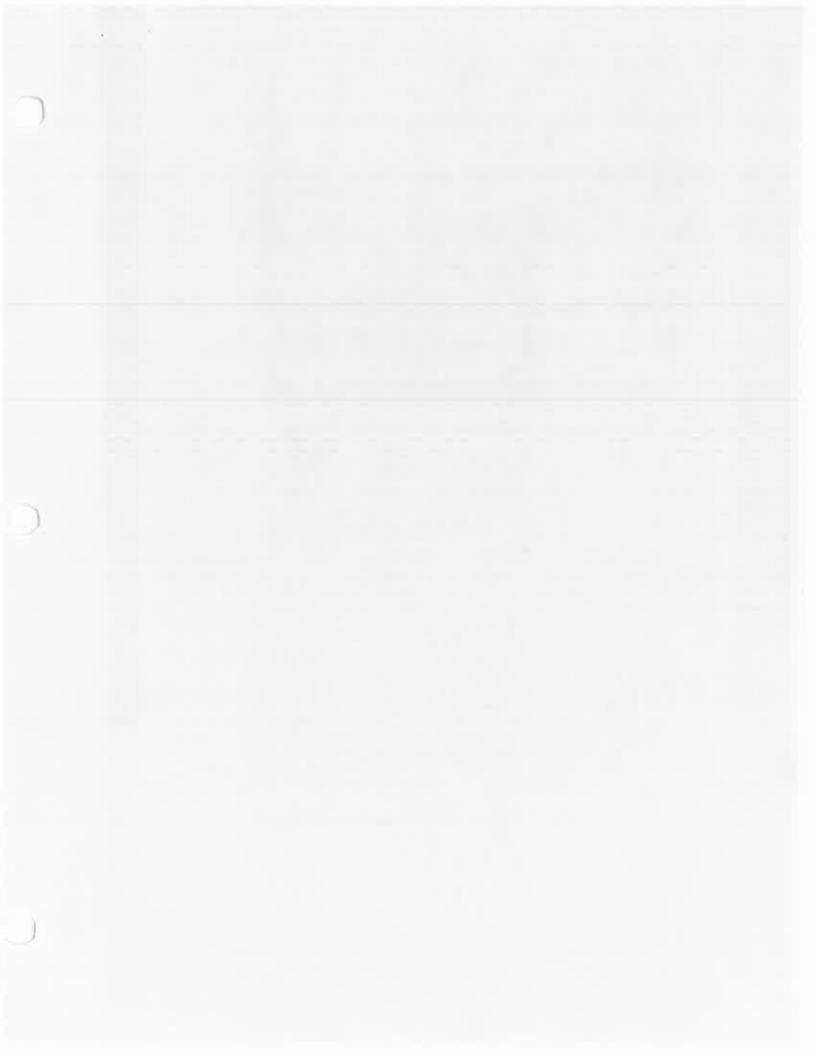
Thence, North 90°0'0" West a distance of 5,280.0 feet to a point;

Thence, South 0°0'0" West a distance of 2,640.0 feet to a point;

Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail-loading site is 163.57 acres, more or less. The rail-loading site is more particularly described as follows:



ATTACHMENT 7

CERTIFICATION

As an authorized representative of Peabody Western Coal Company, first being duly sworn, I hereby certify that the information contained in the application of assignment is true and correct to the best of my knowledge and belief and that Peabody Western Coal Company agrees to and hereby does assume the liabilities and reclamation responsibilities of the existing permit and agrees to conduct the surface coal mining and reclamation operations in full compliance with the Act and the applicable regulations and permit terms and conditions.

DATED this 10th day of October, 1995.

Name:

W. Howard Carson

Title: President

[SEAL]

STATE OF ARIZONA) ss.
County of Coconino)

The foregoing instrument was acknowledged before me by W. Howard Carson this 10th day of October, 1995.

WITNESS my hand and official seal.

Notary Public

My commission expires:

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT **APPLICATION FOR PERMIT TRANSFER**

(D) Location of	f mining operation (state/o	county): Arizona/Navajo
(c) Permit num	ber to be transferred:	AZ-0001D
affected by	the operation through da ption of the proposed act	ion requiring approval.
Company	mit AZ-0001D from Peabod	ly Coal Company to Peabody Western Coal
		
	eres Date - Issued	Estimate of Affected Acres (As of 8/31/95)
Original P Approved	ermit Revisions	Approved Revisions
	· · · · · · · · · · · · · · · · · · ·	<u>-</u> - <u></u>
Total Acre	s <u>42.657.2</u>	Total Acres 9,753.0
Peabody Weste		g address of transferee: outh Yale, Flagstaff, Arizona 86001
2. (a) Name, telep Peabody Weste (520) 774-525	ern Coal Company, 1300 Se	g address of transferee: outh Yale, Flagstaff, Arizona 86001
Peabody Wester (520) 774-525 (b) If the transfer of all manage No. AZ-00	ern Coal Company, 1300 Si 3 eree is a partnership, asso jers, partners and executi 1010	outh Yale, Flagstaff, Arizona 86001 ociation or corporation, the names and addresses was directly responsible for operations under Permit
Peabody Wester (520) 774-525 (b) If the transfer of all manage No. AZ-00 See V	eree is a partnership, asso jers, partners and execution of the control of the co	outh Yale, Flagstaff, Arizona 86001 ociation or corporation, the names and addresses ves directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D
Peabody Wester (520) 774-525 (b) If the transfer of all manage No. AZ-00 See V Name:	eree is a partnership, asso jers, partners and execution of the control of the co	outh Yale, Flagstaff, Arizona 86001 ociation or corporation, the names and addresses ves directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D
Peabody Wester (520) 774-525 (b) If the transfer of all manage NoAZ-00 See V Name: Title:	ern Coal Company, 1300 Si eree is a partnership, asso gers, partners and executi 610 Folume 1, Chapter 3, Atta	outh Yale, Flagstaff, Arizona 86001 ociation or corporation, the names and addresses was directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D Address: Phone No.: Address:
Peabody Wester (520) 774-529 (b) If the transfer of all manage NoAZ-00 See V Name: Title: Name: Title:	ern Coal Company, 1300 Section	ociation or corporation, the names and addresses ves directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D Address: Phone No.: Address: Phone No.:
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Peabody Wester (520) 774-525 (b) If the transfer of all manage No. AZ-00 See Volume: Title: Name: Title: Name: Title: Column Attach the left 778, includir	ern Coal Company, 1300 Si 3 eree is a partnership, asso pars, partners and execution Colume 1, Chapter 3, Atta	ociation or corporation, the names and addresses ves directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D Address: Phone No.:
Peabody Wester (520) 774-525 (b) If the transfer of all manage No. AZ-00 See Volume: Title: Name: Title: Name: Title: Name: Title: Name: Name Name: Name Name, telephone	gal, financial, compliance 1, 1994, September 22, 1 2 number, and address of	ociation or corporation, the names and addresses was directly responsible for operations under Permit achment 1, Appendices A, B and C of Permit AZ-0001D Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.: Address: Phone No.:
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5. For surface coal mining operations, right of entry to or inspection of any operation, premises, records, or equipment shall not require advance notice.

SWORN STATEMENT OF TRANSFEROR

State ofArizona)
)SS.
County ofCoconino)
W. Howard Carson	being duly sworn on my oath that I am the Transferor
the said application and fully know the	ration) for the foregoing permit transfer; that I have read contents thereof that all statements contained in the
permit transfer application are true and	correct to my best knowledge and belief; by execution
of this statement I certify that Transfero	r is in full compliance with the Surface Mining Control
and Reclamation Act, the Rules and Reg	ulations promulgated thereunder, and the terms and
of Surface Mining Reclamation and Enfo	Approval of this permit transfer by the Office reement does not constitute a conclusion that the
Transferor is in full compliance.	realization constitute a conclusion that the
·	·
Detect this are described to the	40.05
Dated this 10 day of 0ctober	, 19 <u>95</u> .
	•
	ne: W. Howard Carpain
Nan	ne: _ W. Howard Clupa
(corporate seal)	
,	
	W B B
Title	:Vice President, Peabody Coal Company
The foregoing instrument was acknowled	ged before me by W. Howard Carson
this 10 day of October	, 19 <u>_95</u>
Witness my hand and official seal.	
·	
(2.7) 1:1	
Notary Public	······································
· (
	_
My Commission Expires: Jan. 13, 1998	•

OSM 1/95 Page 2 of 4

FINAL SWORN STATEMENT OF TRANSFEREE

State of	Arizona)	
)SS.	
County of _	Coconino)	
ı Garv	/ L. Melvin	hai	na duly eworn on	my eath that I am the Transferse
for Presiden	t If the Transferee Is	Dei	nn) for the foregol	my oath that I am the Transferee ing mining permit transfer; that I
				ereof; that I further agree to
				conditions of the existing permit
				bilities of the permit and shall
				full compliance with the Act and
the regulato	ry program; that all si	tatements o	contained in the p	ermit transfer application are true
				this statement I certify that
				mine from the land for which this
				r is not involved in forfeiture
				that Peabody Coal Company
				ations under the jurisdiction of P.L. nd submission of this application,
				lamation and Enforcement to
				nis permit and amendments
				otain or monitor any samples or
	r any activities associ			
	·			•
	4011	4.6.	40.05	
Dated this _	10th day of0c	toper	, 19 <u>95</u> .	
			1	
			4 (1	Λ
		Name:	Jan Gu	when
			/ // 	
(corporate se	eal)	,	V	
				B 1 1 1 1 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2
		Title:	Vice President	Peabody Western Coal Company
			1	
	24			ь
The foregoin	g instrument was ack	nowledged	before me by	Gary L. Melvin
this 10th	day of October		_, 19 <u>_95</u> .	
			•	
Witness my I	nand ånd official seal.			
THE STATE OF THE PARTY OF	iuna una omolul scal.		•	
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				•
	Louite Della)		
Notary Public	-onela Mello	~		
MULARY PUBLIC	1			
My Commissi	on Expires: Jan.	. 13, 1998		

DEPARTMENT OF THE INTERIOR))SS.
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMEN	j
This is to certify that I have examine	ed the foregoing application and do hereby grant the
same subject to the following limitar	itions and conditions.
1. This permit transfer grants only t	the right to affect the lands described in the permit.
2. The transferee has acquired a go signed. The bond shall be effective	ood and sufficient reclamation bond fully executed and on the date of transfer.
34	
	·
	<u> </u>
<u> </u>	
	· · · · · · · · · · · · · · · · · · ·
•	
APPROVED:	· .
Office of Surface Mining Reclamation and Enforcement	
Western Regional Coordinating Center	r
Effective Date:	•

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY COAL COMPANY

ON APRIL 24, 1978

RESOLVED, That the Chairman of the Board, the President, any Senior Vice President, or

any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and

where appropriate or desirable, the Secretary or any Assistant Secretary is hereby authorized to attest

or otherwise authenticate, any application, form, document, or instrument of any type or character

whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which

is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance

with the specific terms of a resolution of the Board of Directors of the Company regarding a particular

subject as limited by any such resolution;

RESOLVED, FURTHER, That any person dealing with the Company may rely on a

Certificate of Incumbency executed and sealed by the Secretary or any Assistant Secretary of the

Company certifying that such person occupies the office indicated in such certificate as of the date of

such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as

described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of

Peabody Coal Company, a Delaware corporation on April 24, 1978, and that said resolution has not

been amended or revoked and remains in effect as of date set forth below.

DATED this 10th day of October, 1995.

G. I. Crawford

Assistant Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Coal Company

I, G. I. Crawford, Assistant Secretary of PEABODY COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

vacant	Chairman
W. H. Carson	Vice President
H. D. Dahl	Vice President
T. L. Bethel	Vice President - Finance &
	Administration & Treasurer
D. R. Joest	Secretary
K. M. Kendrigan	Assistant Secretary
G. I. Crawford	Assistant Secretary
T. R. Gallagher	Assistant Secretary
J. A. Maher	Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 10th day of October, 1995.

G. I. Crawford

Assistant Secretary

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 10th day of October, 1995.

G. I. Crawford

Assistant Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been swom and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson

President

G. L. Melvin

Vice President

G. I. Crawford

Secretary

C. W. Tilly

Treasurer & Assistant Secretary

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 10th day of October, 1995.

G. I. Crawford

Secretary

[SEAL]

Bond Number 259737 April 21, 1997

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 0°0'0" East a distance of 5,280.0 feet to a point; Thence, North 90°0'0" East a distance of 10,550.0 feet to a point; Thence, South 0°0'0" East a distance of 7,920.0 feet to a point; Thence, North 90°0'0" West a distance of 5,280.0 feet to a point; Thence, South 0°0'0" West a distance of 5,280.0 feet to a point; Thence, South 90°0'0" West a distance of 2,640.0 feet to a point; Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Revised 09/25/96

April 21, 1997

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°36'32" West (geodatic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodatic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 290.00 feet to a point;

leaseline of the aforementioned rail loading site;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Beginning.

Seaboard Surety Company

Janide Fennell, Attorney-In-Fact

The strength

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,992.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 31: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 faet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'03" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 193.53 feet;

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17"24'00" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'59" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°38'11" W, 1,263.68 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08°47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.38 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30′52″ E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence 5 69°C6'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75°11'56" E, 1,373.56 feat;

Thence S 80°50'06" E, 470.30 feet;

Thence S 71*14'14" E, 571.25 feet;

Thence N 78°55'59" E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73°39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°38'22" E, 696.24 feet;

Thence N 56°06'02" E, 143.09 feet;

Thence N 80°49'03" E, 371.81 feet;

Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900.38 feet;

Thence S 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

Seaboard Surety Company

James Fermell, Attorney-In-Faci

Fig.

A to a first the

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 feet;

Thence S 45"58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'49" W, 552.85 feet to the Point of Baginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 82: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73"01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°29'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B3: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Revised 08/19/96

Bond Number 259737 April 21, 1997

Andrew Commenced and the second

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described percel of land.

Thende N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.83 feet;

Thence N 10°35'09" E, 152.93 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N $73^{\circ}19'50''$ W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access
Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1892 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Seaboard Surety Company

By: Japide Fennell, Attorney-In-Fact

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 fest;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 fest;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29"03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'43" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Seaboard Surety Company

Janice Fennell,

Attorney-In-Fact

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59′39″ E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (SC):

Thence N 32°00′23″ E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left, having a radius of 268.66 feet and a central angle of 31°42′29″;

Thence N 00°17′54″ E, a distance of 173.19 feet to the beginning of a curve; Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to the right, having a radius of 154.55 feet and a central angle of 100°51′49″;

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve; Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left, .

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feat to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being subtended by a chord which bears S $20^{\circ}44'05"$ E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31′58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42'29";

Thence S 32°00'23" W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

Seaboard Surety Company

By: Control
Jance Fennell, Attorney-In-Fact

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

Seaboard Surety Company

Janice Fernell, Attorney-In-Fact

Bond Number 259737

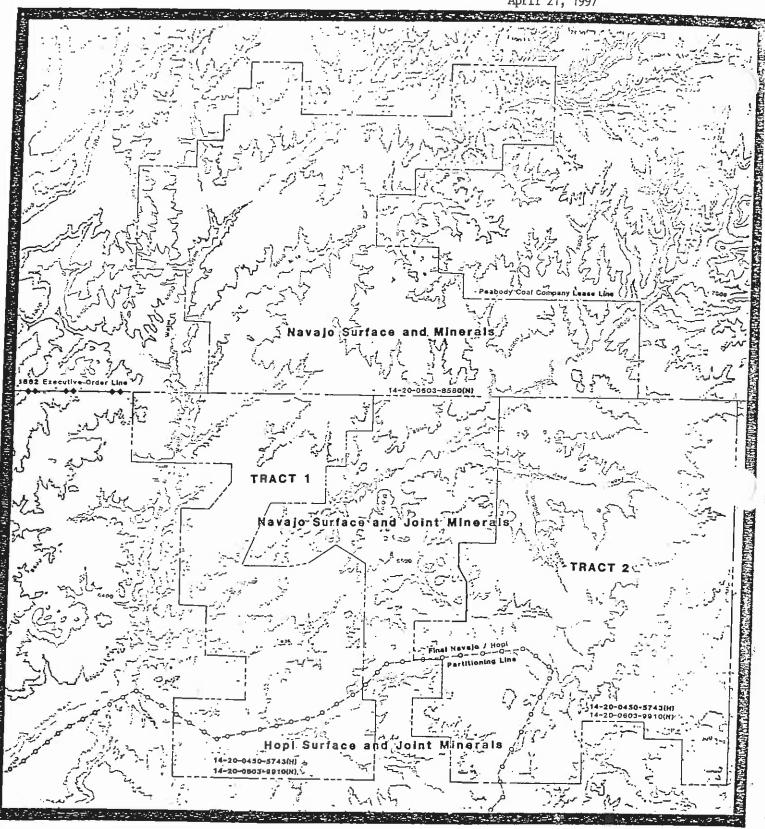
April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Seaboard Surety Company
By: Jamice Fennell, Attorney-In-Fact

Bond Number 259737 April 21, 1997



BLACK MESA LEASES
PEABODY COAL COMPANY

Seaboard Surety Company

By Journal Danice Fennell, Attorney-In-Fact

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence East 1320.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence East 15,840.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence South 7920.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence East 2575.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence West 2640.0 ft., to the point of beginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R18E:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

Seaboard Surety Company

Janice Fernell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

T. 35 N., R. 18 E.

3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35

Lease Numbers
14-20-0450-5743
14-20-0603-9910

Seaboard Surety Company

By Janut Je Ll

Janute Fennell, Attorney-In-Fact

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 26°01' west 2,040.21'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

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T. 36 N., R. 19 E.
25, 26, 27, 28, 29, 32, 33, 34, 35, 36
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Seaboard Surety Company
By Jamice Fennell, Attorney-In-Fact

Certified Copy

SEABOARD SURETY COMPANY 2W- 0360

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, I made, constituted and appointed and by these presents does make, constitute and appoint. Richard G. Anderson or

Richard C. Rose or Janice Fennell or Frank A. Word, Jr. or Tracy Tucker

of Knoxville, Tennessee

its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations

Such insurance policies, surety bonds, undertakings and instruments for said purposes, where duly executed by the aforesaid, Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as it signed by the duly authorized officers of the Company and sealed with its corporate seal, and aletheracts of said Attorney in Fact, pursuant to the authority. hereby given are hereby ratified and confirmed

This appointment is made pursuant to the following By Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, with Amendments to and including January 15, 1982 and are still in full force and effect. ARTICLEVIESECTION

Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto. Insurance policies; bonds, recognizances, stipulations; consents of surety and underwitting undertakings of the Company, and releases, agreements and other writings relating in any way thereto of to any claim or loss thereunder shall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President a Vice-President or a Resident Vice-President and by the Secretary an Assistant Secretary, a Resident. Secretary of a Resident Assistant Secretary, of (b) by an Attorney in Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice President formake such signature for (CEDy such other officers or representatives as the Board may from time for time determine The seaFot the Company shall: Fappropriate be affixed thereto by any such officer. Attorney in Fact of representative

IN WITNESS WHEREOF, SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 5th

SURETY					
Attest					
15/20/26/31 THE TOTAL TO			SEABOARD SURET	YCOMPANY	
16/19/25/19/19					
(Seal) Q			BYNA	LBUSTE	
(Seal)	CLUM // E. TI	ELLEV	E NEET NOTE		
	Accietant Concentant				
STATE OF NEW JERSEY	rissistanceecretary			\ Vice-Pre	sident.
COUNTY OF SOMERSET					
On this 5th d	ay of April		10 05		
Mi chao Ep	VARIANCE SEES			pefore me personally app	eared

Michael B. Keegan a Vice-President of SEABOARD SUBETY COMPANY. with whom Lam personally acquainted, who, being by me duly sworn, said that he resides in the State of New Dersey that he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of

said Company by like authority

(Seal)

BELINDA FAYELEE NOTARY PUBLIC OF NEW JERSEY My Commission Expires Sept. 9,1998

CERTEFICATE

Notary Public

E the undersigned Assistant Secretary of SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is a full true and correct copy, is in full force and effect on the date of this Certificate and I do further certify that the Vice-President who executed the said Power of Attorney was one of the Officers authorized by the Board of Directors to appoint an attorney in fact as provided in Article VII. Section 1, of the By-Laws of SEABOARD SUREEY COMPANY

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD SURETY COMPANY after meeting duly called and held on the 25th day of March 1970.

RESOLVED: (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President of a Vice President pursuant to Article VIII Section Fol the By-Laws appointing and authorizing an attorney-in-lact to sign in the name and on behalf of the Company surety bonds, underwriting undertakings of other instruments described in said Article VII. Section (Ewith like effect as it such seal and such signature had been manually affixed and made, hereby is

WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company to these presents this day of

Assistant Secretary Form 957 (Rev. 7/84)



RIDER

To be attached to and form part of Bond No. 1052253365 Issued on behalf of Peabody Western Coal Company US Department of the Interior, Office of Surface Mining Reclamation and Enforcement as Obligee.
It is agreed that: It is agreed that: The Surety hereby gives its consent to change the Name:
from: to: 2. The Surety hereby gives its consent to change the Address: of the Obligee
from: P.O. Box 46667, Denver, CO 80201-6667 to: 1999 Broadway, Suite 3320, Denver, CO 80202 3. The Surety hereby gives its consent to change the:
from:
This rider shall become effective as of

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No.

220546

Certificate No. 002958680

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Iown, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Leon F. Hill, Jane L. Smith, Jennifer L. Sperlak, Scott Rons, and Ryan Blegen

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of the City of <u>Denver</u> each in their separate capacity if more than one is named above,	State of	Colorado	an one and all b	, their true	and lawful Auor	ney(s)-in-raci, demokluss and
other writings obligatory in the nature thereof on behalf of the	Companies in their	husiness of guar	anteeing the fid	elity of persons, g	guaranteeing the p	erformance of
contracts and executing or guaranteeing bonds and undertakings	required or permiti	ed in any actions	or proceedings	allowed by law.		
·		The Marie	A CANAL TO SERVICE			
IN WITNESS WHEREOF, the Companies have caused this ins	strument to be sign	ed and their corpo	್ರ nate seals to be	hereto affixed, this	324lh	
day of April 2009		193				
	No. of the second	1, 1			_	
Farmington Casualty Comp Fidelity and Guaranty Insu		137. 31. 31		ardian Insurance reury Insurance (
Fidelity and Guaranty Insu		rs, Inc.		esually and Sure		
Seaboard Surety Company				asualty and Suret es Fidelity and Gr		
Si, Paul Fire and Marine In	surance Company	,	United State	es ridelity kild Gi	netatity Compan	J.
1917 B 1951 1951		SEAL S	SEAL S	SULLIV AND REAL CONTROL OF THE PROPERTY OF THE		TESS ANNERS
State of Connecticut		Ву:	Ja.	uy Vistky	Surfer	
City of Hartford ss.			/George	(W) Thompson, Seni	or Vice President	
On this the 24th day of April	2009	, DETOIC INC	personally app	eared George W.	Thompson, who	acknowledged
himself to be the Senior Vice President of Farmington Casualty (Inc., Scaboard Surety Company, St. Paul Fire and Marine Insuran Casualty and Surety Company, Travelers Casualty and Surety Cauthorized so to do, executed the foregoing instrument for the purpose.	Company, Fidelity ice Company, St. Prompony of Americ	aul Guardian Insu a, and United Sta	irance Company ntes Fidelity and	r, St. Paul Mercury I Guaranty Compa	y Insurance Comp my, and that he, a	any, Travelers as such, being
In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2011,	OCHEOTO H	_		Marie C. Tel	C. Jatu tremil, Notary Publi	ioult

58440-5-07 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Vice President, any Assistant Vice President, any Secretary, and Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney, executed by said Companies, which is in full force and effect and has not been revoked.

TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this

day of tehruar

Kori M. Johanson Assistant Secretary

1,12



















To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



CHANGE RIDER

U. S. Department of the Interior To:

Office of Surface Mining Reclamation & Enforcement

P. O. Box 46667

Denver, CO 80201-6667

To be attached to and form part of: Bond Number: 105253365

Former Bond Number: 348404

Bond Limit: \$11,800,000.00

Issued on behalf of:

Peabody Western Coal Company

701 N. Market Street, Suite 700

St. Louis, MO 63101

And in favor of: U.S. Department of the Interior

Office of Surface Mining Reclamation & Enforcement

P. O. Box 46667

Denver, CO 80201-6667

The purpose of this Rider is:

CHANGE IN SURETY COMPANY

Effective January 1, 2009, the surety on the above referenced bond is Travelers Casualty and Surety Company of America. Travelers Casualty and Surety Company of America replaces Seaboard Surety Company as surety. The termination of liability under the Seaboard Surety Company is a condition precedent to the change of surety.

Signed, sealed and dated this 28th day of February, 2009.

Travelers Casualty and Surety Company of America



POWER OF ATTORNEY

Farmington Casualty Company Fidelity and Guaranty Insurance Company Fidelity and Guaranty Insurance Underwriters, Inc. Seaboard Surety Company St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company St. Paul Mercury Insurance Company Travelers Casualty and Surety Company Travelers Casualty and Surety Company of America United States Fidelity and Guaranty Company

Attorney-In Fact No.

220251

Certificate No. 002525680

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Mark S. Horton, Evelyn P. Green, Vickie Morgan, Kathy Simpson, June W. Hutchings, Tracy L. Weatherholt, Joy Hartsfield, James Thompson,

Mark S. Horton, Evelyn P. Green, Vicki Neal McBay, James R. Zorns, Trish Sch	eer, Kevin Duks, Lorraine V. Sm	ith, Kelly Napier, Caro	oline Shore, Douglas Lackey	, May Bennett,
Pamela Strube, and Joseph Stephens				
	. State of	Tennessee	their true ar	nd lawful Attorney(s)-in-Fact,
of the City of Franklin each in their separate capacity if more than other writings obligatory in the nature there	one is named above, to sign, execute,	seal and acknowledge an	y and all bonds, recognizances, ing the fidelity of persons, gua	ranteeing the performance of
other writings obligatory in the nature there contracts and executing or guaranteeing bon	of on behalf of the Companies in in ids and undertakings required or pem	nined in any actions or pr	occeedings allowed by law.	
contracts and executing or Ferrimental and	a Bridge	TEN AIR	E.	
	Was Co	The Thirty of the same	y	31st
other writings obligatory in the nature there contracts and executing or guaranteeing bon IN WITNESS WHEREOF, the Companie July day of	gton Casualty Company and Guaranty Insurance Company and Guaranty Insurance Underwird Surety Company I Fire and Marine Insurance Comp	gned and their corporate	seals to be nereto attixed, dis_	
day of July 200		OF THE PARTY		
Farmin	gton Casualty Company	S	st. Paul Guardian Insurance C St. Paul Mercury Insurance Co	ompany
Fidelity Fidelity	and Guaranty Insurance Company and Guaranty Insurance Underwi	riters, Inc.	Travelers Casualty and Surety Travelers Casualty and Surety	Company
Seaboa	rd Surety Company	nan v U	Inited States Fidelity and Gua	aranty Company
St. Pau	I FIFE AND WATER HANDEN OFF		-	CATT AND
1927)		SEAL S	SEALL	HUMITANA AND THE STATE OF THE S
. •	•			₫ .
	•	Ву:	Ley Vita	inform
State of Connecticut City of Hartford ss.		27	George W Thompson, Senio	or Vice President
On this the day of to be the Senior Vice President of Farmir Seaboard Surety Company, St. Paul Fire Casualty and Surety Company, Travelers authorized so to do, executed the foregoing	ngton Casualty Company, Fidelity a	nd Guaranty Insurance (Paul Guardian Insuranc	Company, Fidelity and Guarant ce Company, St. Paul Mercury	
	& D. TETA	<u>E</u>	Marit	1 treault
In Witness Whereof, I hereunto set my h	and and official scal.	1割 —	Marie C. Te	rreault, Notary Public
My Commission expires the 30th day of J	fune, 2011.	ובע		

CERTIFIED COPY OF A RESOLUTION DULY ADOPTED BY THE BOARD OF DIRECTORS OF PEABODY WESTERN COAL COMPANY

ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company,

is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the

Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any

application, form, document, or instrument of any type or character whatsoever on behalf of the

Company in order to carry on the ordinary business of the Company which is not the subject of a

specific resolution of the Board of Directors of the Company, or in accordance with the specific terms

of a resolution of the Board of Directors of the Company regarding a particular subject as limited by

any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a

Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the

Company certifying that such person occupies the office indicated in such certificate as of the date of

such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as

described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of

Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution

has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson

President

G. L. Melvin

Vice President

G. I. Crawford

Secretary

C. W. Tilly

Treasurer & Assistant Secretary

M. T. Lewis

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

(Page 1 of 2) RECLAMATION BOND INCREASE/DECREASE RIDER

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND INCREASE/DECREASE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond	
No. 348404 written by SEABOARD SURETY COMPANY	
AS SURETY, on behalf of <u>PEABODY WESTERN COAL COMPANY</u>	
AS PRINCIPAL, in the sum of EIGHT MILLION EIGHT HUNDRED THOUSAND AND NO/100 *****	*
DOLLARS (\$ 8,800,000.00), in favor of the United States	,
Office of Surface Mining Reclamation and Enforcement (OSMRE) and	
executed on <u>SEPTEMBER 3, 1996</u> .	

Whereas, the OSMRE issued permit to Mine number AZ-0001D/AZ-0001 and dated on ANIARY 20 1082, and renewals and revisions numbered and dated N/A pursuant to the application of the Principal,

Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and revisions and renewals since the date of the issuance of the permit,

(Page 2 of 2) RECLAMATION BOND INCREASE/DECREASE RIDER

Permit No. <u>AZ-0001D/AZ-0001</u>	——————————————————————————————————————
Bond No. <u>348404</u>	
	PRINCIPAL
Signed and executed this BY: W. Howard Carfor W. HOWARD CARSON TITLE: PRESIDENT, PEABODY WESTERN COA State of ARIZONA County of COCONINO	
The foregoing instrument was this 20th day of AUGUS	
	(Notary Public or other authorized officer) My Commission Expires: 1/2/5/
	SURETY
Signed and executed this 20th SEABOARD SURETY COMPANY BY: Chell to l	th day of AUGUST , 19 97 .
TITLE JANICE FENNELL, ATTORNEY-IN-FACT	(Corporate Seal)
State of TENNESSEE County of KNOX) ss.)
The foregoing instrument was JANICE FENNELL , this	acknowledged before me by
Witness my hand and official	seal. Yelinaluth (1. 4 kintules) (Notáry Public or othér authorized officer) ELIZABETH A. HARTZBERG

My Commission Expires: NOVEMBER 29, 1999

Bond Number 9264224 April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Continental Casualty Insurance Company and National Fire Insurance Company of Hartfor By: James H. Fermell, Attorney-In-Fact

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford
By:

Januce H. Fennell, Attorney-In-Fact

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00′23″ E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 142.68 feet along a curve to the left, having a radius of 268.66 feet and a central angle of 31°42′29";

Thence N 00°17′54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to

the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve; Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 143.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being subtended by a chord which bears S $20^{\circ}44'05''$ E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 223.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31′58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42′29″;

Thence S 32°00′23″ W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59′39″ W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04º48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 995.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: Janice H. Fennell, Attorney-In-Fact

April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951

USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11′06" E, 828.42 feet to the Point of Beginning of the herein described parcel

of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73"12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Themde S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access

Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69%/ transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882, Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Continental Casualty Insurance Company

and National Fire Insurance Company of Hartford

By: Oarlee (Jamell Janice H. Fermell, Attorney-In-Fact

Revised 09/25/96

Bond Number 9264224 April 21, 1997

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 fest;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.19 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B2: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.03 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.30 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B3: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

Continental Casualty Insurance Company

and National Fire Insurance Company of Hartford

By: Jones H. Longell

Janice H. Fennell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17°24'00" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'59" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°38'11" W, 1,263.68 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08°47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.39 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30'52" E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence S 69°06'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75°11'56" E, 1,373.56 feet;

Thence S 80°50'06" E, 470.30 feet;

Thence S 71°14'14" E, 571.25 feet;

Thence N 78°55'59" E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73°39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°39'22" E, 696.24 feet; Thence N 56°06'02" E, 143.09 feet;

Thence N 80°49'03" E, 371.81 feet;

Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900.38 feet;

Thence S 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By:

Janice H. Fennell, Attorney-In-Fact

Bond Number 9264224 April 21, 1997

Thence S 89°59'36" E, 3,197.39 feet to the Foint of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16′53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel 81</u>: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Toal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'39" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

Janice H. Fennell, Attorney-In-Fact

4

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

<u>Parcel A:</u> The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arlzona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

Janide H. Fennell, Attorney-In-Fact

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 90°0'0" East a distance of 5,280.0 feet to a point; Thence, North 90°0'0" East a distance of 10,550.0 feet to a point; Thence, South 0°0'0" East a distance of 7,920.0 feet to a point; Thence, North 90°0'0" West a distance of 5,290.0 feet to a point; Thence, South 0°0'0" West a distance of 2,640.0 feet to a point; Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

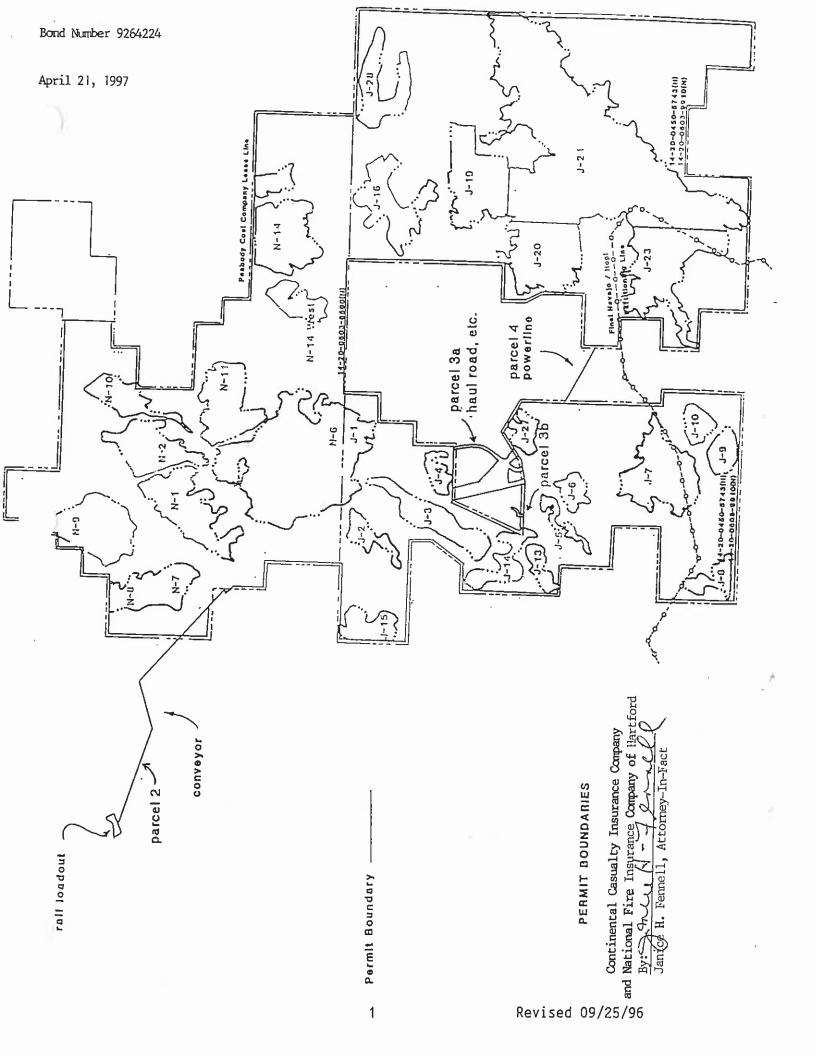
Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

Continental Casualty Insurance Company and National Fire Insurance Company of Harrand By: James 14 - Family

Janide H. Fennell, Attorney-In-Fact

Revised 09/25/96



. Bond Number 9264224 April 21, 1997

Description of Life-of-Mine Permit Area

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: H. Jewell H. Jewell Attorney-In-Fact

Bond No. <u>9264224</u>	
PRINC	IPAL
Signed and executed this 21st Peabody Western Coal Company BY: 11 Howard Confidence	
TITLE: President	_ (Corporate Seal)
State of Arizona	_)
County of Coconino)ss. _)
The foregoing instrument was acknown this 21st day of April Witness my hand and official seal. My Co	, 1997
SURET	YY
Signed and executed this	Fire Insurance Company of Hartford
State of _ Termessee)	(Corporate Seal)
County of Knox	X2.
The foregoing instrument was acknow Janice H. Fermell , this, this,	ledged before me by, 19 97 .
Witness my hand and official seal.	(Notary Public or other authorized officer) Elizabeth A. Hartzberg
My Com	mission Expires: November 29, 1999

Permit No. AZ-0001D/AZ-0001

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

Ninety Si		To be attached to and form a part of Sirety Company Rond No.9264274 written by National Fire Insurance Company of Hartford AS SURETY, on behalf of Peabody Western Coal Company AS PRINCIPAL, in the sum of Eighteen Million Two Hundred Sixty One Thousand Six Hundred CODOLLARS (\$ 18, 261,696.00), in favor of the United States, Office of Surface Mining Reclamation and Enforcement (OSMRE) and executed on February 1, 1985 and Amended on May 8, 1990, April 1, 1993, July 3, 1995 and September 26, 1995
	ETTAL IN	Whereas the 20SMRE also sued Permit to Mine number AZ-0001D/AZ-0001 and dated on July 6, 1995 , and renewals and revisions numbered and dated $\frac{N/A}{N}$ pursuant to the application of the Principal,
		Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the amentioned permit and revisions and renewals since the date of the issuance of the permit,
٠.		Now, therefore, the purpose of this rider is: To replace the legal land description of the approved permit area on the bond with the attached legal description which includes additional lands approved as two incidental boundary revisions to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson G. L. Melvin G. I. Crawford

Vice President Secretary

President

C. W. Tilly M. T. Lewis Treasurer & Assistant Secretary

ewis Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

National Fire Insurance Company of Hartford



6-23142-C

For All the Commitments You Make'

Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

existing und	der the laws of the Sta	ents, That the NATIONAL FIRE INS ite of Connecticut, and having its g	eneral administrative o	office in the City of C	hicago, and State of Illinois,
		d appoint <u>Frank A. Word,</u>			
Jani	<u>ce H. Fennell,</u>	Tracy Tucker, Individ	ually of Knoxv	ille, Tennesse	ee
Doug	ilas L. Ball, I	ndividually of Daniels	<u>, West Virginia</u>	<u> </u>	
of					_
its true and	lawful Attorney-in-Fac	t with full power and authority here	by conferred to sign, se	eal and <mark>execute</mark> in its	behalf bonds, undertakings
and other o	bligatory instruments	of similar nature			
		- In Unlimite	ed Amounts -		
and to bind were signed pursuant to	the NATIONAL FIRE I by the duly authorize the authority hereby	INSURANCE COMPANY OF HART d officers of NATIONAL FIRE INS given are hereby ratified and conf	FORD thereby as fully URANCE COMPANY C irmed.	and to the same ex F HARTFORD and a	tent as if such instruments If the acts of said Attorney,
This Po 1993 by the	wer of Attorney is ma Board of Directors of	de and executed pursuant to and the Company.	by authority of the foll	owing Resolution du	lly adopted on February 17,
of insurance in their respe ment and to	, bonds, undertakings ective certificates of a attach the seal of the	in of the Board of Directors, the Pre nt, by written certificates, Attorneys and other obligatory instruments of uthority, shall have full power to bit to Corporation thereto. The Preside any time revoke all power and aut	of like nature. Such Atto nd the Corporation by t ent. an Executive Vice	orney-in-Fact, subjec t heir signature and e President, anv Sen i	t to the limitations set forth recution of any such instru- or or Group Vice President
This Por of Directors	wer of Attorney is sign of the Company at a	ned and sealed by facsimile under meeting duly called and held on t	and by the authority of the 17th day of Februa	the following Resoluty, 1993.	ution adopted by the Board
he Corporati br Tabruary certifi Corpo bona or unde	ion may be affixed by the signation of the signation of the signation of the signation. Any such powertaking to which it is	re of the President, an Executive Nature of attorney ature of a Secretary or an Assistant ver, and any power or certificate beer so executed and sealed and central attached, continue to be valid and DNAL FIRE INSURANCE COMPAN real to be hereto affixed this	granted pursuant to the Secretary and the sea earing such facsimile tified by certificate so d binding on the Corp	e Resolution adopted of the Corporation in signatures and seal executed and sealed poration.	d by this Board of Directors may be affixed by facsimile shall be valid and binding I, shall, with respect to any
ICE FICSIDE	iit ailu its corporate s	ear to be nereto anixed this			
•		MSURAL	NATIONAL FIRE !	NSURANCE COMPA	NY OF HARTFORD
				17/ X/	
				M.C. Vonnahme	Group Vice President.
		13.		Mistr vollindine	Gloup vice riesident.
tate of Illino	ois, County of Cook, s	is:	•	· ·	
	6th day	December		0.4	
linois; that f nd which ex orporate sea	onnahme, to me know ne is a Group Vice Pre ecuted the above inst al; that it was so affixe	of December on, who, being by me duly swom, of sident of the NATIONAL FIRE IN rument; that he knows the seal of d pursuant to authority given by the and acknowledges same to be the	SURANCE COMPANY said Corporation; that e Board of Directors o	OF HARTFORD, the the seal affixed to the said corporation and	e corporation described in ne said instrument is such
		MOTARY OF PUBLIC OF CO., III-	Line My Comm	ndu () da C. Dempsey nission Expire	Notary Public. s October 19, 1998
* ***omey he	erein above set forth is	CERTIF ary of the NATIONAL FIRE INSUR, s still in force, and further certify the stimony whereof I have hereunto s	ANCE COMPANY OF nat the Resolutions of	the Board of Directo	rs, set forth in said Power
_lst	day of	April	. 19 <u>97</u> .		
		A STATE OF THE STA	Joh	M. Littler	Assistant Secretary.

INV. NO.G-56624-D



For All the Commitments fou make-	AN ILLINOIS	CORPORATION
POWER OF	ATTORNEY APPOINT	NG INDIVIDUAL ATTORNEY-IN-FACT
of the State of Illinois, and having its pr	incipal office in the City of (TY COMPANY, a corporation duly organized and existing under the laboration and State of Illinois, and having its principal office in the City
of Chicago, and State of Illinois, does Richard G. Anderson, R	hereby make, constitute an ichand C. Rose, Tra	dappoint Frank A. Word, Jr., Janice H. Fennell acy Tucker, Individually of Knoxville, Tenness
Douglas L. Ball, Indiv	dually of Daniels	, West Virginia
of		
•		by conferred to sign, seal and execute in its behalf bonds, undertakings
and other obligatory instruments of sin		nited Amounts -
		
and to bind CONTINENTAL CASUALTY authorized officers of CONTINENTAL Chereby ratified and confirmed.	COMPANY thereby as fully a ASUALTY COMPANY and a	and to the same extent as if such instruments were signed by the duly If the acts of said Attorney, pursuant to the authority hereby given are
This Power of Attorney is made and of the Company.		authority of the following By-Law duly adopted by the Board of Directors
		ecution of Documents
Vice President may, from time to time of policies of insurance, bonds, unlimitations set forth in their respective of any such instruments and to atta	ne, appoint by written certific dertakings and other obligate te certificates of authority, sh ch the seal of the Company	the Board of Directors, the President or any Executive, Senlor or Group cates attorneys-in-fact to act in behalf of the Company in the execution tory instruments of like nature. Such attorneys-in-fact, subject to the all have full power to bind the Company by their signature and execution thereto. The Chairman of the Board of Directors, the President or any tors, may, at any time, revoke all power and authority previously given
of Directors of the Company at a meeting	ng duly called and held on t	
Secretary or an Assistant Secretary	and the seal of the Compan or such facsimile signature	tive, Senior or Group Vice President and the seal of the Company reant to Section 3 of Article IX of the By-Laws, and the signature of y may be affixed by facsimile to any certificate of any such power and seal shall be valid and blnding on the Company. Any such power and sealed shall, with respect to any bond or undertaking to which by."
In Witness Whereof, CONTINENTAL ts corporate seal to be hereto affixed the	. CASUALTY COMPANY has nisday o	caused these presents to be signed by its Group Vice President and f
State of Illinois County of Cook ss	CASUALTI CORCEAN	CONTINENTAL CASUALTY COMPANY
	SEAL S	M.C. Vonnehme Group Vice President.
hat he is a Group Vice President of COI nstrument; that he knows the seal of sa ffixed pursuant to the said instrument is	December g by me duly swom, did der NTINENTAL CASUALTY CO d Corporation; that the sea	nose and say: that he resides in the Village of Darien, State of Illinois; MPANY, the corporation described in and which executed the above I affixed to the said instrument is such corporate seal; that it was so a so affixed pursuant to authority given by the Board of Directors like authority, and acknowledges same to be the act and deed of said
	NOTARY PUBLIC	Lindá C. Dempsey Notary Public. My Commission Expires October 19, 199
	CERTIF	
etill in force, and further codify that Sec	tion 3 of the Afticle IX of the II in force. In lestimony whe	OMPANY, do certify that the Power of Attorney herein above set forth By-Laws of the Company and the Resolution of the Board of Directors, ereof I have hereunto subscribed my name and affixed the seal of the
	of April	19_ 97

Form 1-23142-B

INV. NO.G-56623-D

Assistant Secretary.

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: School Lander H. Fennell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36030' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers
14-20-0450-5743
14-20-0603-9910

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Janize H. Fennell, Attorney-In-Fact

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence East 1320.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence South 5280.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence South 7920.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence North 7340.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence North 7340.0 ft., thence North 10,560.0 ft., to the point of beginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R1SE:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 28, N 2063.0 ft. 27, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

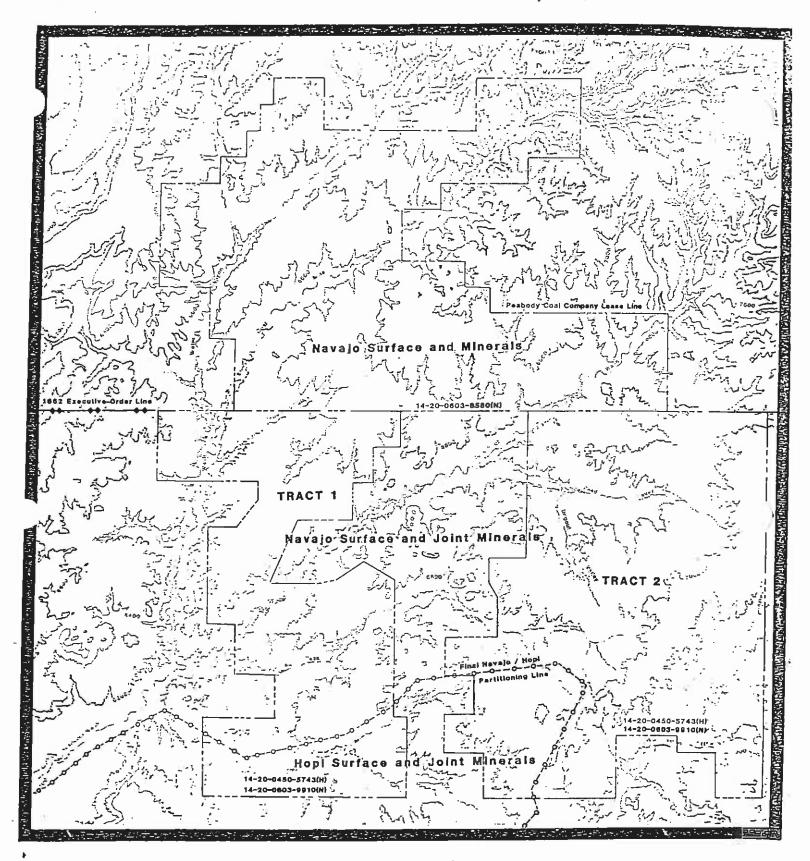
T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: Janes of Jersey-In-Fact



BLACK MESA LEASES PEABODY COAL COMPANY

Continental Casualty Insurance Cc and National Fire Insurance Company of

Janice H. Fennell, Attorney-In-Fact

for

2

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: Jamine H. Fennell, Attorney-In-Fact

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: Sa 2 H - formell

Janico H. Fermell, Attorney-In-Far

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S E9°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32*00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left,

having a radius of 268.66 feet and a central angle of 31°42'29";

Thence N CC°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to

the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 75°55'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of

405.74 feet and a central angle of 13°37'44";

bounds as follows:

Thence N 57°51′58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°31'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N G3°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to

the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being

subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of

600.00 feet and a central angle of 7°14'21"

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°51'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31'59" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of

525.74 feet and a central angle of 13°37'44";

Thence N 78°53'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the

left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 60°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42'29";

Thence S 32°CO'23" W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point

of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

ilartford Contipany Insurance Mational Fire Insurance Continental Casualty

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S $15^{\circ}36'11''$ E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04"48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04*48'12" E, 425.40 feet;

Thence N 18°23'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartfor

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

Janice H. Fennell, Attorney-In-Fact

The Survey for the above described tract of land was initiated in July of 1994.

SEABOARD SURETY COMPANY

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY POWER OF ATTORNEY

WALE MENBYTHESE PRESENTS: That SEABOARD SURETY COMPANY a corporation of the State of New York h constituted and appointed and by these presents does make constitute and appoint Richard G. Anderson or

Richard & Rose or Janice Fennell or Frank A. Word, Ir or Tracy Tucker

Knoxville Tennessee

its true and lawful Attorney in Fact to make, execute and deliver on its behalf insurance policies, surely bonds, undertakings and other instruments of similar nature as follows:

Without Innitations

Such insurance policies strety bonds undertakings and instruments for said purposes, where duly executed by the aforesaid Attometine Eace shall be binding upon the said Company as fully and to the same extent as its igned by the duly authorized officers of the company and sealed with its corporate seal and all the acts of said Attorney in Eacle pursuant to the authority hereby orver are hereby rathled and confirmed

This appointments made pustian to the following by Laws which were duty adopted by the Board of Directors of the said Company on Figure 1921 with Amendments to and including tanuary 5, 1982 and are still refull force and effect ARTICLEVIESESTION

Policies, bonds, recognizances, stipulations, consents of surery, underwriting undertakings and arstioments retaining therefor nastrance policies bonds resognizances supulations consents of supervande method to the company and releases, agreements and other witings relating in any way them to defin any claum or loss thereunder small be skiped in the name and one behalf of the Company

en ny the Champang Line Board Line President a Vice. President or a Resident Vice-President and by the Secretary, and Assistant Secretary, a Hesident Secretary of the dense Assistant Secretary the IDE by an Afforder the Fact for the Company appropriate and authorized by the Chairman of the Board the dent or a vice President to make such skips but so or fice by such other officers or representatives as the Board may from hims to dime determine the seal of the Company shall trappers nate be affixed thereto by any such officer. Afficinely in Fact or representative

IN WITHESS WHEREOF SEABOARD SUBETY COMPANY has caused these presents to be signed by one of its vice cients and its comporate seat to be hereunto affixed and duly attested by one of its Assistant Secretaries, this __bt h

Altest

(Seal) (Secretary Assistant Secretary

STATE OF NEW JERSEY **COUNTY OF SOMERSE**

Onthis Sen dayof Aprill
Michael B. Keegan

Vice-President

19 95 before me personally appeared a Vice-President of SEAROARD SURE DECOMPANY

Michael H. Keegan a Vice President of SEABOARD SURE DECOMPA
with whom fam personally acquainted, who, being by me duly sworn, said that he resides in the State of New densely. that he is a Vice President of SEABOARD SURE EXCOMPANY, the corporation described in and which executed the foregoing instrument that he knows the corporate seat of the said Company, that the seat affixed to said instrument is such corporate seat, that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice. President of said Company by like authority

(Seal)

REEINDA FAYELLE NOTARY PUBLIC DENEWELFASEY

My Commission Expires Sept 9,1998

Notary Public

CERTIFICATE

EINEUNDERIGNED ASSISTANT SECTETATY OF SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is abularme and correct copy is in fulf force and effect on the date of this Cerulicate and Edo further certify that the Vice President who executed the said Power of Attorner was one of the Olficers authorized by the Board of Directors to appoint an attorney in fact as provided in Adicie VII. Section E of the By Laws of SEABOARD SURETY COMPANY

this certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors deseaso ARD SURE FECOMPANY at a meeting dury called and held on the 25th day of March 1970.

RESOLVED (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President or a Vice-President pursuant to Article VII. Section 1: of the By-Laws appointing and authorizing areattomey inclact to sign in the name and on behalf of the Company arrety bonds, underwriting undertakings or other sumants described in sald Article VIII Sections E with like effect as Esuch seal and such signature that heer manually affixed and made, hereby orized and approved.

WITNESS WHEREOF Ehave hereunto set my hand and affixed the corporate seal of the Company to these presents this

20th day of AUSE

issistant Secretary Form 957 (Rev. 7/84)

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		•	

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

Ц G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson G. L. Melvin

President Vice President

G. I. Crawford

Secretary

M.T. Lewis

Treasurer & Assistant Secretary

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 20th day of August, 1997.

G. I. Crawford

Secretary

[SEAL]

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 20th day of August, 1997.

G. I. Crawford

Secretary

[Seal]

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/ AZ-0001

To be attached to and form a part of Surety Company Bond
No. 348404 written by Seaboard Surety Company
AS SURETY, on behalf of Peabody Western Coal Company
AS PRINCIPAL, in the sum of Eight Million Eight Hundred Thousand and No/100
DOLLARS (\$ 8,800,000.00), in favor of the United States,
Office of Surface Mining Reclamation and Enforcement (OSMRE) and
executed on September 3, 1996

Whereas the ASMRE issued Permit to Mine number AZ-0001D/AZ-0001 and dated on January 29, 1982 , and renewals and revisions numbered and dated N/A pursuant to the application of the Principal,

Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the a mentioned permit and revisions and renewals since the date of the issuance of the permit,

Now, therefore, the purpose of this rider is:

To replace the legal land description of the approved permit area on the bond with the attached legal description which includes additional lands approved as an incidental boundary revision to the permit on March 28, 1997 and August 20, 1996.

It is further agreed that all other terms_and conditions of this bond shall remain unchanged.

ELLETIN :

Bond No. 348404	
	PRINCIPAL
Signed and executed this Peabody Western Coal Company BY: W. Moure Chicken	<u>21st</u> day of <u>April</u> , 19 ⁹⁷ .
TITLE: <u>President</u> State of <u>Arizona</u> County of Coconino	(Corporate Seal))SS.
The foregoing instrument was this <u>21st</u> day of <u>April</u> Witness my hand and official	
Signed and executed this 21st	SURETY
Seaboard Surety Company BY: TITLE: Janice Fernell, Attorney-In-Fact State of Tempessee	<u> </u>
County of Knox))ss.)
The foregoing instrument was a Janice Fermell , this,	acknowledged before me by, 19 97 .
Witness my hand and official s	(Notary Public or other authorized officer) Elizabeth A. Hartzberg
. му	y Commission Expires: November 29, 1999

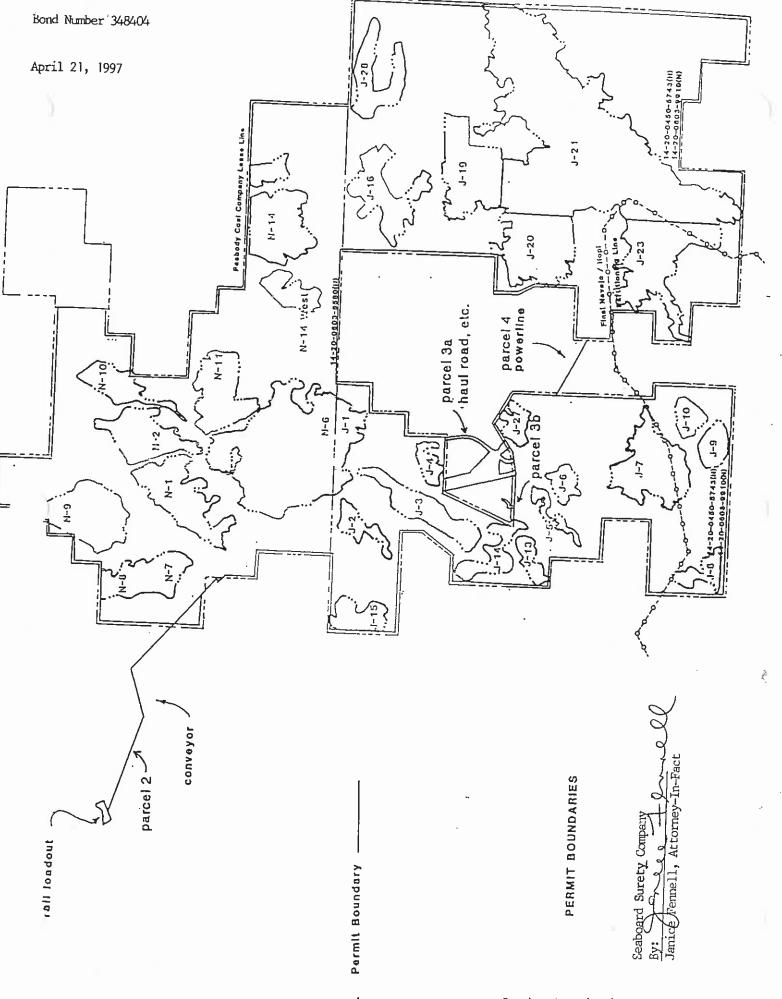
Permit No. AZ-0001D/AZ-0001

Bond Number 348404

April 21, 1997

Description of Life-of-Mine Permit Area

Seaboard Surety Company
By: Janice Fennell, Attorney-In-Fact



Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point;

Thence, North 0°0'0" East a distance of 5,280.0 feet to a point;

Thence, North 90°0'0" East a distance of 10,550.3 feet to a point;

Thence, South 0°0'0" East a distance of 7,920.0 feet to a point;

Thence, North 90°0'0" West a distance of 5,280.0 feet to a point;

Thence, South 0°0'0" West a distance of 2,640.0 feet to a point;

Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

Seaboard Surety Company

Janice Fermell, Attorney-In-Fact

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°36'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'39" E, 12,366.27 feet;

Seaboard Surety Company

By: Price of Them

Janice/Fennell, Attorney-In-Fact

.

Bond Number 348404 April 21, 1997

Thence S $89^{\circ}59'36''$ E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel Bl</u>: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

Seaboard Surety Company

Janiqe/Fennell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17°24'60" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'58" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°38'11" W, 1,263.68 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08°47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.38 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30′52″ E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence S 69°06'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75°11'56" E, 1,373.56 feet;

Thence S 80°50'06" E, 470.30 feet;

Thence S 71°14'14" E, 571.25 feet;

Thence N 78°55'59" E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73°39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°38'22" E, 696.24 feet;

Thence N 56°06'02" E, 143.09 feet;

Thence N 80°49'03" E, 371.81 feet; .

Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900.38 feet;

Thence S 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

Seaboard Surety Company

By: Johnel Fan

Janica Fennell, Attorney-In-Fact

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 feet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel 32</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N $57^{\circ}21'49''$ W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Theace S 01°05'19" E, 132.81 feet; .

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 33: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

Seaboard Surety Company

By: Creel to

Janice Fennell, Attorney-In-Fact

Bond Number 348404

April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and Mv-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 09 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

> Seaboard Surety Company Janice Fermell, Attorney-In-Fact

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Seaboard Surety Company
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By Jane C (Transport of the James Fermell, Attorney-In-Fact

Part 8: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 142.68 feet along a curve to the left,

having a radius of 268.66 feet and a central angle of 31°42'29";

Thence N 00°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to

the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 145.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being

subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of 7°14'21"

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 223.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31'58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of

525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the

left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42′29";

Thence S 32°00'23" W, a distance of 23.13 feet to the above described Peabody lease line;

Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point

of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

1, Attorney-In-Fact Seaboard Surety Company

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April 21, 1997

Parcel No. 4: Powerline Right-of-Way Description

This parcal is described in Attachment 4 and contains 8.52 acres, more or less.

Seaboard Surety Company
By Aul Janice Fennell, Attorney-In-Fact

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Bond Number 348404

April 21, 1997

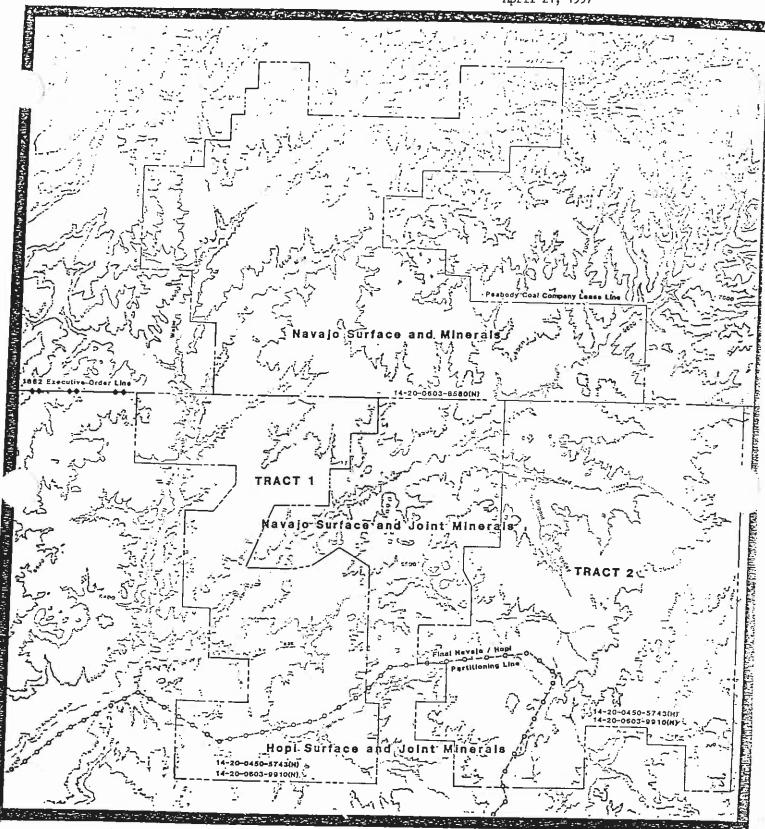
ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Seaboard Surety Company

By: Struct to well

Janice Fennell, Attorney-In-Fact



BLACK MESA LEASES PEABODY COAL COMPANY Seaboard Surety Company

By Januce Fennell, Attorney-In-F:

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence South 5280.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence South 7920.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence South 7920.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence West 2640.0 ft., to the point of Deginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R1SE:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135% R1SE:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580 Seaboard Surety Company

By: Janice Fennell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers 14-20-0450-5743 14-20-0603-9910

Seaboard Surety Company

By: Janice Fennell, Attorney-In-Fact

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 26°01' west 2,040.21'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

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T. 36 N., R. 19 E.
25, 26, 27, 28, 29, 32, 33, 34, 35, 36
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Seaboard Surety Company
By: Janice Fennell, Attorney-In-Fact

Certified Copy

SEABOARD SURETY COMPANY 2W- 0358

13250

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY POWER OF ATTORNEY

YOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, de, constituted and appointed and by these presents does make, constitute and appoint. Richard G. Anderson or

Richard C. Rose or Janice Fennell or Frank A. Word, Jr. or Tracy Tucker

of Knoxville, Tennessee

its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations

Such insurance policies, surety bonds, undertakings and instruments for said purposes, when duly executed by the aforesaid Attorney in Fact, shall be binding upon the said Company as fully and to the same extent as it signed by the duly authorized officers of the Company and sealed with its corporate seal, and all the acts of said Attorney in Fact, pursuant to the authority hereby given, are hereby ratified and confirmed

This appointment is made pursuant to the following By-Eaws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927 with Amendments to and including January 15, 1982 and are still in full force and effects ARTICLEVIESECTION

Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto. Insurance policies, bonds_recognizances; stipulations_consents of surety and underwriting undertakings of the Company, and releases, agreements and other writings relating in any way thereto octo any claim octoss the reunder, snall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President, a Vice-President or a Resident Vice-President and by the Secretary, an Assistant Secretary, a Resident. Secretary or a Resident Assistant Secretary, or (b) by an Altomey in Fact for the Company appointed and authorized by the Chairman of the Board; the President or a Vice-President to make such signature or (c) by such other officers or representatives as the Board may from time to time determine The seal of the Company shall Fappropriate be affixed thereto by any such officer. Attorney-in-Fact of representative

IN WITNESS WHEREOF, SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 5th

Attest: (Seal) Q delign) m Fieller Vice-President STATE OF NEW JERSEY COUNTY OF SOMERSET on this 5th day of April 19.95 before me personally appeared
Michae I.B. Keegan a Vice-President of SEABOARD SURETY COMPANY. On this 5th day of April with whom Fam personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey that he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of

said Company by like authority

(Seal)

URETE

BELINDA FAYE LEE NOTARY PUBLIC OF NEW JERSEY My Commission Expires Sept. 9,1998

CERTIFICATE

the undersigned Assistant Secretary of SEABOARD SURELY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is in full force and effect on the date of this Certificate and Fdo further certify that the Vice-President who executed the said Power of Afformey was one of the Officers authorized by the Board of Directors to appoint an attorney-in-lact as provided in Article VII. Section for other By-Laws of

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD STRETT COMPANY at a meeting duly called and held on the 25th day of March 1970

RESOLVED: [2] That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President or a Vice President pursuant to Article VII. Section 17 of the By-Laws appointing and authorizing an attorney-in-fact to sign in the name and on behalf of the Company surety bonds; underwriting undertakings or other instruments described in said Article VII. Section 1 with like effect as it such seal and such signature had been manually affixed and made hereby is

TNESS WHEREOF Lhave hereunto set my hand and affixed the corporate seal of the Company to these presents this Zlst day of April

Assistant Secretary

Notary Public

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson	President
G. L. Melvin	Vice President
G. I. Crawford	
	Secretary
C. W. Tilly	Treasurer & Assistant
M. T. Lewis	Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

Secretary

[SEAL]

RECLAMATION BOND GENERAL PURPOSE RIDER

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond
No. 9264222 written by Continental Casualty Insurance Company and National
AS SURETY, on behalf of Peabody Western Coal Company Fire Insurance Company of
Thousand One Hundred Fighty Tight and No 100 the sum of Twenty Eight Million Three Hundred Four Hartford
DOLLARS ($\frac{28,304,188.00}{}$), in favor of the United States.
Office of Surface Mining Reclamation and Enforcement (OSMRE) and executed on December 18, 1984 and Amended on May 8, 1990, April 1, 1993, July 3, 1995 and
September 26, 1995.
Whereas the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and dated on July 6, 1995 and renewals and revisions numbered and dated N/A pursuant to the application of the Principal,
Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the able mentioned permit and revisions and renewals since the date of the issuance of the permit,
Now, therefore, the purpose of this rider is: To replace the legal land description of the approved permit area on the bond with the attached
Now, therefore, the purpose of this rider is: To replace the legal land description of the approved permit area on the bond with the attached

to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

- 'legal description which includes additional lands approved as two incidental boundary revisions

(Page 2 of 2)
RECLAMATION BOND GENERAL PURPOSE RIDER

Bond No9264222	
PRIN	CIPAL
Signed and executed this 21st Peabody Western Ccal Company BY: W. House Carlo	_ day of _April, 19_97
TITLE: President	(Corporate Seal)
State of Arizona	<u></u>
County of Coconino)SS.)
The foregoing instrument was acknown this 21st day of April	nowledged before me by $\frac{W. \text{ Howard Carson}}{1997}$.
Witness my hand and official seal	(Notary Public or other authorized officer)
му с	ommission Expires: 1/13/98
SURE	CTY
Signed and executed this 21st day Continental Casualty Insurance Company and National BY: Jamice H. Fermell	y of April , 1997 . al Fire Insurance Company of Hartford
TITLE: Attorney-In-Fact	(Corporate Seal)
State of Tennessee) County of Knox)	5.
The foregoing instrument was acknown Janice H. Fermell , this 21st	wledged before me by, 1997
Witness my hand and official seal.	(Notary Public or other) authorized officer) Elizabeth A. Hartzberg
My Co	mmission Expires: November 29, 1999

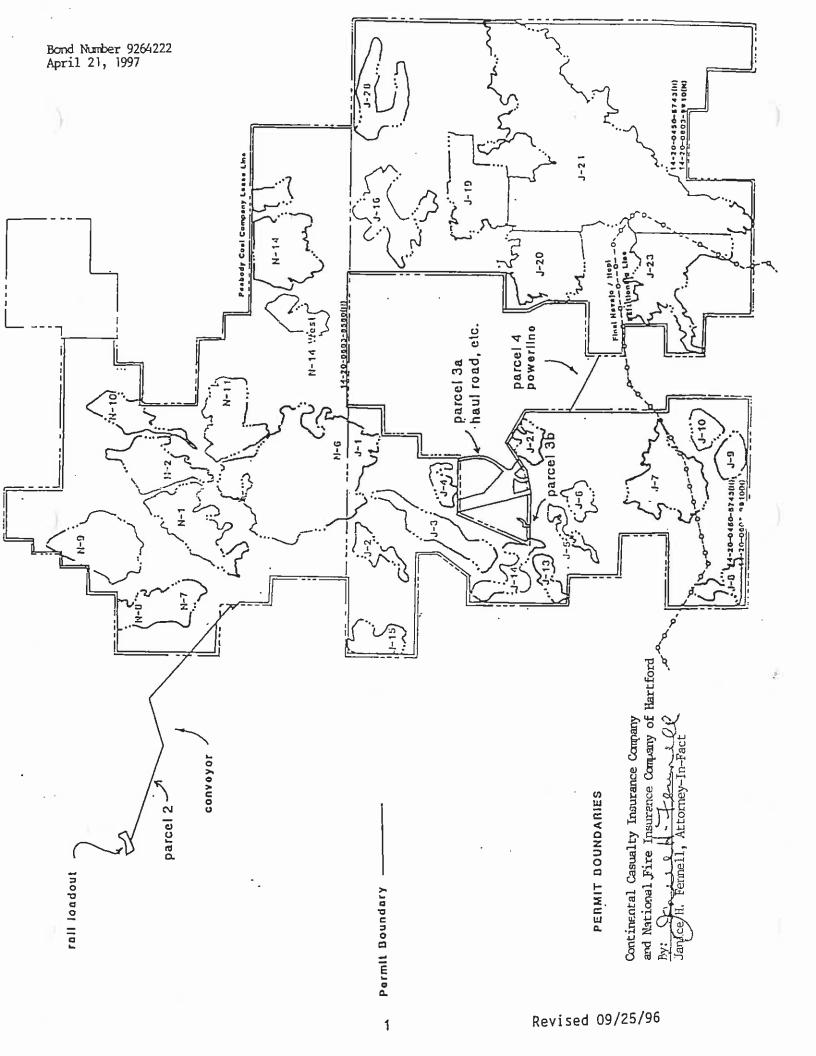
Permit No.

AZ-0001D/AZ-0001

Description of Life-of-Mine Permit Area

Continental Casualty Insurance Company and National Fire Insurance Company

of Hartford By: Jones N. James Janice H. Fennell, Attorney-In-Fact



Bond Number 9264222 April 21, 1997

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for

the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease

Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor

right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond,

maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline

right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No.

85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-

8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-

20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in

Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1

contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic

Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument);

Thence, North 90°0'0" East a distance of 1,206.5 feet to a point;

Thence, North 0°0'0" East a distance of 5,280.0 feet to a point;

Thence, North 90°0'0" East a distance of 10,550.0 feet to a point;

Thence, South 0°0'0" East a distance of 7,920.0 feet to a point;

Thence, North 90°0'0" West a distance of 5,290.0 feet to a point;

Thence, South 0°0'0" West a distance of 2,640.0 feet to a point;

Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said

excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout

facility area described in Attachments 3 and 3a. The total nonoverlapping area contained

within the overland conveyor right-of-way and the area designated as the rail loading site

is 163.57 acres, more or less. The rail loading site is more particularly described as

follows:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: Sanie H. Fennell, Attorney-In-Fact

Bond Number 9264222 April 21, 1997

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point;

Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 500.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951

Continental Casualty Insurance Company and
National Fire Insurance Company of Hartford

Thence S 71°00'38" E, 12,366.27 feet;

Janice H. Fennell, Attorney-In-Fact

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Theace S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B1: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46*21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Themce N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.55 feet;

Themde N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hart

Jamice H. Fennell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17°24'00" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'58" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°38'11" W, 1,263.68 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08"47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.38 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30'52" E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence S 69°C6'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75"11'56" E, 1,373.56 feet;

Thence S 80°50'06" E, 470.30 feet;

Thence S 71°14'14" E, 571.25 feet;

Thence N 78°55'59" E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73°39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°38'22" E, 696.24 feet; Thence N 56°06'02" E, 143.09 feet;

Thence N 86°49'03" E, 371.81 feet; Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900:38 feet;

Thence S 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

Jan/ce H. Fennell, Attorney-In-Fact

Thence N 30°41'12" 2, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence 5 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 feet;

Thence S 45°59'40" E, 229.13 feet;

Thence S 10°27'03" W, B2.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45′48″ W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B2: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N $57^{\circ}21'45''$ W, 6,908.99 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61*41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79 00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 83: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

and National Fire Insurance Company of Hartford
By: Janice H. Fennell, Attorney-In-Fact

Continental Casualty Insurance Company

Bond Number 9264222 April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Fond, Maintenance Road, and Monitoring Access
Road Facilities Right-of-Way Description

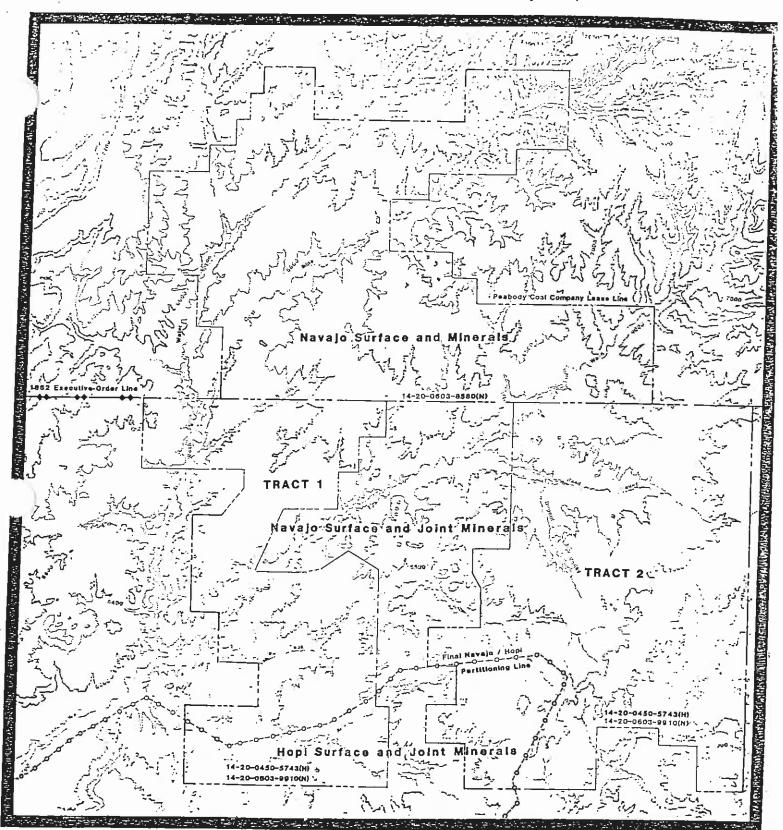
This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a patcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By:

By: Your N. for le Janice H. Fernell, Attorney-In-Fact



BLACK MESA LEASES PEABODY COAL COMPANY

Continental Casualty Insurance Company and National Fire Insurance
Company of Hartford
By:

Janiee H. Fermell, Attorney-In-Fact

April 21, 1997

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence South 5280.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence South 7920.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence West 8765.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence East 18,415.0 ft., thence East 2575.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence North 10,560.0 ft., to the point of beginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R1SE:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, 5 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 28, N 2063.0 ft. 27, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and WW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By: January H. Fennell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36030' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers 14-20-0450-5743 14-20-0603-9910

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Jamue H. Fennell, Attorney-In-Fact

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 26°01' west 2,040.21'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Föllowing sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Jamice H. Fermell, Attorney-In-Fact



Form 1-23142-B

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

of the State of Illinois, and having It	s principal office in the City of C	Y COMPANY, a corporation duly organized hicago, and State of Illinois, and having It	s principal office in the City
of Chicago, and State of Illinois, do	es hereby make, constitute and	appoint Frank A. Word, Jr.,	Janice H. Fennell
Richard G. Anderson,	Richard C. Rose, Trac	cy Tucker, Individually of	<u>Knoxville, Tenness</u> ee
Douglas L. Ball, Ind	ividually of Daniels,	West Virginia	
of			
		y conferred to sign, seal and execute in its	behalf bonds, undertakings
and other obligatory instruments of			
	<u> </u>	ted Amounts -	
	· — — —		
authorized officers of CONTINENTA hereby ratified and confirmed.	L CASUALTY COMPANY and all	nd to the same extent as if such instrume the acts of said Attorney, pursuant to the uthority of the following By-Law duly adop	e authority hereby given are
of the Company.	•		,
		cution of Documents	
Vice President may, from time to of policies of insurance, bonds, limitations set forth in their respe of any such instruments and to	o time, appoint by written certificated, undertakings and other obligated tive certificates of authority, sha attach the seal of the Company to	he Board of Directors, the President or any ates attorneys-in-fact to act in behalf of the ory Instruments of like nature. Such attor It have full power to bind the Company by the hereto. The Chairman of the Board of Direct, may, at any time, revoke all power and the Board of Direct, may, at any time, revoke all power and the Board of Direct, may, at any time, revoke all power and the Board of the Board of the Board of Direct, may, at any time, revoke all power and the Board of the Boar	e Company in the execution meys-in-fact, subject to the heir signature and execution ectors, the President or any
This Power of Attorney is signed of Directors of the Company at a me	fand sealed by facsimile under a eeting duly called and held on th	nd by the authority of the following Resolue 17th day of February, 1993.	ution adopted by the Board
be affixed by facsimile on any p Secretary or an Assistant Secret any such power or certificate be so executed and sealed and cer it is attached, continue to be va	ower of attorney granted pursual ary and the seal of the Company aring such facsimile signature a tified by certificate so executed lid and binding on the Company	ve, Senior or Group Vice President and that to Section 3 of Article IX of the By-Law may be affixed by facsimile to any certifind seal shall be valid and binding on the and sealed shall, with respect to any bo	vs, and the signature of the cate of any such power and Company. Any such power and or undertaking to which
In Witness Whereof, CONTINEN ts corporate seal to be hereto affixe	TAL CASUALTY COMPANY has of this day of		
State of Illinois	CASSI	CONTINENT	AL CASUALTY COMPANY
State of Illinois County of Cook ss	FIT CONTRACTOR	//X-//X(
	CORPORATE S		
	SEAL SEAL	M.C. Vonnehme	Group Vice President.
	1897		
On this 6th day o	fDecember	, 1 <u>994</u> , t	efore me personally came
nat he is a Group Vice President of nstrument; that he knows the seal of ffixed nursuant to the said instrumen	CONTINENTAL CASUALTY COM f said Corporation; that the seal a nt is such corporate seal; that it t	se and say: that he resides in the Village PANY, the corporation described in and affixed to the said instrument is such cowas so affixed pursuant to authority give the authority, and acknowledges same to be	which executed the above rporate seal; that it was so by the Board of Directors
•	C. Dag	\wedge	
	3	_1 ./ 1)	
	PUBLIC	Tomolas Call	modeli
	Cook Co. III.	Linda C. Dempsey	Notary Public.
		My Commission Expire	es October 19, 1998
1.5 14 1241 4 (24 1.0	CERTIFI		may bassis all as and forth
still in force, and further certify that a forth in said Power of Attorney are	Section 3 of the Article IX of the 8 still in force. In testimony when	MPANY, do certify that the Power of Atto y-Laws of the Company and the Resolutio sof I have hereunto subscribed my name	n of the Board of Directors.
Company this 21st	day of April	. 19 97	
	CASUAL	(Sim O	
	Carce 45	(At A HAHA	41
	SEAL ST	John M Littler	Assistant Secretary.

INV. NO.G-56623-D



6-23142-C

For All the Commitments You Make'

Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, existing under the laws of the State of	That the NATIONAL FIRE INSU Connecticut, and having its ger	RANCE COMPANY OF HARTFORD, a conneral administrative office in the City of C	rporation duly organized and Chicago, and State of Illinois.
does hereby make, constitute and ap	point Frank A. Word.	<u>Jr., Richard G. Anderson, I</u>	Richard C. Rose,
Janice H. Fennell, Tr	acy Tucker, Individu	ally of Knoxville, Tenness	ee
Douglas L. Ball, Indi	vidually of Daniels,	West Virginia	
of			
its true and lawful Attorney-in-Fact with	h full power and authority hereby	y conferred to sign, seal and execute in its	s behalf bonds, undertaki ngs
and other obligatory instruments of s	imilar nature		
	- In Unlimited	d Amounts –	
and to bind the NATIONAL FIRE INSU were signed by the duly authorized off pursuant to the authority hereby giver	IRANCE COMPANY OF HARTF icers of NATIONAL FIRE INSUI a are hereby ratified and confin	ORD thereby as fully and to the same ex RANCE COMPANY OF HARTFORD and a med.	tent as if such instruments all the acts of said Attorney,
This Power of Attorney is made at 1993 by the Board of Directors of the	nd executed pursuant to and by Company.	authority of the following Resolution d	uly adopted on February 17,
tion may, from time to time, appoint, by of insurance, bonds, undertakings and in their respective certificates of author ment and to attach the seal of the Cor	v written certificates, Attorneys-iother obligatory instruments of rity, shall have full power to bing rooration thereto. The Presiden	dent or any Executive, Senior or Group Vi in-Fact to act in behalf of the Corporation like nature. Such Attorney-in-Fact, subject the Corporation by their signature and e it, an Executive Vice President, any Seniority previously given to any Attorney-in-	in the execution of policies at to the limitations set forth xecution of any such instru- ior or Group Vice President
This Power of Attorney is signed a of Directors of the Company at a meet	ind sealed by facsimile under ar ting duly called and held on the	nd by the authority of the following Resole 17th day of February, 1993.	lution adopted by the Board
the Corporation may be affixed by facsion February 17, 1993, and the signature or any certificate of any such power, a	mile on any power of attorney g of a Secretary or an Assistant S ind any power or certificate bea executed and sealed and certif	ce President or any Senior or Group Vic ranted pursuant to the Resolution adopte Secretary and the seal of the Corporation aring such facsimile signatures and seal fied by certificate so executed and sealer binding on the Corporation.	d by this Board of Directors may be affixed by facsimile I shall be valid and binding
_	L FIRE INSURANCE COMPANY	OF HARTFORD has caused these presen	ts to be signed by its Group
•		NATIONAL FIRE INSURANCE COMP	ANY OF HARTFORD
	HASURANCE (INSURANCE)		
		M.C. Vonnahme	Group Vice President.
			Group Floo Froditions.
tate of Illinois, County of Cook, ss:	MARTEO		
On this 6th day of	December	1 694	hafara ma navanalli.
ame M.C. Vonnahme, to me known, w linois; that he is a Group Vice Preside nd which executed the above instrume	ho, being by me duly swom, dient of the NATIONAL FIRE NS ent; that he knows the seal of sarsuant to authority given by the	d depose and say: that he resides in the URANCE COMPANY OF HARTFORD, the aid Corporation; that the seal affixed to to Board of Directors of said corporation are act and deed of said corporation.	e corporation described in he said instrument is such
	HOTARY OF PUBLIC OF CO., IN.	Linda C. Dempsey My Commission Expire	Notary Public. es October 19, 1998
	CERTIFIC	CATE	
Attorney herein above set forth is still	f the NATIONAL FIRE INSURAL I in force, and further certify that ony whereof I have hereunto su	NCE COMPANY OF HARTFORD, do her it the Resolutions of the Board of Director ibscribed by name and affixed the seal 19 97.	ors, set forth in said Power
	STEE WASHING AND COLUMN AND COLUM	John M. Littler	Assistant Secretary.

INV. NO.G-56624-D

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson G. L. Melvin G. I. Crawford

President Vice President

Secretary

C. W. Tilly M. T. Lewis Treasurer & Assistant Secretary

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond
No. 9264225 written by National Fire Insurance Company of Hartford
AS SURETY, on behalf of Peabody Western Coal Company
AS PRINCIPAL, in the sum of Six Million Two Hundred Sixty One Thousand Five Hundred

rty Six and No/100 DOLLARS (\$6,261,536.00), in favor of the United States,

Office of Surface Mining Reclamation and Enforcement (OSMRE) and
executed on January 1, 1985 and Amended on April 1, 1993, July 3, 1995 and September 26, 1995.

dated on Jamuary 29, 1982, and renewals and revisions numbered and dated N/A pursuant to the application of the Principal,

Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and revisions and renewals since the date of the issuance of the permit,

Now, therefore, the purpose of this rider is:

To replace the legal land description of the approved permit area on the bond

with the attached legal description which includes additional lands approved as two incidental boundary revisions to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

(Page 2 of 2) RECLAMATION BOND GENERAL PURPOSE RIDER

	TORTOSE RIDER
Permit No. <u>AZ-0001D/AZ-0001</u>	
Bond No9264225	
PRIN	CIPAL
Peabody Western Coal Company BY: (1) House Marie	_ day of _April, 19_97
TITLE: President	
State of	<pre>— (Corporate Seal)</pre>
State of <u>Arizona</u>	_)_
County of Coconino)SS.
The foregoing instrument was acknown this 21st day of April	owledged before me by W. Howard Carson
Witness my hand and official seal.	$\int_{}^{}$ λ .
Sedi.	(Notary Public or other
	authorized officer)
My Co	mmission Expires: 1/13/98
SURET	
Signed and executed this 21st day	of, 1997 .
National Fire Insurance Company of Hartford BY:	, 19 <u>31</u> .
TITLE: Janice H. Fermell, Attorney J. F.	
Accordey-In-Fact	(Corporate Seal)
State of Tennessee)	
County of Knox)SS.	
/	
The foregoing instrument was acknow Jamice H. Fermell , this 21st	ledged before me by
	day or April , 19_97.
Witness my hand and official seal.	Colonis 14 + 1 a Hasta land
	(Notary Public or Oother
	authorized officer) Elizabeth A. Hartzberg
· ·	•
my Comm	ission Expires: November 29, 1999



Form 1-23142-B

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Mer of the State of Illi	n by these I	Presents, Th	at CONTINE	NTAL C	ASUALTY	СОМРА	NY, a	а согра	oratio	n duly o is. and	rganiz havino	ed and its pri	existir ncipal	ng un offic	der the	laws City
of Chicago, and S Richard	State of Illi	nois, does h	nereby make	e, constit	ute and a	ppoint_	Fr	ank	Α.	Word,	Jr.	, Ja	nice	Н.	Fenne	<u>eii</u> ,
Douglas										<u>uuai</u>	<u>y</u> 01	KIIO	VALL	16,	1 Cillio	<u> </u>
of															-	
its true and lawful	Attomey-ir	n-fact with fu	ill power an	d authori	ty hereby	conferre	d to:	sign, s	eal a	nd exec	ute in i	ts beh	alf bon	ıds, u	ndertak	ings
and other obligate	ory Instrum	ents of sim	ilar nature _													
				- In	Unlimi [.]	red An	noun	iTS -								
and to bind CONT authorized officers hereby ratified and	s of CONTI d confirme	NENTAL CA d.	ASUALTY C	YNAPMC	and all t	he acts	of sa	id Atto	omey,	, pursua	ant to t	he aut	hority	heret	oy give n	are
This Power of of the Company.	Attomey is	made and e	xecuted pur	suant to	and by au	thority o	f the i	follow	ing By	y-Law di	uly ado	pted b	y the B	Board	of Direc	tors
					IX—Exect				_							
Vice Presidents of policies of limitations set of any such in Executive, Ser to any attorne	t may, from insurance, forth in the istruments nior or Gro	n time to tim , bonds, und eir respective	lertakings a e certificates	y written nd other s of autho	certificat obligator	les atton ry instru have ful	neys- ment Loow	in-fact s of li er to b	to acke national to the total t	t in beh ture, Si ne Comi	nalf of t uch att nany by	he Cor omeys theirs	mpany s-in-fac sionatu	in the ct, sub ire an	e execu bject to d execu	tion the tion
This Power of Directors of the	Attorney is Company	s signed and at a meetin	l sealed by f ig duly calle	acsimile ad and he	under an	d by the 17th da	auth ay of	ority o	f the ary, 1	followii 993.	ng Res	olution	n adopi	ted b	y the Bo	ard
be affixed by the Secretary or an any such power so executed a it is attached,	facsimile on Assistanter or certification of sealed continue t	n any powe t Secretary a icate bearing and certified to be valid a	and the seal g such facs d by certific and binding	granted of the C imile signate so e on the C	l pursuant ompany n nature an xecuted a company.'	t to Sect nay be a d seal si and seale	tion 3 ffixed hall b ed sh	of Ard by face validations of the validation of	ticle I csimi d and th res	X of the lette to an binding spect to	e By-La ly certi g on th any b	aws, ar ficate e Com ond or	nd the, of any npany r under	signa such Any s rtakin	ature of power such po ig to wh	the and wer lich
In Witness Wh ts corporate seal t	to be heret	o affixed th	is	h	_day of _		D	ecem ecem	ber					<u> </u>	13	<u> </u>
State of Illinoi County of Coo	S } ss		LASU.	20 ₇₂			/	1/	_/	201	VTINE	¶TAL (CASUA	\LTY 	COMPA	.NY
County of Coc	·)		CORPORA	<i>ં</i>)ંદૃ			6		-/	//	1				-	
			SEAL) ANY	/			 -	/ /M.	C. Vonr	ehme		Group	Vice	Preside	ent.
On this	6th	day of	•	Decem	ber						94	hefor	e me r	nerso:	nally ca	me
M.C. Vonnahme, to hat he is a Group 'nstrument; that he iffixed pursuant to if said corporation corporation.	me known Vice Presid knows the the said in	, who, being dent of CON e seal of said strument is	ITINENTAL d Corporatio such corpo	casual casual on; that t	did depos TY COMF he seal a that it w	PANY, the ffixed to vas so af	the : fixed	rporat said ir purs u	ion de Istrun I ant t e	es in the escriber nent is o autho	Village of the villag	re of D d which orpora en by	larien, ch exec ite sea the Bo	State cuted il; tha ard o	of Illine the about it was f Direct	ois; ove so ors
·			St C. Den	e.				1		/	1)				
			PUBLIC					Yin	الممر	., [- N/	m	nne	11		
(()	•		Cook Co.	iii.		(رکر My	Li	nda C ndi S:	Demp sion	sey Expi	es (Octob	otary	Public.	998
					CERTIFIC									1/	•	
John M. Littler, As still in force, and f ; forth in said Pov	further cert	ify that Sect	ion 3 of the .	Afticle iX Lestimo	of the By	-Laws of	t the (Compa	anv ar	id the H	esoluti	ion of I	the Boa	ard of	Directo	IS.
d Company this	2lst	day	of	April				<u> </u>	199	7.						
		•	CASU	(A)						M	S. Y.) 	_			
			SEAL	SWEING				do	bri M	Littler	JAM	WI A	ssistar	nt Se	cret ary.	

INV. NO.G-56623-D



6-23142-C

For All the Commitments You Make

a/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the existing under the laws of the State of Connection	NATIONAL FIRE INSU	RANCE COMPANY C	OF HARTFORD, a corportion of Charles	ooration duly organized and nicago, and State of Illinois.
does hereby make, constitute and appoint	Frank A. Word,	Jr., Richard (G. Anderson, R	ichard C. Rose.
Janice H. Fennell, Tracy T				e
Douglas L. Ball, Individua	lly of Daniels,	West Virginia	3	
of				
its true and lawful Attorney-in-Fact with full po-	wer and authority hereb	y conferred to sign, s	eal and execute in its	behalf bonds, undertakings
and other obligatory instruments of similar na	ature	. 		
	- In Unlimited	d Amounts -		
and to bind the NATIONAL FIRE INSURANCE were signed by the duly authorized officers of pursuant to the authority hereby given are here	NATIONAL FIRE INSUI	RANCE COMPANY C	and to the same exi F HARTFORD and al	ent as if such instruments I the acts of said Attorney,
This Power of Attorney is made and execu 1993 by the Board of Directors of the Compar	uted pursuant to and by		owing Resolution du	ly adopted on February 17,
RESOLVED: That the Chairman of the Boar tion may, from time to time, appoint, by written of insurance, bonds, undertakings and other ob in their respective certificates of authority, shalment and to attach the seal of the Corporation or the Board of Directors may at any time revo	certificates, Attorneys- iligatory instruments of Il have full power to bind In thereto. The Presiden	in-Fact to act in beha like nature. Such Atte d the Corporation by the nt. an Executive Vice	If of the Corporation omey-in-Fact, subject their signature and ex President, any Senio	in the execution of policies to the limitations set forth recution of any such instru- or or Group Vice President
This Power of Attorney is signed and sealed by Directors of the Company at a meeting duly	ed by facsimile under a y called and held on th	nd by the authority of ie 17th day of Februa	f the following Resotu ary, 1993.	ition adopted by the Board
RESOLVED: That the signature of the Pre the Corporation may be affixed by facsimile on bruary 17, 1993, and the signature of a Sec certificate of any such power, and any Corporation. Any such power so execute bond or undertaking to which it is attached, c	any power of attorney goretary or an Assistant of power or certificate be ed and sealed and certi	ranted pursuant to th Secretary and the sea aring such facsimile fied by certificate so	e Resolution adopted of the Corporation r signatures and seal executed and sealed	f by this Board of Directors nay be affixed by facsimile shall be valid and binding
In Witness Whereof, the NATIONAL FIRE II /ice President and its corporate seal to be he	NSURANCE COMPANY			s to be signed by its Group
rice riesident and its corporate sear to be ne	icto amixea tino	_	INSURANZE COMPA	
	WSURANCE CONTRACTOR	1)		
		/	M.C. Vonnahme	Group Vice President.
tate of Itlinois, County of Cook, ss:	HARTFOR			
On this 6th day of	December		₁ ⊕4	hafara ma naraanally
On this6†hday of ame M.C. Vonnahme, to me known, who, bein linois; that he is a Group Vice President of th nd which executed the above instrument; that orporate seal; that it was so affixed pursuant to hereto pursuant to like authority, and acknowledge.	ng by me duly swom, di ne NATIONAL FIRE INS he knows the seal of s o authority given by the	aid Corporation; that Board of Directors of	the seal affixed to the said comporation and	e corporation described in le said instrument is such
. 12	MOTARY OF CO., IL	My Comm	ndu: (- i) da C. Dempsey nission Expire	Notary Public. s October 19, 1998
	CERTIFIC	CATE		
inhn M. Littler, Assistant Secretary of the Namey herein above set forth is still in force mey are still in force. In testimony whe	ATIONAL FIRE INSURA e, and further certify the reof I have hereunto si	NCE COMPANY OF	the Board of Directo	rs. set forth in said Power
)
	THE WALL COMPANY	lot	A AU	Assistant Secretary

INV. NO.G-56624-D

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson G. L. Melvin

President Vice President

G. I. Crawford

Secretary

C. W. Tilly

Treasurer & Assistant Secretary

M. T. Lewis

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond No. 9264224 written by National Fire Insurance Company of Hartford	
AS SURETY, on behalf of Peabody Western Coal Company	_
AS PRINCIPAL, in the sum of Eighteen Million Two Hundred Sixty One Thousand Six Hun	ındre
linety Six and No/100DOLLARS (\$ 18, 261,696.00), in favor of the United States	 s,
Office of Surface Mining Reclamation and Enforcement (OSMRE) and executed on February 1, 1985 and Amended on May 8, 1990, April 1, 1993, July 3, 1995 and September 26, 1995	i

Whereas the 20SMRE aissued Permit to Mine number AZ-0001D/AZ-0001 and dated on $\frac{July 6}{N/A}$, and renewals and revisions numbered and dated $\frac{N/A}{N/A}$ pursuant to the application of the Principal,

Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and revisions and renewals since the date of the issuance of the permit,

Now, therefore, the purpose of this rider is:

To replace the legal land description of the approved permit area on the bond with the attached legal description which includes additional lands approved as two incidental boundary revisions to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

Bond No. <u>9264224</u>	**** = 1
'	PRINCIPAL
Signed and executed this Peabody Western Coal Company BY: // Hywys / / //	———·
TITLE: President	(Corporate Seal)
State of Arizona)
County of Cocomino) SS -)
The foregoing instrument was this <u>21st</u> day of <u>April</u> Witness my hand and official	_
	My Commission Expires: 1/13/98
	· · · · · · · · · · · · · · · · · · ·
	SURETY
Signed and executed this 2 Continental Casualty Insurance Company and BY: TITLE: Jamice H. Fermell, Attorney-In-	
State of Tennessee	
State of Temmessee County of Knox))ss.)
The foregoing instrument was Janice H. Fennell , this _	acknowledged before me by
Witness my hand and official	seal. Elastutt (. Hartaling (Nothery Public or other authorized officer) Elizabeth A. Hartzberg
	My Commission Expires: November 29, 1999

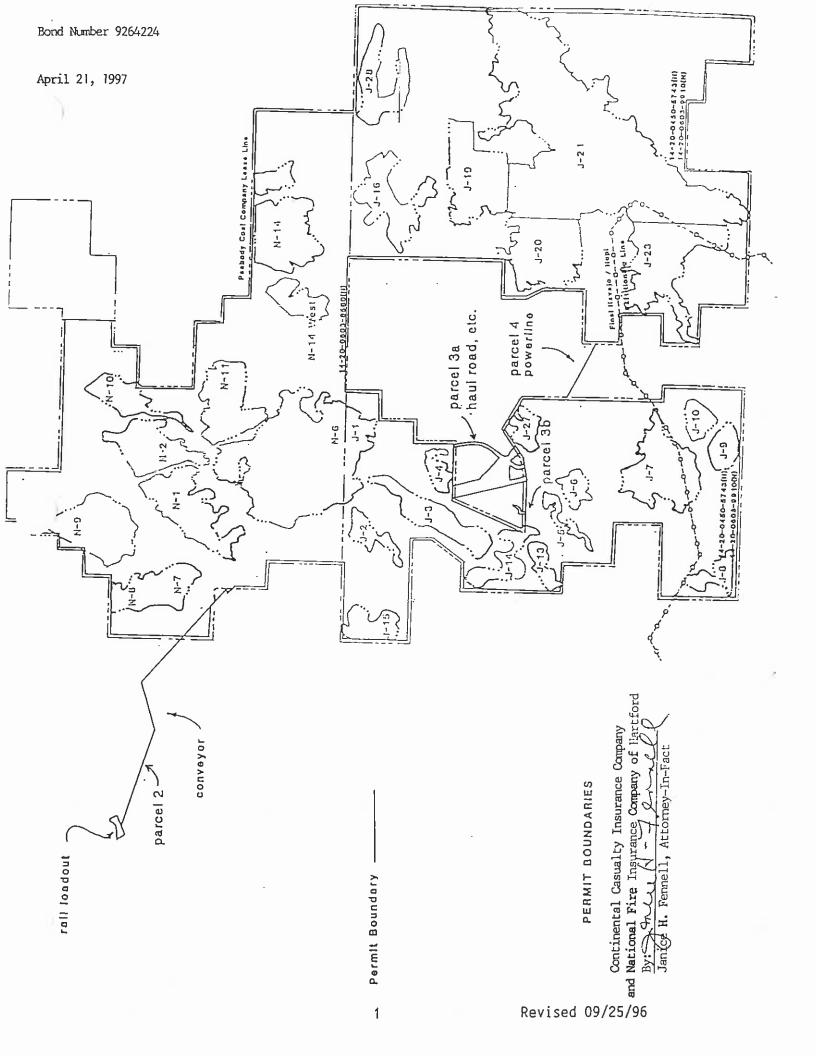
Permit No. AZ-0001D/AZ-0001

. Bond Number 9264224 April 21, 1997

Description of Life-of-Mine Parmit Area

Continental Casualty Insurance Company and National Fire Insurance Company of Hartfor-By:

By: H. Fennell, Attorney-In-Fact



April 21, 1997

Permit Area Description

This description consists of four parcels that comprise the life-of-mine parmit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 0°0'0" East a distance of 5,280.0 feet to a point; Thence, North 90°0'0" East a distance of 10,550.0 feet to a point; Thence, South 0°0'0" East a distance of 7,920.0 feet to a point; Thence, North 90°0'0" West a distance of 5,290.0 feet to a point; Thence, South 0°0'0" West a distance of 2,640.0 feet to a point; Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Tarrell

Janige H. Fennell, Attorney-In-Fact

Rev1sed 09/25/96

April 21, 1997

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 390.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said lesseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South $27^{\circ}49^{\circ}$ East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel Bl</u>: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Toal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'39" E, 12,366.27 feet;

Thence N $00^{\circ}45'48''$ E, 2,378.06 feet to the Point of Baginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartferd

April 21, 1997

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17°24'00" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'53" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°39'11" W, 1,263.69 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08°47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.38 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30'52" E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence S 69°06'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75°11'56" E, 1,373.56 feet;

Thence S 80°50'06" E, 479.30 feet;

Thence S 71°14'14" E, 571.25 feet;

Thence N 78°55'59" E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73"39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°39'22" E, 696.24 feet;

Thence N 56°06'02" E, 143.09 feet;

Thence N 80°49'03" E, 371.81 feet;

Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900.38 feet;

Thence S 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By:

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 faet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.13 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 82: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 403.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 83: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

Continental Casualty Insurance Company

and National Fire Insurance Company of Hartford By: Jonese H. Townell

April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Themce S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69%/ transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area centained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882. Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Continental Casualty Insurance Company

and National Fire Insurance Company of Hartford

Janice H. Fennell, Attorney-In-Fact

Revised 09/25/96

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.69 feet;

Thence run N 89"57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 99°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Theace S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18"29'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartfor

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a percel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete [BC]:

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 143.68 feet along a curve to the left,

having a radius of 268.66 feet and a central angle of 31°42′29";

Thence N 00°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to

the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°S0'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 145.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 860.00 feet and a central angle of 1°14'29" and being subtended by a chord which bears S $20^{\circ}44'05''$ E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 222.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31′58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42'29";

Thence S 32°00′23″ W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59′39″ W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 0.52 acres, more or less.

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

By:

Jamice H. Fennell, Attorney-In-Fact

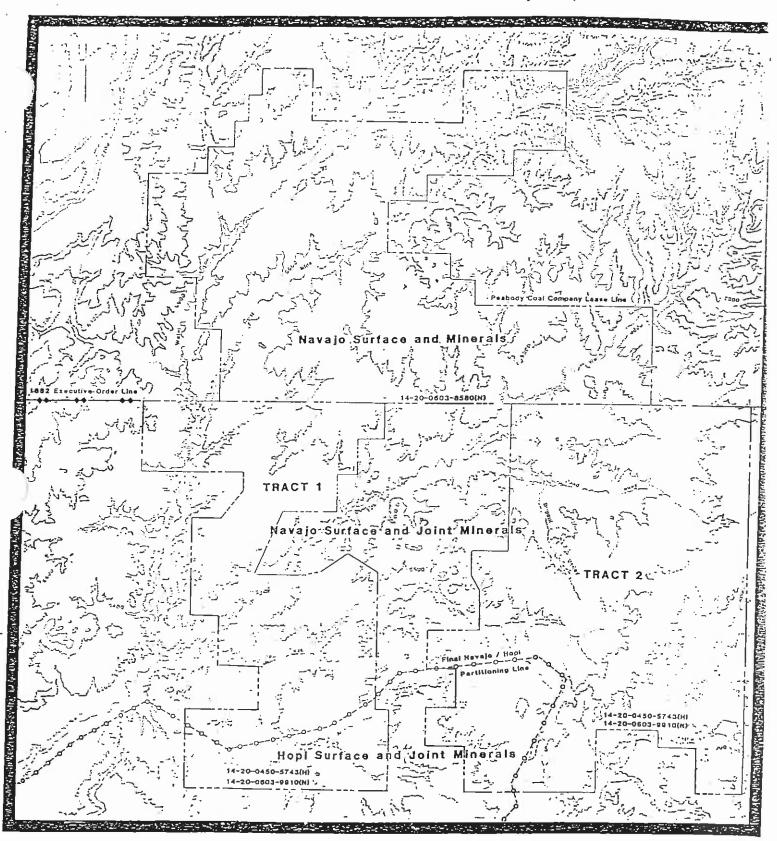
Bond Number 9264224 April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Continental Casualty Insurance Company and National Fire Insurance Company of Hartfor
By: January 1. Fernell, Attorney-In-Fact

7



BLACK MESA LEASES
PEABODY COAL COMPANY

Company and National Fire Insurance Company of Hartford

By: Janiee H. Fermell, Attorney-In-Fac

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 1320.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence East 1320.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence East 15,840.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence South 7920.0 ft., thence South 2640.0 ft., thence West 8765.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 9985.0 ft., thence East 44,750.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence West 2640.0 ft., to the point of beginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R1SE:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 26, N 2063.0 ft. 25.

TESN R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: January 1. Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24017' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers 14-20-0450-5743 14-20-0603-9910

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Jamide H. Fennell, Attorney-In-Fact

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 26°01' west 2,040.21'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Continental Casualty Insurance Company and National Fire Insurance Company of Hartford By: Jamice H. Fermell, Attorney-In-Fact



For All the Commitments You Make*

AN ILLINOIS CORPORATION

	ATTORNEY APPOINT				
Know All Men by these Presents, T of the State of Illinois, and having its p	That CONTINENTAL CASUA	LTY COMPANY, a c	orporation duly organize	ed and existing un	der the laws
of the State of Illinois, and naving its p	onneipar office in the City of	Chicago, and Stati	nk A Word Ir	lanice H	e in the City Fenne i I
of Chicago, and State of Illinois, does Richard G. Anderson, F	r nereby make, constitute at Richard C. Rose. Tr	no appoint <u> </u>	Individually of	Knoxville.	Tenness
Douglas L. Ball, Indiv					70
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and other obligatory instruments of si	milar nature				
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and to bind CONTINENTAL CASUALTY authorized officers of CONTINENTAL (nereby ratified and confirmed.	COMPANY thereby as fully CASUALTY COMPANY and	and to the same e	xtent as if such instrum Attorney, pursuant to t	ents were signed he authority hereb	by the duly by given are
This Power of Attorney is made and of the Company.	executed pursuant to and by	y authority of the fol	llowing By-Law duly ado	pted by the Board	of Directors
	"Article IX-E	xecution of Docum	ents		
Section 3. Appointment of Atto	omey-in-fact. The Chairman	of the Board of Direct	ctors, the President or a	ny Executive, Seni	or or Group
Vice President may, from time to ti of policies of insurance, bonds, u limitations set forth in their respect of any such instruments and to att Executive, Senior or Group Vice Pr to any attorney-in-fact."	ndertakings and other oblig ive certificates of authority, s ach the seal of the Compan	atory Instruments of the Instrum	of like nature. Such atte to bind the Company by irman of the Board of D	orneys-in-tact, sul their signature an irectors, the Presi	d execution dent or any
This Power of Attorney is signed at Directors of the Company at a meet	ing duly called and held on	the 17th day of Fe	ebruary, 1993.	•	
"Resolved, that the signature of be affixed by facsimile on any pown Secretary or an Assistant Secretary any such power or certificate beam so executed and sealed and certificities attached, continue to be valid	ver of attorney granted purs y and the seal of the Compa- ing such facsimile signature ied by certificate so execute and binding on the Compa	uant to Section 3 on may be affixed be and seal shall be ed and sealed shall any."	of Article IX of the By-Laby facsimile to any certification valid and binding on the law to any but the any but to any but to any but to any but the any but to any but the any but to any but the any	iws, and the signaticate of any such e Company. Any sond or undertaking	ature of the power and such power lower and g to which
In Witness Whereof, CONTINENTA s corporate seal to be hereto affixed	L CASUALTY COMPANY hathis day	as caused these pre			
State of Illinois County of Cook ss	CASUAL PA	1	CONTINE	TAL CASUALTY	COMPANY
	SEAL E	/	M.C. Vonnahme	Group Vice	President.
On this 6th day of	December		. 1994	before me perso	nally came
I.C. Vonnahme, to me known, who, beingt he is a Group Vice President of COnstrument; that he knows the seal of strument to the said instrument is said corporation and that he signed hopporation.	ng by me duly swom, did de DNTINENTAL CASUALTY Co aid Corporation; that the se is such corporate seal; that	OMPANY, the com- al affixed to the sa it was so affixed p	he resides in the Village oration described in an identification in an identification described in an identification described in a control of the interest of the control	e of Danen, State d which executed orporate seal; tha en by the Board o	the above tit was so
	C. Demo		,	\	
15 65 111	NOTARY PUBLIC	· My	Linda C. Dempsey Commission Expir		Pub lic. 19, 199
		IFICATE	55 55.011 EXPT	22 261 4261	179 177
John M. Littler, Assistant Secretary of still in force, and further certify that Set forth in said Power of Attorney are s	CONTINENTAL CASUALTY ction 3 of the Article IX of the till in force. In testimony when the control is the control in the control is the control in the contr	COMPANY, do cert	ompany and the Hesoluti nto subscribed <mark>my nam</mark>	on of the Board of	Directors
0.1	ay ofApril		19 <u>97</u> .		
	AN CASUALTA	/	In Cu	2	

Assistant Secretary.



For All the Commitments You Make

"ce/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY IN FACT

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does hereby																					
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John M. Littler Assistant Secreta

6-23142-C

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson

President

G. L. Melvin

Vice President

G. I. Crawford

Secretary

C. W. Tilly

Treasurer & Assistant Secretary

M. T. Lewis

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. <u>AZ-0001D/AZ-000</u>1

rty Si	x and No/100	To be attached to and form a part of Surety Company Bond No. 9264225 written by National Fire Insurance Company of Hartford AS SURETY, on behalf of Peabody Western Coal Company AS PRINCIPAL, in the sum of Six Million Two Hundred Sixty One Thousand Five Hundred DOLLARS (\$6,261,536.00), in favor of the United States, Office of Surface Mining Reclamation and Enforcement (OSMRE) and executed on January 1, 1985 and Amended on April 1, 1993, July 3, 1995 and September 26, 1995.
		Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and dated on January 29, 1982, and renewals and revisions numbered and dated N/A pursuant to the application of the Principal,
		Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and revisions and renewals since the date of the issuance of the permit, Now, therefore, the purpose of this rider is:
		To replace the legal land description of the approved permit area on the bond with the attached legal description which includes additional lands approved as two incidental boundary revisions to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

•
PRINCIPAL
Signed and executed this 21st day of April , 19 97 . BY: (t) April , 19 97 .
TITLE: President
(Corporate Seal)
State ofArizona)
County of Coconino)SS.
The foregoing instrument was acknowledged before me by W. Howard Carson this2lst day ofApril, 19_97 .
Witness my hand and official seal. (Notary Public or other authorized officer)
My Commission Expires: 1/13/98
2 Apriles. 1/13/30
SURETY
Signed and executed this 21st day of April , 1997 . National Fire Insurance Company of Hartford BY: 1997 .
BY: Janice H. Fennell, Attorney-In-Fact (Corporate Seal)
BY: Janice H. Fennell. Artomey In Section 1997
BY:
BY: Janice H. Fennell, Attornev-In-Fact (Corporate Seal) State of Tennessee) County of Knox) The foregoing instrument

Permit No.

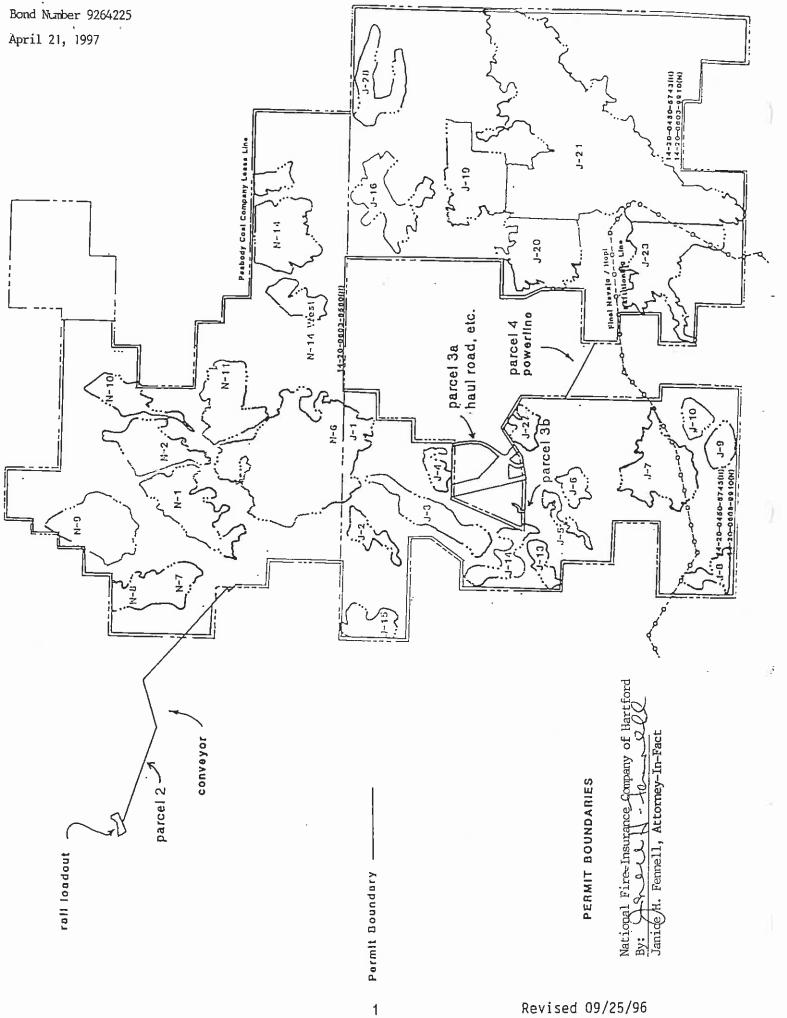
Bond Number 9264225 April 21, 1997

Description of Life-of-Mine

Permit Area

National Fire Insurance Company of Hartford

By: Janica H. Fennell, Attorney-In-Fact



April 21, 1997

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Cwnership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point;

Thence, North 0°0'0" East a distance of 5,280.0 feet to a point;

Thence, North 90°0'0" East a distance of 10,550.0 feet to a point;

Thence, South 0°0'0" East a distance of 7,920.0 feet to a point;

Thence, North 90°0'0" West a distance of 5,280.0 feet to a point;

Thence, South 0°0'0" West a distance of 2,640.0 feet to a point;

Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

National Fire Insurance Company of Hartford By: Janice H. Fennell, Attorney-In-Fact

Bond Number 9264225 April 21, 1997

Beginning at a point which is monumented by brass cap set in sandstone and which bears North S3°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Bockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951

USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

National Fire Insurance Company of Hartford

By: James H. Fermell, Attorney-In-Fact

Bond Number 9264225 April 21, 1997

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16′53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B1: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N 00°45'48" E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49"53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

National Fire Insurance Company of Hartford By:

Janice H. Fermell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet; Thence S 17°24'00" E, 5.40 feet; Thence S 71°26'00" W, 918.66 feet; Thence N 19°36'41" W, 227.35 feet; Thence N 71°01'58" W, 1,006.37 feet; Thence N 72°18'32" W, 1,296.59 feet; Thence N 72°38'11" W, 1,263.68 feet; Thence S 33"40'49" W, 21.40 feet; Thence N 74°01'47" W, 172.39 feet; Thence N 08°47'08" W, 30.44 feet; Thence N 71°44'38" W, 911.11 feet; Thence N 02°48'30" W, 109.38 feet; Thence S 72°26'55" E, 915.42 feet; Thence N 81°37'19" E, 56.42 feet; Thence S 72°30'52" E, 137.21 feet; Thence S 45°45'57" E, 54.64 feet; Thence S 72°39'06" E, 1,083.60 feet; Thence N 77°25'42" E, 64.46 feet; Thence S 69°06'09" E, 76.26 feet; Thence S 60°08'19" E, 92.71 feet; Thence S 75°11'56" E, 1,373.56 feet; Thence S 80°50'06" E, 470.30 feet; Thence S 71°14'14" E, 571.25 feet; Thence N 78°55'59" E, 327.04 feet; Thence N 88°30'45" E, 611.69 feet; Thence N 73°39'50" E, 2,028.36 feet; Thence N 52°41'12" E, 151.80 feet; Thence S 84°47'43" E, 213.05 feet; Thence N 73°38'22" E, 696.24 feet; Thence N 56°06'02" E, 143.09 feet; Thence N 80°49'03" E, 371.81 feet; Thence N 56°41'49" E, 801.84 feet; Thence S 53°41'20" E, 900.38 feet;

Thence S 23°41'41" E, 486.36 feet; Thence S 49°52'40" E, 1,306.12 feet; Bond Number 9264225

April 21, 1997

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'09" E, 154.54 feet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel B2</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N $72^{\circ}46'06''$ W, 2,663.30 feet to the Point of Beginning.

Seing 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel B3</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

National Fire Insurance Company of Hartford

April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.99 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Fond, Maintenance Road, and Monitoring Access
Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

National Fire Insurance Company of Hartford

By:

Janige H. Fermell, Attorney-In-Fact

Bond Number 9264225 April 21, 1997

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

National Fire Insurance Company of Hartford Janice H. Fermell, Attorney-In-Fact

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left,

having a radius of 268.66 feet and a central angle of 31°42′25";

Thence N 00°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37'44";

Thence N 87°31'59" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of $1^{\circ}14'29"$ and being subtended by a chord which bears S $20^{\circ}44'05"$ E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of

600.00 feet and a central angle of 7°14'21"

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 97°31′58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feat along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51'49";

Thence S 00°17′54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42′29″;

Thence S 32°00'23" W, a distance of 23.13 feet to the above described Peabody lease line;

Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

National Fire insurance Company of Hartford
By:

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

National Fire Insurance Company of Hartford

By:

Janize H. Fermell, Attorney-In-Fact

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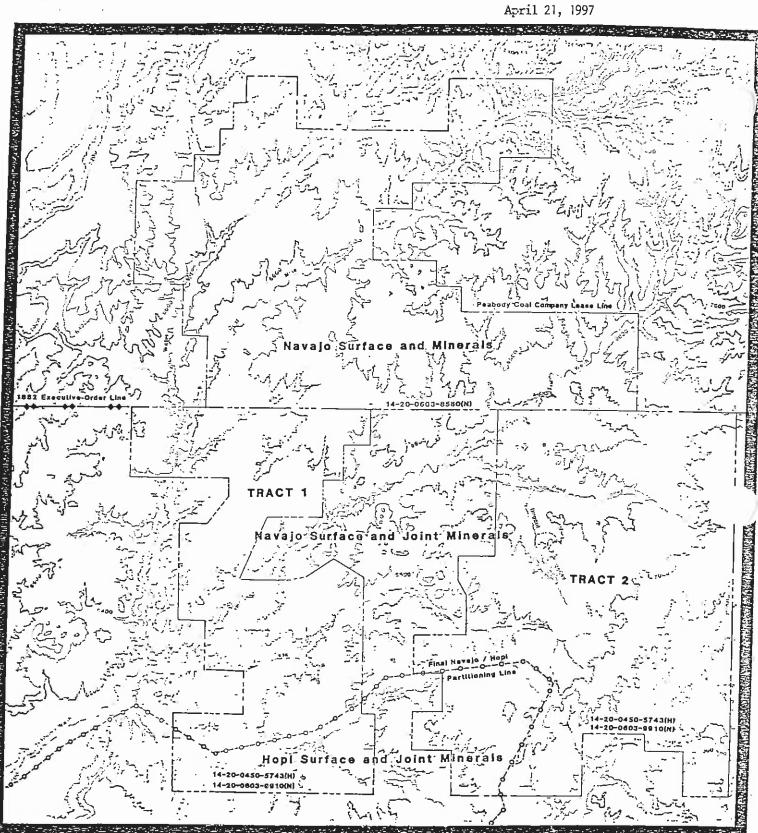
ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

National Fire Insurance Company of Hartford

By: Green - Level

Janice H. Fennell, Attorney-In-Fact



BLACK MESA LEASES PEABODY COAL COMPANY

> National Fire Insurance Company of Hartfu Janice H. Fennell, Attorney-In-Fact

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence South 5280.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence South 7920.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence West 8765.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 9985.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence North 10,560.0 ft., to the point of beginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R18E:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

135N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 28, N 2063.0 ft. 27, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

National Fire Insurance Company of Hartford

By: Janice H. Fennell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease' Numbers 14-20-0450-5743 14-20-0603-9910

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

```
T. 36 N., R. 19 E.

25, 26, 27, 28, 29, 32, 33, 34, 35, 36

T. 35 N., R. 19 E.

1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36

T. 35 N., R. 18 E.

13, 24, 25, 36
```

National Fire Insurance Company of Hartford

By:

James H. Fennell, Attorney-In-Fact

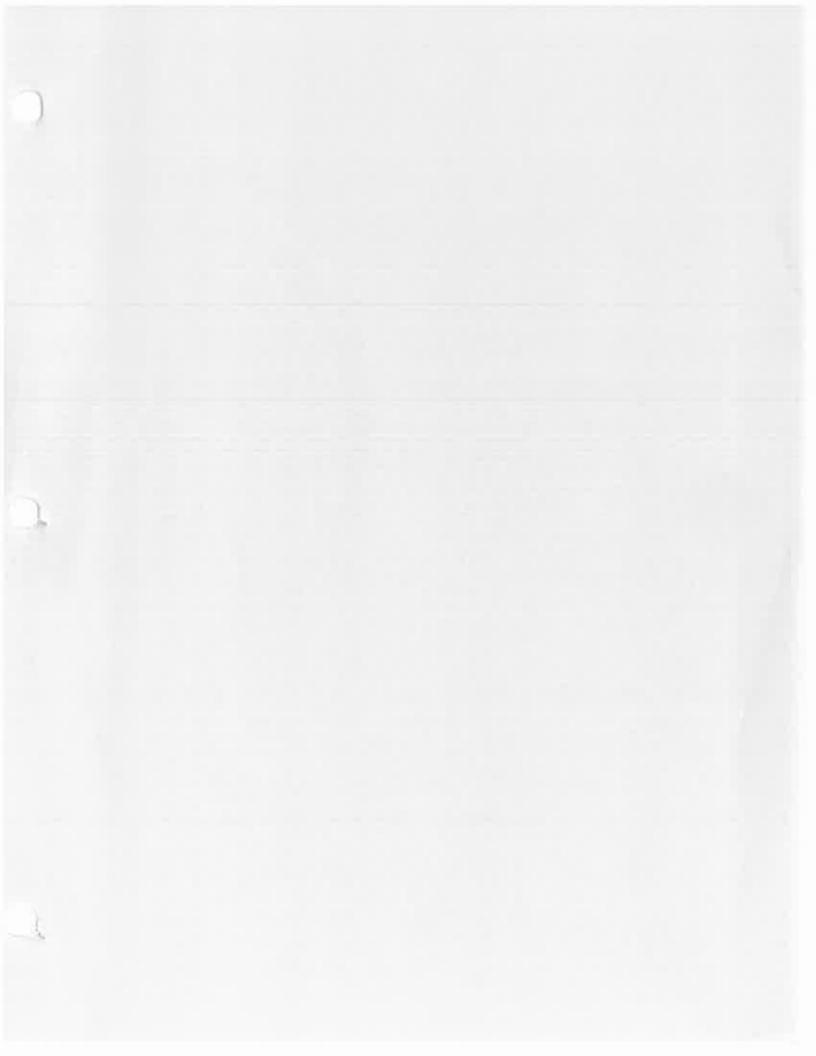
National Fire Insurance Company of Hartford



For All the Commitments You Make

Office/Chicago, Illinois POWER OF ATTORNES	/ ADDOINTING		ATTORNEY.IN.	FACT
Know All Men by these Presents. That the NAT	IONAL FIRE INSUR	ANCE COMPANY OF	F HARTFORD, a corp	oration duly organized and
existing under the laws of the State of Connecticut,	and having its gene	eral administrative of	ffice in the City of Ch	icago, and State of Illinois,
does hereby make, constitute and appoint Fran				
Janice H. Fennell, Tracy Tucke			rre, rennesses	
Douglas L. Ball, Individually	or Daniels,	west virginia		
ofits true and lawful Attorney-in-Fact with full power an	and accident and the second		al and avaguta in its	schalf boods undortakings
	•	conterted to sign, se	ar and execute in its t	penan ponds, undertakings
and other obligatory instruments of similar nature.	In Unlimited	Amounts -	 	 _
		1		
and to bind the NATIONAL FIRE INSURANCE COM were signed by the duly authorized officers of NATI pursuant to the authority hereby given are hereby r	ONAL FIRE INSURA atified and confirm	ANCE COMPANY OF red.	F HARTFORD and all	the acts of said Attorney,
This Power of Attorney is made and executed p 1993 by the Board of Directors of the Company.				
RESOLVED: That the Chairman of the Board of Dation may, from time to time, appoint, by written certiful of insurance, bonds, undertakings and other obligate in their respective certificates of authority, shall have ment and to attach the seal of the Corporation there or the Board of Directors may at any time revoke all	icates, Attomeys-in ory instruments of li e full power to bind i reto. The President, Il power and author	 Fact to act in behale ke nature. Such Atto the Corporation by the an Executive Vice ity previously given 	ror the Corporation II mey-in-Fact, subject heir signature and ext President, any Senio to any Attorney-in-F	to the limitations set forth ecution of any such instru- r or Group Vice President act.
This Power of Attorney is signed and sealed by of Directors of the Company at a meeting duly called	ed and held on the	17th day of Februar	ry, 1993.	
RESOLVED: That the signature of the Presiden the Corporation may be affixed by facsimile on any pron February 17, 1993, and the signature of a Secretar to any certificate of any such power, and any power on the Corporation. Any such power so executed and bond or undertaking to which it is attached, continuate the Witness Whereof the NATIONAL FIRE INSURA	ower of attorney gra y or an Assistant Se r or certificate bear d sealed and certific ue to be valid and t	ented pursuant to the ecretary and the seal ring such facsimile ed by certificate so binding on the Corp	e Resolution adopted of the Corporation management of the Corporation management of the Corporation of the C	by this Board of Directors hay be affixed by facsimile shall be valid and binding shall, with respect to any
In Witness Whereof, the NATIONAL FIRE INSUR Vice President and its corporate seal to be hereto a	affixed this6			
•	IMSURAN	NATIONAL FIRE J	VSURANCE COMPA	NY OF HARTFORD
	(internal line)	$\mathcal{A}\mathcal{I}$		<i></i>
	THE SECOND		M.C. Vonnahme	Group Vice President.
	13 (19) (S)		W. Se Vollingtime	Group Floo Froordona
State of Illinois, County of Cook, ss:	HARTFORM			
On this 6th day of came M.C. Vonnahme, to me known, who, being by Illinois; that he is a Group Vice President of the NA and which executed the above instrument; that he knorporate seal; that it was so affixed pursuant to authereto pursuant to like authority, and acknowledge	TIONAL FIRE INSU nows the seal of sai nority given by the I	RANCE COMPANY id Corporation; that Board of Directors of	OF HARTFORD, the the seal affixed to the f said corporation and	e said instrument is such
	HOTARY OF PUBLIC CO., IT.	Line My Comm	da C. Dempsey ission Expires	Notary Public. s October 19, 1998
,	CERTIFIC	ATE		
, John M. Littler, Assistant Secretary of the NATION of Attorney herein above set forth is still in force, and attorney are still in force. In testimony whereof ! 21st day of April	I further certify that have hereunto sub	The Resolutions Of	the boath of Director	S. SEL LOLLIL III SAID FOWER
uay UI		<u> </u>	7	
	THE WASHINGTON		Matt	tin
		Joh	n M. Littler	Assistant Secretary.

INV. NO.G-56624-D



ATTACHMENT 8

PHOTOGRAPHS



FIGURE 1
Southeast to Northwest view of the Reclaimed J-3
Mining Area at the Black Mesa Mine

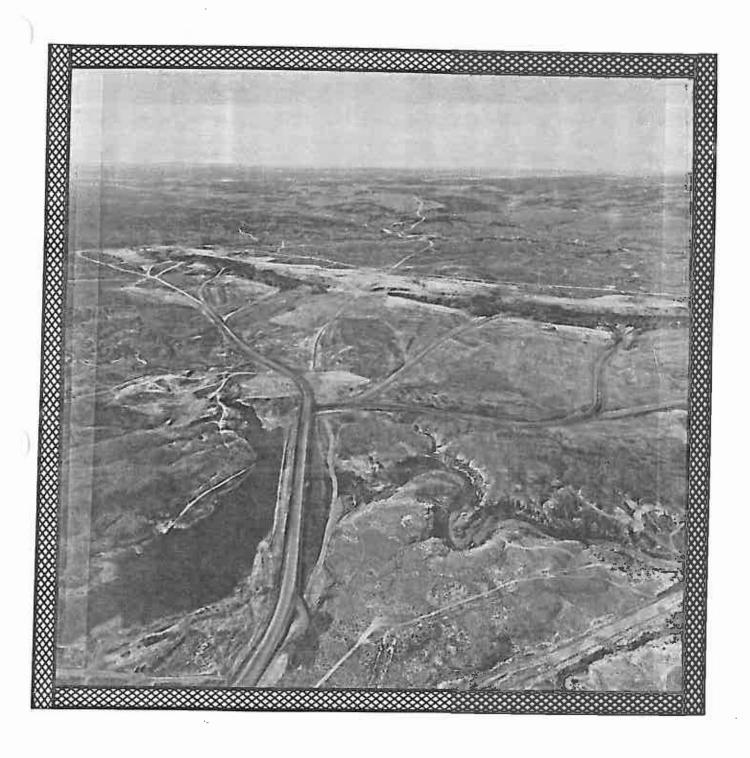
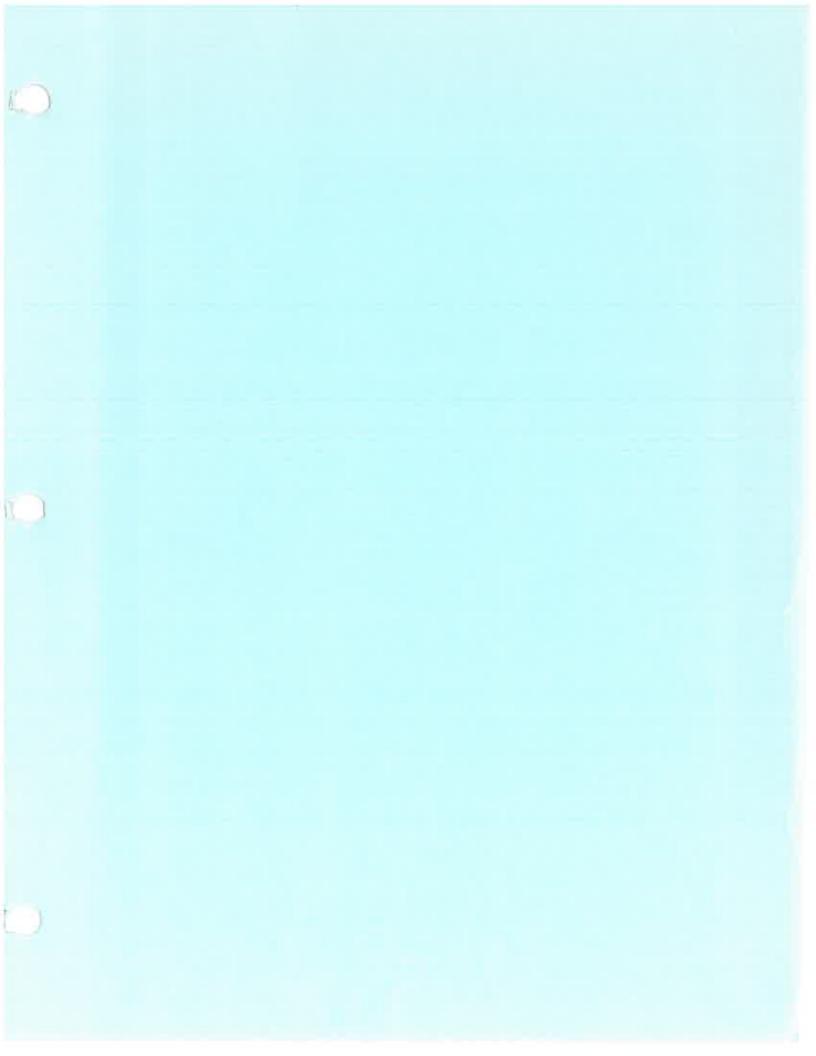


FIGURE 2
North-Northwest to South-Southwest View of the J-7 Mining Area at the Black Mesa Mine



FIGURE 3

North to South View of the N-1 and N-2 Mining Areas and
Original Preparation Facilities at the Kayenta Mine



ATTACHMENT 9

LEASE ASSIGNMENTS

TRANSACTION AGREEMENT

(Arizona Operations)

This Agreement is made as of this 1st day of September, 1994, by and between PEABODY COAL COMPANY, a Delaware corporation ("PCC") and PEABODY WESTERN COAL COMPANY, a Delaware corporation ("PWCC").

WITNESSETH:

WHEREAS, PCC is the owner of the Black Mesa and Kayenta Mines, administrative facilities and other related assets located in Navajo and Coconino Counties, Arizona ("Arizona Operations"); and

WHEREAS, PWCC is a wholly-owned subsidiary of PCC and PCC, by its Board of Directors, has been authorized and directed to convey the Arizona Operations to PWCC;

NOW, THEREFORE, in order to provide for such conveyance of the Arizona Operations in an orderly manner and to set forth the understanding and agreement of the parties regarding such conveyance and for good and valuable consideration, PCC and PWCC agree and state as follows:

- 1. Assets to be Conveyed. PCC shall transfer and convey to PWCC, by bill of sale, assignment, deed or other suitable conveyance instrument all assets, rights and interests now constituting the Arizona Operations (but excluding any cash or intra-PCC accounts) and the parties agree to execute and deliver all such instruments and to otherwise take all such actions as are reasonably required in order to effect such conveyance. The parties agree to take all reasonable efforts to effect this conveyance as of October 1, 1994, or as soon thereafter as reasonably practicable.
- 2. Real Property Interim Right of Entry. PCC hereby grants unto PWCC, effective October 1, 1994, a right of entry upon all lands which are owned or controlled by PCC as part of the mining operations of the Black Mesa and Kayenta Mines in Arizona, including but not limited to the lands subject to the applicable mining permits and pending applications for the AZ0001, AZ0002A, and AZ0001C permits, until such time as title to such lands has been duly conveyed by PCC to PWCC by sufficient conveyance instruments.
- 3. Permit Obligations. PWCC agrees to assume the obligations and liability of PCC as of the date of the approval by the Office of Surface Mining of the transfer of mining permits for the Black Mesa and Kayenta Mines from PCC to

- 4. Other Permits and Authorizations. PCC hereby grants PWCC the right to use all permits, licenses and other authorizations and rights which are to be transferred to PWCC as part of this transaction and PWCC agrees to indemnify PCC from and against all liability or claims arising from any such use after October 1, 1994.
- 5. Further Assurances. PCC hereby agrees to provide to PWCC all such further consents, instruments (including, but not limited to, correction deeds), applications, approvals, waivers, releases or other instruments, documents or actions as may be necessary in order to transfer the Arizona Operations to PWCC and to perfect the title of PWCC to such assets and to otherwise accomplish the purposes of this transaction.

By: W. Howard Carlo
Vice-President

Executed as of the date and year first set forth above.

ATTEST:

PEABODY COAL COMPANY

ATTEST:

PEABODY WESTERN COAL COMPANY

2



THE SECRETARY OF THE INTERIOR WASHINGTON

SECRETARIAL APPROVAL

Based upon a review of the assignment instruments and other documents submitted by Peabody Western Coal Company and all the terms and conditions of the Coal Mining Leases, as amended, Hopi-Peabody Coal Lease Number 14-20-0450-5743, Navajo-Peabody Coal Lease Number 14-20-0603-8580 and Navajo-Peabody Coal Lease Number 14-20-0603-9910, I hereby recognize and acknowledge that the said Coal Mining Leases have been duly assigned to Peabody Western Coal Company as of the first day of October, 1994.

Executed this the 31st day of January, 1995

BRUCE BABBITT

SECRETARY OF THE INTERIOR

)
		1

ASSIGNMENT OF MINING LEASE (No. 14-20-0603-8580)

THIS ASSIGNMENT OF MINING LEASE (this "Assignment") is made as of the 1st day of October, 1994, by and between PEABODY COAL COMPANY, a Delaware corporation ("Peabody Coal") and PEABODY WESTERN COAL COMPANY, a Delaware corporation ("Peabody Western").

WITNESSETH:

WHEREAS, a Mining Lease designated No. 14-20-0603-8580 was made and entered into on February 1, 1964 between the Navajo Tribe ("Lessor"), as lessor, and Sentry Royalty Company, as lessee (the "Lease");

WHEREAS, Peabody Coal previously has been assigned all of the right, title and interest of Sentry Royalty Company in and to the Lease;

WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article XI of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

WHEREAS, said amendments to the Lease, including said assignment provision, were approved by the Secretary of the Interior on December 14th, 1987;

WHEREAS, in connection with a reorganization involving Peabody Coal, Peabody Coal desires to transfer and assign all of its right, title and interest in and to the Lease to Peabody Western, which company upon completion of such reorganization will be a wholly owned subsidiary of Peabody Holding Company, Inc.;

WHEREAS, by an Acknowledgement of Proposed Lease Assignment Lessor has acknowledged the assignment of the Lease to Peabody Western subject to certain conditions, including the execution of this Assignment;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Navajo Project Coal Supply Agreement, dated as of February 18, 1977 (the "Navajo Agreement"), with Salt River Project Agricultural Improvement and Power District, Nevada Power Company, the Department of Water and Power of the City of Los Angeles, Arizona Public Service Company, and Tucson Electric Power Company, as buyers (collectively, the "Navajo Participants");

WHEREAS, the Navajo Agreement provides for the sale of coal mined from the leased premises to the Navajo Participants for use at the Navajo Generating Station, and the Navajo Participants have certain rights under the Navajo Agreement with respect to the Lease;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Mohave Project Coal Supply Agreement, dated as of May 26th, 1976 (the "Mohave Agreement"), with Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Nevada Power Company, and the Department of Water and Power of the City of Los Angeles, as buyers (collectively, the "Mohave Participants"); and

WHEREAS, the Mohave Agreement provides for the sale of coal mined from the leased premises by Peabody Coal to the Mohave Participants for use at the Mohave Project, and the Mohave Participants have certain rights under the Mohave Agreement with respect to the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western agree as follows:

- 1. Assignment of Lease. Peabody Coal hereby transfers, conveys, assigns sets-over and delivers unto Peabody Western all of its right, title and interest in and to the Lease and any and all other agreements, amendments, documents and instruments made at any time in connection with or relating to the Lease or the premises subject to the Lease (collectively, the "Lease Related Documents").
- 2. Assumption of Obligations. Peabody Western hereby accepts the Lease and the Lease Related Documents herein assigned and assumes all the rights and obligations of Peabody Coal under the Lease and the Lease Related Documents and agrees to be bound by all of the terms and conditions thereof and to fully perform all of Peabody Coal's obligations and liabilities thereunder.
- 3. Participant Rights. This Assignment is subject to the rights and interests of the Mohave Participants and the Navajo Participants in and to the Lease in accordance with the terms of the Lease, the Lease Related Documents and the Mohave and Navajo Agreements (including but not limited to the conditional partial assignments made pursuant to those agreements).
- 4. Peabody Coal Guarantee. In accordance with Article XI of the Lease, Peabody Coal hereby guarantees to Lessor the full and faithful performance by Peabody Western under the Lease and the Lease Related Documents and agrees to be responsible for the performance of all such obligations in the event of a failure by Peabody Western to so perform.

IN WITNESS WHEREOF, Peabody Coal and Peabody Western each have caused this Assignment to be executed as of the day and year first set forth above.

PEABODY COAL COMPANY.

ATTEST:

Assistant Secretary

By: W. Howard Carton

PEABODY WESTERN COAL COMPANY

ATTEST:

Secretary

Vice-Preside

State of Arizona)
) ss.
County of Coconino)

On this 29th day of September, 1994, before me appeared W. Howard Carson and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Assistant Secretary of Peabody Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said W. Howard Carson and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year first above written.

Yamula Dalsommer Notary Public

My Commission expires:

9/27/97

State of Arizona)

State of Arizona)

County of Coconino)

On this 29th day of September, 1994, before me appeared Gary L. Melvin and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Secretary of Peabody Western Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Gary L. Melvin and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year first above written.

Jamely Lawrmman

My Commission expires:

9/27/97

ASSIGNMENT OF MINING LEASE (No. 14-20-0603-9910)

THIS ASSIGNMENT OF MINING LEASE (this "Assignment") is made as of the 1st day of October, 1994, by and between PEABODY COAL COMPANY, a Delaware corporation ("Peabody Coal") and PEABODY WESTERN COAL COMPANY, a Delaware corporation ("Peabody Western").

WITNESSETH:

WHEREAS, a Mining Lease designated No. 14-20-0603-9910 was made and entered into on June 6, 1966 between the Navajo Tribe ("Lessor"), as lessor, and Sentry Royalty Company, as lessee (the "Lease");

WHEREAS, Peabody Coal previously has been assigned all of the right, title and interest of Sentry Royalty Company in and to the Lease;

WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article IX of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

WHEREAS, said amendments to the Lease, including said assignment provision, were approved by the Secretary of the Interior on December 14th, 1987;

WHEREAS, in connection with a reorganization involving Peabody Coal, Peabody Coal desires to transfer and assign all of its right, title and interest in and to the Lease to Peabody Western, which company upon completion of such reorganization will be a wholly owned subsidiary of Peabody Holding Company, Inc.;

WHEREAS, by an Acknowledgement of Proposed Lease Assignment Lessor has acknowledged the assignment of the Lease to Peabody Western subject to certain conditions, including the execution of this Assignment;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Navajo Project Coal Supply Agreement, dated as of February 18, 1977 (the "Navajo Agreement"), with Salt River Project Agricultural Improvement and Power District, Nevada Power Company, the Department of Water and Power of the City of Los Angeles, Arizona Public Service Company, and Tucson Electric Power Company, as buyers (collectively, the "Navajo Participants");

WHEREAS, the Navajo Agreement provides for the sale of coal mined from the leased premises to the Navajo Participants for use at the Navajo Generating Station, and the Navajo Participants have certain rights under the Navajo Agreement with respect to the Lease;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Mohave Project Coal Supply Agreement, dated as of May 26th, 1976 (the "Mohave Agreement"), with Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Nevada Power Company, and the Department of Water and Power of the City of Los Angeles, as buyers (collectively, the "Mohave Participants"); and

WHEREAS, the Mohave Agreement provides for the sale of coal mined from the leased premises by Peabody Coal to the Mohave Participants for use at the Mohave Project, and the Mohave Participants have certain rights under the Mohave Agreement with respect to the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western agree as follows:

- 1. Assignment of Lease. Peabody Coal hereby transfers, conveys, assigns sets-over and delivers unto Peabody Western all of its right, title and interest in and to the Lease and any and all other agreements, amendments, documents and instruments made at any time in connection with or relating to the Lease or the premises subject to the Lease (collectively, the "Lease Related Documents").
- 2. Assumption of Obligations. Peabody Western hereby accepts the Lease and the Lease Related Documents herein assigned and assumes all the rights and obligations of Peabody Coal under the Lease and the Lease Related Documents and agrees to be bound by all of the terms and conditions thereof and to fully perform all of Peabody Coal's obligations and liabilities thereunder.
- 3. Participant Rights. This Assignment is subject to the rights and interests of the Mohave Participants and the Navajo Participants in and to the Lease in accordance with the terms of the Lease, the Lease Related Documents and the Mohave and Navajo Agreements (including but not limited to the conditional partial assignments made pursuant to those agreements).
- 4. Peabody Coal Guarantee. In accordance with Article XI of the Lease, Peabody Coal hereby guarantees to Lessor the full and faithful performance by Peabody Western under the Lease and the Lease Related Documents and agrees to be responsible for the performance of all such obligations in the event of a failure by Peabody Western to so perform.

IN WITNESS WHEREOF, Peabody Coal and Peabody Western each have caused this Assignment to be executed as of the day and year first set forth above.

PEABODY COAL COMPANY

ATTEST:

Assistant Secretary

PEABODY WESTERN COAL COMPANY

ATTEST:

D. De Conford
Secretary

State of Arizona)
) ss.
County of Coconino)

On this 29th day of September, 1994, before me appeared W. Howard Carson and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Assistant Secretary of Peabody Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said W. Howard Carson and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year first above written.

Notary Public Surmmer

My Commission expires:

State of Arizona)
) ss
County of Coconino)

On this 29th day of September, 1994, before me appeared Gary L. Melvin and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Secretary of Peabody Western Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Gary L. Melvin and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year first above written.

Motary Public

My Commission expires:

9/27/97

ASSIGNMENT OF MINING LEASE (No. 14-20-0450-5743)

THIS ASSIGNMENT OF MINING LEASE (this "Assignment") is made as of the 1st day of October, 1994, by and between PEABODY COAL COMPANY, a Delaware corporation ("Peabody Coal") and PEABODY WESTERN COAL COMPANY, a Delaware corporation.

WITNESETH:

WHEREAS, a Mining Lease designated No. 14-20-0450-5743 was made and entered into on June 6, 1966 between the Hopi Tribe ("Lessor"), as lessor, and Sentry Royalty Company, as lessee (the "Lease");

WHEREAS, Peabody Coal previously has been assigned all of the right, title and interest of Sentry Royalty Company in and to the Lease;

WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article IX of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

WHEREAS, said amendments to the Lease, including said assignment provision, were approved by the Secretary of the Interior on December 14th, 1987;

WHEREAS, in connection with a reorganization involving Peabody Coal, Peabody Coal desires to transfer and assign all of its right, title and interest in and to the Lease to Peabody Western Coal Company, which company upon completion of such reorganization will be a wholly owned subsidiary of Peabody Holding Company, Inc.;

WHEREAS, by an Acknowledgement of Proposed Lease Assignment Lessor has acknowledged the assignment of the Lease to Peabody Western Coal Company subject to certain conditions, including the execution of this Assignment;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Navajo Project Coal Supply Agreement, dated as of February 18, 1977 (the "Navajo Agreement"), with Salt River Project Agricultural Improvement and Power District, Nevada Power Company, the Department of Water and Power of the City of Los Angeles, Arizona Public Service Company, and Tucson Electric Power Company, as buyers (collectively, the "Navajo Participants");

WHEREAS, the Navajo Agreement provides for the sale of coal mined from the leased premises to the Navajo Participants for use at the Navajo Generating Station, and the Navajo Participants have certain rights under the Navajo Agreement with respect to the Lease;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Mohave Project Coal Supply Agreement, dated as of May 26th, 1976 (the "Mohave Agreement"), with Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Nevada Power Company, and the Department of Water and Power of the City of Los Angeles, as buyers (collectively, the "Mohave Participants"); and

WHEREAS, the Mohave Agreement provides for the sale of coal mined from the leased premises by Peabody Coal to the Mohave Participants for use at the Mohave Project, and the Mohave Participants have certain rights under the Mohave Agreement with respect to the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western Coal Company agree as follows:

- 1. Assignment of Lease. Peabody Coal hereby transfers, conveys, assigns sets-over and delivers unto Peabody Western Coal Company all of its right, title and interest in and to the Lease and any and all other agreements, amendments, documents and instruments made at any time in connection with or relating to the Lease or the premises subject to the Lease (collectively, the "Lease Related Documents").
- 2. Assumption of Obligations. Peabody Western Coal Company hereby accepts the Lease and the Lease Related Documents herein assigned and assumes all the rights and obligations of Peabody Coal under the Lease and the Lease Related Documents and agrees to be bound by all of the terms and conditions thereof and to fully perform all of Peabody Coal's obligations and liabilities thereunder.
- 3. Participant Rights. This Assignment is subject to the rights and interests of the Mohave Participants and the Navajo Participants in and to the Lease in accordance with the terms of the Lease, the Lease Related Documents and the Mohave and Navajo Agreements (including but not limited to the conditional partial assignments made pursuant to those agreements).
- 4. Peabody Coal Guarantee. In accordance with Article IX of the Lease, Peabody Coal hereby guarantees to Lessor the full and faithful performance by Peabody Western Coal Company under the Lease and the Lease Related Documents and agrees to be responsible for the performance of all such obligations in the event of a failure by Peabody Western Coal Company to so perform.

IN WITNESS WHEREOF, Peabody Coal and Peabody Western Coal Company each have caused this Assignment to be executed as of the day and year first set forth above.

PEABODY COAL COMPANY

ATTEST:

)

Vice-President

Assistant Secretary

PEABODY WESTERN COAL COMPANY

ATTEST:

g~~

Secretary

State of Arizona)
_) ss.
County of Coconino)

On this 29th day of September, 1994, before me appeared W. Howard Carson and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Assistant Secretary of Peabody Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said W. Howard Carson and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal the day and year first above written.

Jamela Daurmmer Notary Public

My Commission expires:

State of Arizona)
) ss.
County of Coconino)

On this 29th day of September, 1994, before me appeared Gary L. Melvin and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Secretary of Peabody Western Coal Company, and that the seal affixed to the foregoing instrument is the corporation seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and said Gary L. Melvin and G. Irene Crawford acknowledged said instrument to be the free act and deed of said corporation.

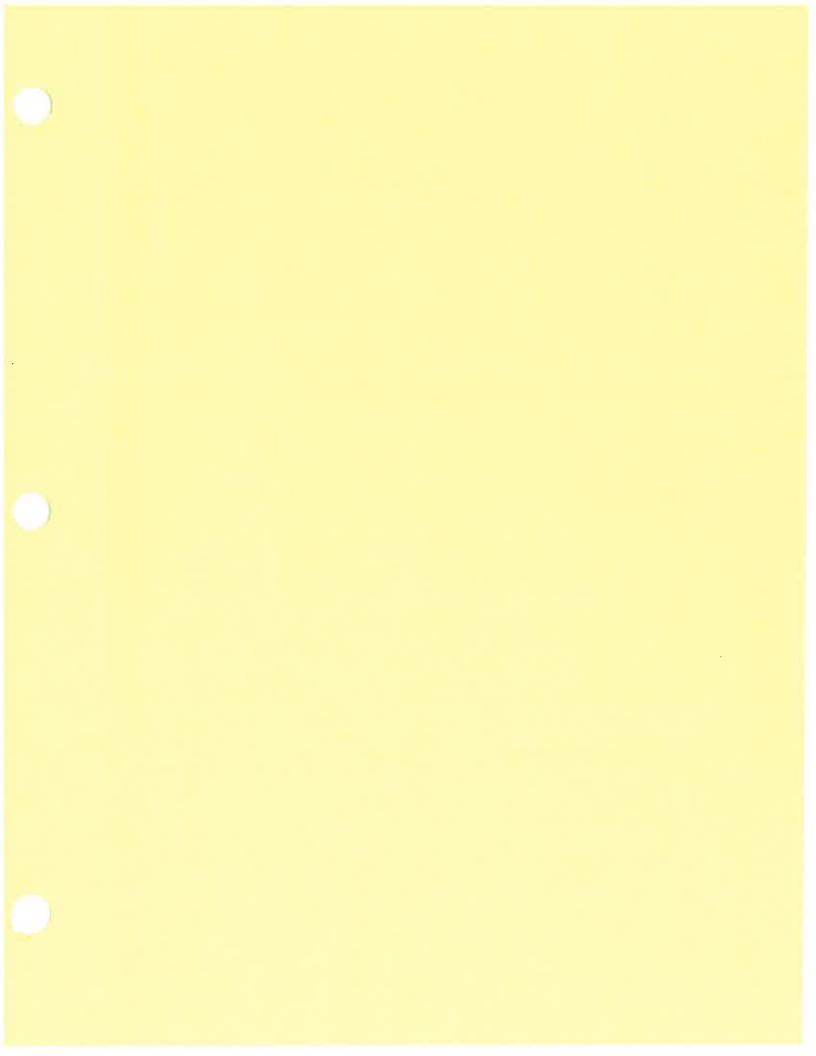
Witness my hand and seal the day and year first above written.

Yamola & Day am

Notary Public

My Commission expires:

4



ATTACHMENT 10

BOND RIDERS



CHANGE RIDER

To: U. S. Department of the Interior

Office of Surface Mining Reclamation & Enforcement

P. O. Box 46667

Denver, CO 80201-6667

To be attached to and form part of:

Bond Number: 105243347

Former Bond Number: 259737

Bond Limit: \$27,219,836.00

Issued on behalf of: Peabody Western Coal Company

701 N. Market Street, Suite 700

St. Louis, MO 63101

And in favor of: U. S. Department of the Interior

Office of Surface Mining Reclamation & Enforcement

P. O. Box 46667

Denver, CO 80201-6667

The purpose of this Rider is:

CHANGE IN SURETY COMPANY

Effective January 1, 2009, the surety on the above referenced bond is Travelers Casualty and Surety Company of America. Travelers Casualty and Surety Company of America replaces Seaboard Surety Company as surety. The termination of liability under the Seaboard Surety Company is a condition precedent to the change of surety.

Signed, sealed and dated this 28th day of February, 2009.

Travelers Casualty and Surety Company of America

Evelyn P. Green, Attorney-In-Fact



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Certificate No. 002525663

Attorney-In Fact No. KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint Mark S. Horton, Evelyn P. Green, Vickie Morgan, Kathy Simpson, June W. Hutchings, Tracy L. Weatherholt, Joy Hartsfield, James Thompson, Neal McBay, James R. Zorns, Trish Scheer, Kevin Duks, Lorraine V. Smith, Kelly Napier, Caroline Shore, Douglas Lackey, May Bennett, Pamela Strube, and Joseph Stephens , their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law. 31st corporate seals to be hereto affixed, this IN WITNESS WHEREOF, the Companies have caused this instrument to be St. Paul Guardian Insurance Company Farmington Casualty Company St. Paul Mercury Insurance Company Fidelity and Guaranty Insurance Company Travelers Casualty and Surety Company Fidelity and Guaranty Insurance Underwriters, Inc. Travelers Casualty and Surety Company of America Seaboard Surety Company United States Fidelity and Guaranty Company St. Paul Fire and Marine Insurance Company

State of Connecticut City of Hartford ss. By: George W Thompson, Senior Vice President

On this the 31st day of July 2008, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Company, St. Paul Mercury Insurance Company, Travelers Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2011.



Marie C. Tetreault, Notary Public

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Vice President, any Vice President, any Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her, and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of anthority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 28

day of February

Kori M. Johanson Assistant Secretary

1112



















To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



RIDER

To be attached to and form part of Bond No. 105243347
Issued on behalf of Peabody Western Coal Company as Principal, and in favor of US Department of the Interior, Office of Surface Mining Reclamation and Enforcement as Obligee.
It is agreed that:
1. The Surety hereby gives its consent to change the Name:
from:to:
The Surety hereby gives its consent to change the Address: of the Obligee
CO 90201-6667
to: 1999 Broadway, Suite 3320, Denver, CO 80202
3. The Surety hereby gives its consent to change the:
from:
from: to:
This rider shall become effective as of 1/28/2010
PROVIDED, however, that the liability of the Surety under the attached bond as changed by this rider shall not be cumulative.
Signed, sealed and dated 1/28/2010
Travelers Casualty and Surety Company of America
By: Jennifer L. Speniak Attorney-int-Fact
Accepted: US Department of the Interior OSMRE or Peabody Western Coal Company Principal
Obligee By: Walling of the family
Ву:

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

TRAVELERS

POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No.

220546

Cerifficate No. 002958679

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Formington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Leon F. Hill, Jane L. Smith, Jennifer L. Speriak, Scott Rons, and Ryan Blegen

of the City of <u>Denver</u>	_ State of	Colorado		, their true	e and lawful Attor	ney(s)-in-Fact,
each in their separate capacity if more than one is named above, other writings obligatory in the nature thereof on behalf of the contracts and executing or guaranteeing bonds and undertakings	Companies in the	eir business of gr	uaranteem g the fi	nerità or beizona!	ces, conditional ungular the parametering the parameterin	performance of
<i>,</i> •	Mr. M. J.	of the sail of	W. W. Carlot		24th	
IN WITNESS WHEREOF, the Companies have caused this in day of April 2009	istrument to be sig	aned and their con	rporate seals to be	hereto affixed, thi	is	
. Farmington Casualty Com	A 186 1 1	1 , " " " " " " " " " " " " " " " " " "	St Poul Co	iardian Insurance	e Company	
Fidelity and Guaranty Insi		Carried Street		ercury Insurance		
Fidelity and Guaranty Inst	iran <mark>ce Under</mark> wri			Casualty and Sure		maulas
Seaboard Surety Company St. Paul Fire and Marine D		nv		Casualty and Sure tes Fidelity and G		
Ot, A find Art & and transmit L	Estance Comp			•		•
1977 B 1951 1927 E 1951	THE AME	SEAL E	SEAL	HARTFORD 2 COOL P		SURVANO DE LA CONTRACTOR DE LA CONTRACTO
			1		×	
State of Connecticut		Ву:		my Math	empor	
City of Hartford ss.			/Georg	cW Thompson, Sca	ior /ice President	
On this the 24th day of April	20	009 hefore r	ne personally an	peared George W.	Thompson, who	ncknowledged
himself to be the Senior Vice President of Farmington Casualty Inc., Seaboard Surety Company, St. Paul Fire and Marine Insura	Company, Fideli	ty and Guaranty	Insurance Compa	ny, Fidelity and G	uaranty Insurance	Underwriters,
Casualty and Surety Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company in the foregoing instrument for the put	Company of Ame	rica, and United	States Fldelity no	d Guaranty Comp	any, and that he,	as such, being
In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2011.	SO TETRE SO TARIA PUBLIO COMMENTO			Marie C. Te	C. Jetnelreault, Notory Publ	eault

58440-5-07 Printed In U.S.A.



United States Department of the Interior OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT WESTERN REGIONAL COORDINATING CENTER

SURETY BOND INCREASE/DECREASE RIDER

Permit No. AZ-0001D/AZ-0001	Bond No. 259737
To be attached to and form a part of S	urety Company Bond No. 259737
written by *	AS SURETY, on behalf of
PEABODY WESTERN COAL GOMPANY	AS PRINCIPAL, in the sum
of twenty four militant nine hundred eighty nine	THOUSAND EIGHT HUNDRED THIJEY SIX AND NO/100*******
DOLLARS (\$ 24,982,836,000 ; in f2	vor of the United States Office of Surface Mining
Reclamation and Enforcement (OSM) and ex-	cuted on JULY 19, 1994 AND AMENDED ON MARCH 29, 1995.
*SEABOARD SURETY COMPANY AND ST PAUL FIRE AND MARINE INSURANCE COMPANY	JULY 3, 1995, SEPTEMBER 26, 1995, APRIL 21, 1997
TAKINE INSURANCE CONTANT	MD JUNE 6, 2000
Whereas, the OSM issued Permit to M	ine North 100 In and dated on JULY 6,1995
AND JANUARY 29, 1982 and Permit Renewals at	Revisions numbered and dated N/A
pursuant to the application of the Brincipal	ARRESS
	the former about the control, the control is a proper former and the control is a second of the contro
Whereas, said and rider shall con	any and all land a feeted or to be affected by the
mining operation finder the above mentioned p	ermittand revisions and renewals since the date of
the issuance of the permit	
Now, therefore, the amount of the bend	Tellier Cased de Meared
by TWO MILLION TWO HUNDRED THIRTY THOUSAND AND	
to a total sum of IWENTY SEVER MILLION TWO	DEALERSTEIN THOUSAND ELIGHT HUNDRED THIRTY SIX AND NO/100***
Dollars (\$ 27,219,836.00 **	cover lie (additional/metroed) cost of reclaiming
all affected lands.	
** SEABOARD SURETY COMPANY ASSUMES TWENTY FIVE I	PERCENT (25%) OF THE LIABILITY WHICH EQUALS \$6,804,959.00
AND ST. PAUL FIRE AND MARINE INSURANCE COMPANY AS	SSUMES SEVENTY FIVE (75%) OF THE LIABILITY WHICH EQUALS
\$20,414,877.00	,

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

PRINCIPAL

Signed and executed this 2 BY: Seem Schauf	day of FEBRUARY , 2001 (Affix Seal)	
'TITLE: V. I.	, (*******************************	
State of Missouri City @bxxxxy of St. Louis	TERI S. GR Notary Public No STATE OF MIS City of St. L My Commission Expires	stary Seal SSOURI Ouis
The foregoing instrument was acknown this day of FERGURE. Witness my hand and official seat	ACKNOWLEDGMENT Wedged before my by Steven F. Schaab 2001 (Notary Rublic or other authorized officer) My Commission Expires: August 26, 2003	
EABOARD SURETY COMPANY AND ST. PAUL TO Signed and executed this BY: NOW!	SURETY AND MARIE INSURANCE COMPANY DO 1 (Affix Seal)	1
State of TENNESSEE County of KNOX	ACKNOWI PARK	
The foregoing instrument was acknow this 2ND day of FEBRIARY Witness my hand and official seal.	Viceged being the TNA MARIE FOSTER, ATTORNEY-I	n-faci Rebecca sheehan
	(Notary Public or other authorized officer) My Commission Expires: JUNE 25, 2001	
Permit No. AZ-0001D AZ-0001	Bond No. 259737	

Where one signs by virtue of Power of Attorney or Corporate Resolution for a Surety Company or corporate Principal, such certified Power of Attorney or Corporate Resolution must be filed with this rider.

REG-28/ILLUS-02a 10/98

Page 2 of 2

The St Paul



POWER OF ATTORNEY

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company Fidelity and Guaranty Insurance Company Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No.

22276

Certificate No.

619043

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Frank A. Word, Jr., Tina Marie Foster, Heather Howard King, Fred W. Smith, III, Harold W. Cunningham, Jr., Debra Elaine Clark, Samual Franklin Robinson and Donald Bruce Wake

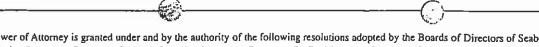
	Knoxville		Tennessee	•		
of the City of		, State		tł	eir true and lawful	Attorney(s)-in-Fac
contracts and	other written instruments in	one is named above, to sign it the nature thereof on behalf of guaranteeing bonds and underta	the Companies in their busin	cute, seal and acknowers of guaranteeing the	ledge any and all be fidelity of person	bonds, undertakings
IN WITNES	S WHEREOF, the Companie	s have caused this instrument to	be signed and sealed this.	20th day of	November	2000
j	Seaboard St. Paul F St. Paul C	Surety Company ire and Marine Insurance Co uardian Insurance Company fercury Insurance Company	Unite mpany Fidel	d States Fidelity and ity and Guaranty Ins ity and Guaranty Ins	urance Company	
1927 E	SEA LINE SEA LINE AND AND AND AND AND AND AND A	SEAL PORT AND	1977	S /	JOHN F. PHI as E. Xu	MNEY, Vice President
City of Baltim	ore			тном	AS E. HUIBREGTSI	E. Assistant Secretary
Marine Insurar Guaranty Insur said Companie	nce Company, St. Paul Guardia rance Company, and Fidelity a	November themselves to be the Vice Presional Insurance Company, St. Paul and Guaranty Insurance Underway authorized so to do, executed dofficers.	Mercury Insurance Company, riters, Inc.; and that the seals a	lersigned officer, persespectively, of Seaboa United States Fidelity Tixed to the foregoing	onally appeared Jo rd Surety Company and Guaranty Con t instrument are the	ohn F. Phinney and y, St. Paul Fire and npany, Fidelity and
		Æ	CLEURER	Robers	2 4 2 2 2 .	K.b.l.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 13th day of July, 2002.



REBECCA EASLEY-ONOKALA, Notary Public



This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. on September 2, 1998, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by persons or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) of Attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman, or the President, or any Vice President, or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and subject to any limitations set forth therein, any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company, and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is validly attached; and

RESOLVED FURTHER, that Attorney(s)-in-Fact shall have the power and authority, and, in any case, subject to the terms and limitations of the Power of Attorney issued them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, Thomas E. Huibregtse, Assistant Secretary of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I hereunto set my hand this 2ND

day of FEBRUARY

2001

1927 = + TO HER TO HER













Thomas E. Huibregtse, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above-named individuals and the details of the bond to which the power is attached.

CERTIFICATE OF INCUMBENCY PEABODY WESTERN COAL COMPANY

I, Edward L. Sullivan, Secretary of Peabody Western Coal Company, a Delaware corporation, do hereby certify that each of the following persons has been duly elected to the office set opposite his or her name by the Board of Directors of the Company and that each such person occupies such office as of the date set forth below.

John L. Wasik	President
T. L. Bethel	Treasurer & Assistant Secretary
S. F. Schaab	Vice President
J. C. Sevem	Vice President & Assistant Secretary
J. C. Klingl	Vice President
J. A. Maher	Assistant Treasurer
E. L. Sullivan	Secretary

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company this 2nd day of February, 2001.

Secretary

[SEAL]

CERTIFIED COPY OF OFFICER AUTHORIZATION DULY ADOPTED BY THE BOARD OF DIRECTORS OF PEABODY WESTERN COAL COMPANY A DELAWARE CORPORATION ON JANUARY 4, 1994

lis dat

I, Edward L. Sullivan, as Secretary of Peabody Western Coal Company (the "Company"), a Delaware corporation, do hereby certify that the following is a true and accurate copy of the resolution passed by the Board of Directors of the Company on January 4, 1994, and that such resolution has not been rescinded.

AUTHORITY TO EXECUTE

RESOLVED, That the President or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and, where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, document, or instrument of any type or character whatsoever on behalf of the Company in order to carry on the ordinary business of the Company which is not the subject of a specific resolution of the Board of Directors of the Company, or in accordance with the specific terms of a resolution of the Board of Directors of the Company regarding a particular subject as limited by any such resolution; and

RESOLVED FURTHER, That any person dealing with the Company may rely on a certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated on such certificate as of the date of such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as described in this resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company this 2nd day of February, 2001.

Edward L. Sullivan

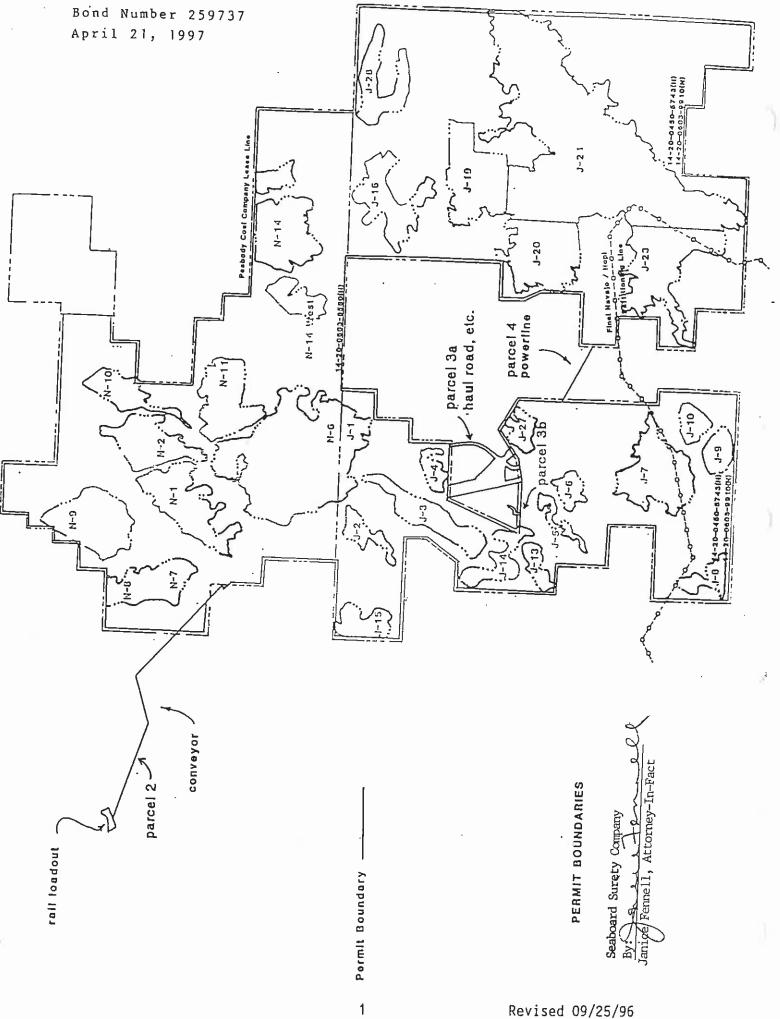
Secretary

Description of Life-of-Mine

Permit Area

Seaboard Surety Company

Janue Fennell, Attorney-In-Fact



Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point; Thence, North 90°0'0" East a distance of 5,280.0 feet to a point; Thence, North 90°0'0" East a distance of 10,550.0 feet to a point; Thence, South 0°0'0" East a distance of 7,920.0 feet to a point; Thence, North 90°0'0" West a distance of 5,280.0 feet to a point; Thence, South 0°0'0" West a distance of 2,640.0 feet to a point; Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 5a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Revised 09/25/96

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point; Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

<u>Parcel A</u>: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'39" E, 12,366.27 feet;

Seaboard Surety Company

Janige Fernell, Attorney-In-Fact

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel Bl</u>: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N 00°45'48" E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Thence S 73°43'13" W, 4,167.54 feet; Thence S 17°24'00" E, 5.40 feet; Thence S 71°26'00" W, 918.66 feet; Thence N 19°36'41" W, 227.35 feet; Thence N 71°01'59" W, 1,006.37 feet; Thence N 72°18'32" W, 1,296.59 feet; Thence N 72°38'11" W, 1,263.68 feet; Thence S 33°40'49" W, 21.40 feet; Thence N 74°01'47" W, 172.39 feet; Thence N 08°47'08" W, 30.44 feet; Thence N 71°44'38" W, 911.11 feet; Thence N 02*48'30" W, 109.38 feet; Thence S 72°26'55" E, 915.42 feet; Thence N 81°37'19" E, 56.42 feet; Thence S 72°30'52" E, 137.21 feet; Thence S 45°45'57" E, 54.64 feet; Thence S 72°39'06" E, 1,083.60 feet; Thence N 77°25'42" E, 64.46 feet; Theace S 69°C6'09" E, 76.26 feet; Thence S 60°08'19" E, 92.71 feet; Thence S 75°11'56" E, 1,373.56 feet; Thence S 80°50'06" E, 470.30 feet; Thence S 71°14'14" E, 571.25 feet; Thence N 78°55'59" E, 327.04 feet; Thence N 88°30'45" E, 611.69 feet; Thence N 73°39'50" E, 2,028.36 feet; Thence N 52°41'12" E, 151.80 feet; Thence S 84°47'43" E, 213.05 feet; Thence N 73°38'22" E, 696.24 feet; Thence N 56°06'02" E, 143.09 feet; Thence N 80°49'03" E, 371.81 feet; Thence N 56°41'49" E, 801.84 feet; Thence S 53°41'20" E, 900.38 feet; Thence S 23°41'41" E, 486.36 feet; Thence S 49°52'40" E, 1,306.12 feet;

Seaboard Surety Company

By: Jamice Fennell, Attorney-In-Faci

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" £, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 feet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'49" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel 82</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N $57^{\circ}21'49''$ W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence 5 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N 72°46'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B3: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

Seaboard Surety Company

Janice Fennell, Attorney-In-Fact

Revised 08/19/96

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 828.42 feet to the Point of Beginning of the herein described parcel of land.

Thende N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.83 feet;

Thence N 10°35'09" E, 152.93 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.32 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access
Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Seaboard Surety Company

By:

Janide Fennell, Attorney-In-Fact

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.69 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52"18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

Seaboard Surety Company

Janice Fennell,

Attorney-In-Fact

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left, having a radius of 268.66 feet and a central angle of 31°42′29″;

Thence N 00°17'54" E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to

the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of 405.74 feet and a central angle of 13°37′44";

Thence N 87°31′58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Northeasterly a distance of 363.55 feet along a curve to the left, .

having a radius of 457.75 feet and a central angle of 45°30′16″;

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N 03°42'37" E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of $1^{\circ}14'29''$ and being

subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of 56.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31'58" W, a distance of 49.65 feet to the beginning of a curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37′44″;

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51′49″;

Thence S 00°17′54″ W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42'29";

Thence S 32°00'23" W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

Seaboard Surety Company

By: Sex Land Jankey Fennell, Attorney-In-Fact

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

Seaboard Surety Company

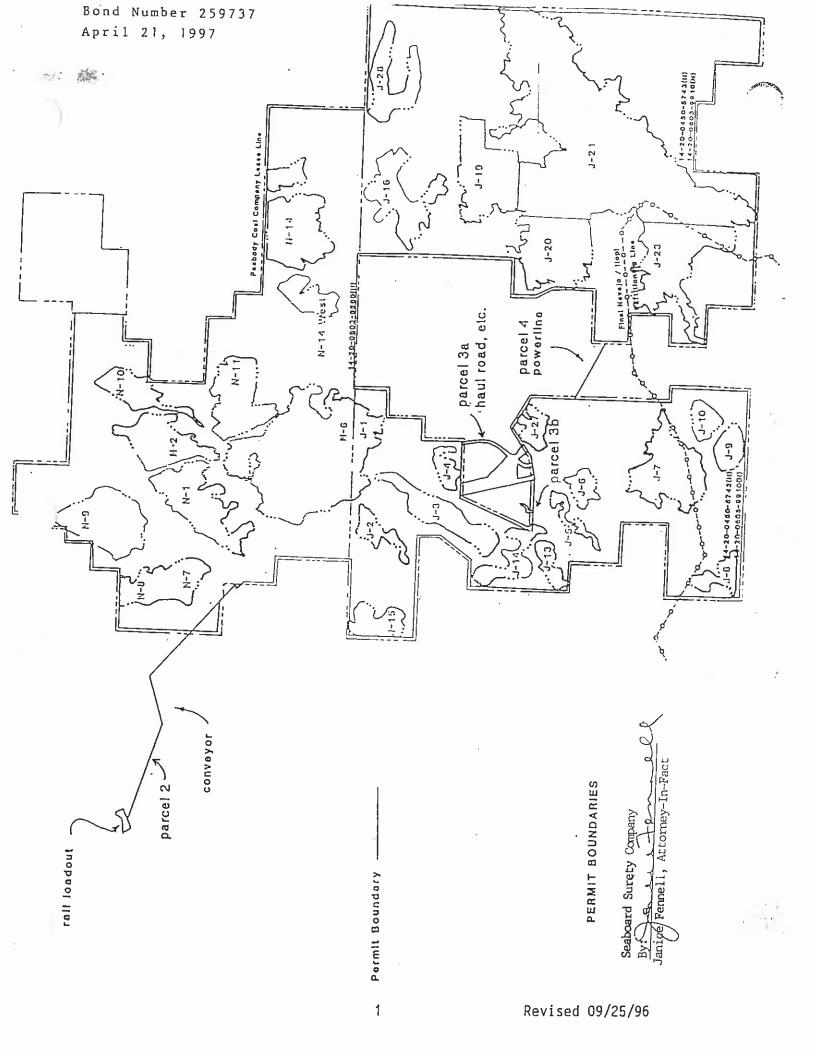
Janice Fennell, Attorney-In-Fact

Description of Life-of-Mine

Permit Area

Seaboard Surety Company

Janue Fennell, Attorney-In-Fact



United States Department of the Interior OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT WESTERN REGIONAL COORDINATING CENTER

SURETY BOND

PM Bond No., 8946860

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

PEABODY WESTE	RN COAL COMPANY		
	(Name of Corporation - Permi	ttee)	
P.O. Box 650, Highw	vay 160 North Kayenta	Arizona USA	86033
(Street Address)	(City)	(State)	(ZIP)
	d and existing under the laws on the laws of the laws		WARE,
	Olama and Addings of Greek		

(Name and Address of Surety Company)

Zurich American Insurance Company organized and existing under the laws of the State of <u>NEW YORK</u>, and licensed to do business in the State of <u>ARIZONA</u>, as Surety, are held and firmly bound unto the United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the sum of <u>FORTY-SIX MILLION DOLLARS AND NO /100</u> <u>DOLLARS (\$46,000,000.00</u>), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the above named Principal has submitted Permit Application No. <u>AZ-0001D</u>, including a mining and reclamation plan, to conduct and reclaim a surface coal mining operation, as defined pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. §1201 et seq., (the Act) and its attendant regulations; and

Whereas, the Principal has chosen to file this performance bond as a guarantee that the reclamation of the land disturbed during this surface mining operation will be completed as required by the Act and 30 CFR Chapter VII, and as specified in the Permit as issued;

Whereas, the Surety, and their successors and assigns agree to guarantee the obligation and to indemnify, defend, and hold harmless the United States Office of Surface Mining Reclamation and Enforcement (OSM) from any and all losses and expenses which OSM may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas obligations guaranteed by this performance bond shall be in effect for the following described lands approved as the permit area or increment upon which initial or succeeding operations will be conducted: T35N, R18E: Secs. 3-11, 13-18, and 20-36; T35N, R19E: Secs. 1-5 and 7-36; T36N, R17E: Secs. 1-4, 11, and 12: T36N, R18E: Secs. 1-18 and 20-35; T36N, R19E: Secs. 15-22, 25-30, and 32-36; T37N, R18E: Secs. 28, 29, and 32-36;

Permit No. AZ-0001D

Bond No. . 8940860

Now, if the Principal faithfully completes all reclamation and abatement requirements set forth in the Act, in 30 CFR Chapter VII, and in its Permit, including the mining and reclamation plans, then this obligation shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of Permit No.<u>AZ-0001D</u> and extending until all reclamation, restoration, and abatement work pursuant to the Act, 30 CFR Chapter VII, and the permit has been completed to the satisfaction of OSM; and
- (b) until the bond is released pursuant to 30 CFR §800.40, replaced in accordance with 30 CFR §800.30, or until the permit has been sold, reassigned or otherwise transferred in accordance with 30 CFR §774.17; and
- (c) for a minimum period of <u>FIVE</u> years, notwithstanding the requirements of sub-paragraphs (a) and (b) above, it being further understood that if the Principal performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this bond shall begin again subject to the exception found in 30 CFR §816.116(c)(4) or 30 CFR §817.116(c)(4).

The failure of the Principal to fulfill the obligations specified by the Act, 30 CFR Chapter VII, and its permit, shall result in a forfeiture of this performance bond according to the procedures described in 30 CFR §800.50.

The Surety shall not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability. The amount of the Surety's liability may be adjusted by OSM pursuant to 30 CFR §800.15 for lands covered by this bond which have not been disturbed by the Principal, upon application by the Principal pursuant to 30 CFR §774.13 for revision of the Permit to delete such acreage, and approval by OSM of such revision.

The Surety will give prompt notice to the Principal and to OSM of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

In the event the Surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the Principal and to OSM.

Upon the incapacity of the Surety by reason of bankruptcy, liquidation, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of 30 CFR §800.11 and shall be subject to the requirements described in 30 CFR §800.16(e)(2).

IN WITNESS WHEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

	PRINCIPAL
Date December 19, 2008	Peabody Western Coal Company
	(Corporation/Permittee)
Affix Seal	By:Corporate Official ¹
	Corporate Official ¹
`	Title:
	Attorney-in-Fact1
	NT OF CORPORATE PERMITTEE
On this Day of	, 20, before me, a Notary Public in, in the State of, appeared
and for the County of	, in the State of, appeared nown to me to be the person whose name is subscribed to
	y me duly swom, did say that he/she executed the same
IN WITNESS WHEREOF, I have month, and year aforesaid.	hereunto set my hand and official seal on the day,
My Commission Expires:	(Notary Public in aforesaid County and State)
•	SURETY
Date: December 19, 2008 (Affix Seal) By:/	Zurich American Insurance Company (Corporate Surety)
	Leon F. Hill
	(Attorney-in-fact ¹)
¹ Where one signs by virtue of Power of Attorn Principal, a certified copy of the Power of Attorn	ney or Corporate Resolution for a Surety, or corporate orney or Corporate Resolution must be filed with this bond.
NOTE: If applicable, include the name, as Surety Company.	ddress, and phone number of the Agent representing the

Bond No. 8940860

Permit No. AZ-0001D

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of December	,20_08_, before me, a Notary Public
in and for the County of <u>Denver</u>	, in the State of Colorado appeared
Leon F. Hill to me personal	lly known, who being by me duly sworn, did say
that he/she is Attorney-in-Fact, Zurich	lly known, who being by me duly swom, did say American Insurance Company American Insurance corporate surety named
in and which executed the within instrument, and	d that the seal affixed to said instrument is the
corporate seal of said corporation, and that said i	instrument was signed, sealed and delivered in
behalf of said corporation by authority of its Boa	ard of Directors, and he/she, as such officer,
acknowledged said instrument to be the free act.	and deed of said corporation for the uses and
purposes of said instrument as therein set forth.	•
IN WITNESS WHEREOF, I have hereur	ato set my hand and official seal on the
month, and year aforesaid.	SHEET SOM
15 155 155 16	1 C (A COTAR) C
My Commission Expires: 12/20/2011	who sould
(Notary Public in afore	eshid County and State

Paperwork Reduction Act Notice

We use the information required by this form to ensure that the requirements for a surety bond under 30 CFR have been met. You must provide the requested information to obtain a benefit (a surety bond). Under 30 CFR 842.16, the information collected is a matter of public record.

The time needed to complete this form and related forms and submit the requested information to obtain a surety bond will vary depending on individual circumstances. We estimate that the average time will be 4 hours per response. This number includes the time spent reviewing instructions, learning about the regulations, gathering and maintaining information, and completing and reviewing the forms. If you have comments concerning the accuracy of this estimate or suggestions for simplifying the forms or instructions, you may write to the Information Collection Clearance Officer, Office of Surface Mining Reclamation and Enforcement, Room 202 SIB, 1951 Constitution Ave, NW, Washington, D.C. 20240.

Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), you are not required to respond to, nor will you be subject to a penalty for a failure to comply with, a collection of information unless it displays a currently valid OMB control number.

OMB Control No. 1029-0043, expires 1/31/2009

ZURICH AMERICAN INSURANCE COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the ZURICH AMERICAN INSURANCE COMPANY, a corporation created by and existing under the laws of the State of New York does hereby nominate, constitute and appoint Leon F. HILL, Jennifer L. SPERLAK, Scott RONS and Ryan BIEGEN, all of Denver, Colorado, EACH its true and lawful Attorneys-In-Fact with power and authority hereby conferred to sign, seal, and execute in its behalf, during the period beginning with the date of issuance of this power, ty any and all bonds and undertakings, recognizances or other written obligations in the nature thereof, and to bind ZOR (CIH) AMERICAN INSURANCE COMPANY thereby, and all of the acts of said Attorney[s]-in-Fact pursuant to these presents are hereby dathled and southined. This Power of Attorney is made and executed pursuant to and by the authority of the following By Jaw duly adopted by the Board of Directors of the Company which By-Law has not been amended or rescinded.

Article VI, Section 5. "...The President or a Vice President in a written instrument are secretary or an Assistant Secretary may

appoint any person Attorney-In-Fact with authority of execute surety-hones on penalty of the Company and other formal underwriting contracts in reference thereto and reinsural contracts in reference thereto and respectively.

seal. Any such officers more revole the powers granted to any Altorney-In-Fact."

This Power of Attorney is signed and scaled by Taksunite under and by the authority of the following Resolution adopted by the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY by unanimous consent in lieu of a special meeting dated December 15,

" RESOLVED, that the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile on any Power of Attorney pursuant to Article VI, Section 5 of the By-Laws, and the signature of a Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power. Any such power or any certificate thereof with such facsimile signature and seal shall be valid and binding on the Company. Furthermore, such power so executed, scaled and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding on the Company."

IN WITNESS WHEREOF, the ZURICH AMERICAN INSURANCE COMPANY has caused these presents to be executed in its name and on its behalf and its Corporate Seal to be hereunto affixed and attested by its officers thereunto duly authorized, this 16th day of September, A.D. 2008. This power of attorney revokes that issued on behalf of Leon F. HILL, Jennifer L. SPERLAK, Kimberly D. GORDON, Scott C. RONS, dated February 18, 2008.



ZURICH AMERICAN INSURANCE COMPANY

Grey E. Many

Frank & Martin Secretary Frank E. Martin Jr.

SS: Gregory E. Murray CITY OF BALTIMORE On the 16th day of September, A.D. 2008, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came the above named Vice President and Secretary of ZURICH AMERICAN INSURANCE COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument and they each acknowledged the execution of the same and being by me duly sworn, they severally and each for himself deposed and said that they respectively hold the offices in said Corporation as indicated, that the Seal affixed to the preceding instrument is the Corporate Seal of said Corporation, and that the said Corporate Seal, and their respective signature as such officers, were duly affixed and subscribed to the said instrument pursuant to all due corporate authorization. IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Scal the day and year first above.



Notary Public

My Commission Expires: July 8, 2011

This Power of Attorney limits the acts of those named therein to the bonds and undertaking specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

CERTIFICATE

I, the undersigned, a Secretary of the ZURICH AMERICAN INSURANCE COMPANY, do hereby certify that the foregoing Power of Attorney is still in full force and effect, and further certify that Article VI, Section 5 of the By-Laws of the Company and the Resolution of the Board of Directors set forth in said Power of Attorney are still in force.

IN TESTIMONY WHEREOF I have hereto subscribed my name and affixed the seal of said Company

the 19th day of December 2008

Eric D. Barnes

Secretary

Lie D. Bong

maria D. Olams

		Ţ

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY

ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company,

is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the

Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any

application, form, document, or instrument of any type or character whatsoever on behalf of the

Company in order to carry on the ordinary business of the Company which is not the subject of a

specific resolution of the Board of Directors of the Company, or in accordance with the specific terms

of a resolution of the Board of Directors of the Company regarding a particular subject as limited by

any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a

Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the

Company certifying that such person occupies the office indicated in such certificate as of the date of

such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as

described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of

Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution

has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson G. L. Melvin G. I. Crawford President
Vice President
Secretary

C. W. Tilly M. T. Lewis Treasurer & Assistant Secretary

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

United States Department of the Interior Office of Surface Mining Reclamation and Enforcement

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

	to be accadined to and form a part of Surety Company Bond
	No. 9264241 written by National Fire Insurance Company of Hartford
	AS SURETY, on behalf of Peabody Western Coal Company
dred Forty Four	AS PRINCIPAL, in the sum of Five Million Nine Hundred Thirty Nine Thousand Seven
ind No/100	DOLLARS (\$ 5,939,744.00), in favor of the United States,
	Office of Surface Mining Reclamation and Enforcement (OSMRE) and
	executed on January 1, 1985 and Amended on April 1, 1993, July 3, 1995 and September 26, 1995

Whereas the OSMRE issued Permit to Mine number $\frac{AZ-0001D/AZ-0001}{AZ-0001}$ and dated on January 29, 1982 , and renewals and revisions numbered and dated $\frac{N/A}{N}$ pursuant to the application of the Principal,

Whereas, said bond and rider shall cover any and all land affected or to be affected by the mining operation under the above mentioned permit and revisions and renewals since the date of the issuance of the permit,

Now, therefore, the purpose of this rider is:

To replace the legal land description of the approved permit area on the bond with the attached legal description which includes additional lands approved as two incidental boundary revisions to the permit on August 20, 1996 and March 28, 1997.

It is further agreed that all other terms and conditions of this bond shall remain unchanged.

EUT II

PRINCIPAL
Signed and executed this2lst_ day ofApril, 19_97 Peabody Western Coal Company BY://_ Howard Coafe.
TITLE: President (Corporate Seal)
State of _Arizona)
County of Coconino.)SS.
The foregoing instrument was acknowledged before me by W. Howard Carson this 21st day of April , 19 97. Witness my hand and official seal. (Notary Public or other authorized officer)
My Commission Expires: 1/13/98
The state of the s
SURETY
Signed and executed this <u>21st</u> day of <u>April</u> , 19 <u>97</u> . National Fire Insurance Company of Hartford BY: April , 19 <u>97</u> .
TITLE: Janice H. Fermell, Attorney-In-Fact (Corporate Seal)
State of Termessee) County of Knox)
The foregoing instrument was acknowledged before me by
Vitness my hand and official seal. Constant a. Hartsberg (Notary Public or other authorized officer) Elizabeth A. Hartzberg
My Commission Expires: November 29, 1999

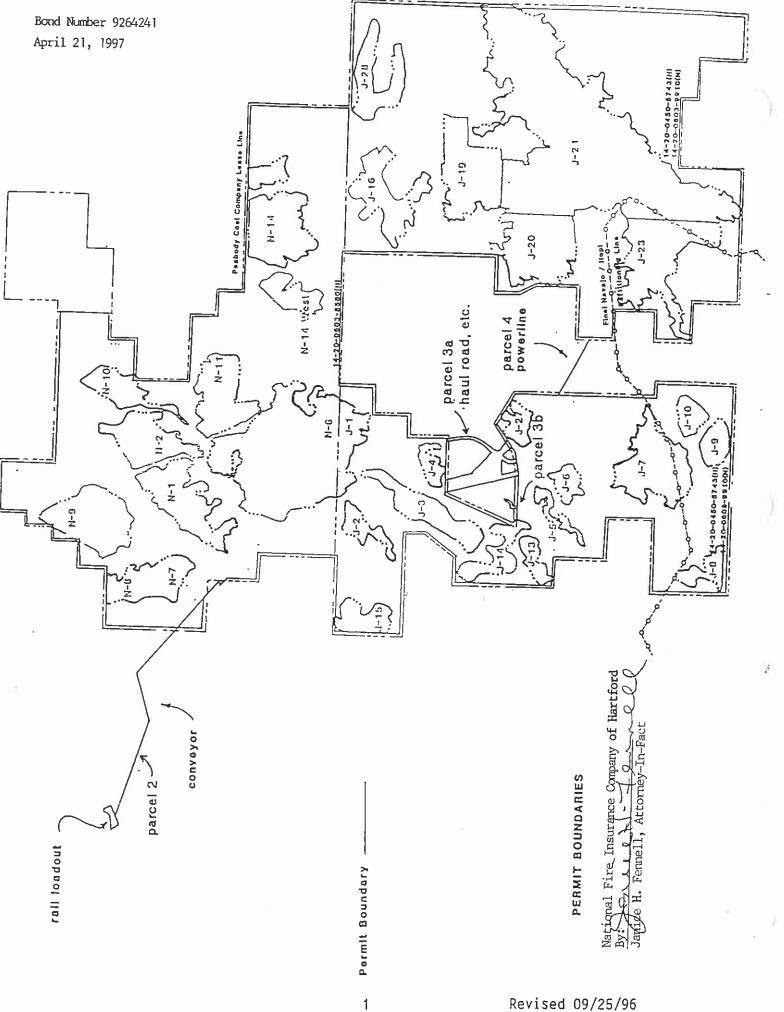
Permit No. AZ-0001D/ AZ-0001

Bond No. 9264241

Bond Number 9264241 April 21, 1997

Description of Life-of-Mine
Permit Area

National Fire Insurance Company of Hartform By: January 100 January In-Fact



April 21, 1997

Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Black Mesa mining complex. The parcels are: (1) a portion of the Navajo Mining Lease Area and Tracts No. 1 and 2 of the Joint Mineral Ownership Lease Areas; (2) a conveyor right-of-way and a portion of a rail loading site; (3) a coal haulage road, utility, pond, maintenance road, and monitoring access road facilities right-of-way; and (4) a powerline right-of-way. The total permit area contains 62,929.74 acres, more or less. Drawing No. 85110, Permit Area Map, shows the permit area described herein.

Parcel No. 1: Mining Leasehold Description

A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo Lease as described below. Parcel No. 1 contains 62,474.2 acres, more or less.

Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); Thence, North 90°0'0" East a distance of 1,206.5 feet to a point;

Thence, North 0°0'0" East a distance of 5,280.0 feet to a point;

Thence, North 90°0'0" East a distance of 10,550.0 feet to a point;

Thence, South 0°0'0" East a distance of 7,920.0 feet to a point;

Thence, North 90°0'0" West a distance of 5,293.0 feet to a point;

Thence, South 0°0'0" West a distance of 2,640.0 feet to a point;

Thence, South 90°0'0" West a distance of 6,476.5 feet to the Point of Beginning. Said excluded portion contains 2,383.8 acres, more or less.

Parcel No. 2: Overland Conveyor Right-of-Way and Rail Loading Site Description

This parcel contains the overland conveyor right-of-way and a portion of the coal loadout facility area described in Attachments 3 and 3a. The total nonoverlapping area contained within the overland conveyor right-of-way and the area designated as the rail loading site is 163.57 acres, more or less. The rail loading site is more particularly described as follows:

National Fire Insurance Company of Hartford

By: Orull 1- - G

Janice H. Fennell, Attorney-In-Fact

April 21, 1997

Beginning at a point which is monumented by brass cap set in sandstone and which bears North 53°38'32" West (geodetic bearing) a distance of 8,277.31 feet from U.S. Coast and Geodetic Survey Triangulation Station which is a brass disk set in concrete and stamped "Coal Mine 1951";

Thence, South 62°11' West along the Southeasterly leaseline of a rail loading site described in the Navajo County Clerk's Dockets 317 and 352 a distance of 1,135.54 feet to the centerline of a conveyor;

Thence, continuing on same bearing of South 62°11' West along the Southeasterly leaseline of a rail loading site a distance of 901.56 feet to a point;

Thence, North 27°49' West a distance of 380.00 feet to a point;

Thence, South 62°11' West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North 27°49' West along said leaseline a distance of 485.00 feet to a point;

Thence, North 62°11' East a distance of 280.00 feet to a point;

Thence, North 86°42'38" East a distance of 1,144.11 feet to a point;

Thence, South 27°49' East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North 22°11' East, whose radius is 770.00 feet and whose central angle is 54°04'17", a distance of 726.67 feet to a point;

Thence, North 62°11' East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South 27°49' East along said leaseline a distance of 800.00 feet to the Point of Beginning.

The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 09 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

National Fire Insurance Company of Hartford

By: Attorney To Foot

Janica H. Fennell, Attorney-In-Fact

April 21, 1997

Thence S 89°59'36" E, 3,197.39 feet to the Point of Beginning of the herein described parcel of land.

Thence S 89°59'36" E, 1,950.87 feet;

Thence S 01°08'15" E, 2,199.99 feet;

Thence N 44°46'52" W, 839.32 feet;

Thence N 06°24'50" E, 403.29 feet;

Thence N 50°16'53" W, 1,882.99 feet to the Point of Beginning.

Being 43.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel B1: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence S 71°00'38" E, 12,366.27 feet;

Thence N 00°45'48" E, 2,378.06 feet to the Point of Beginning of the herein described parcel of land.

Thence N 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

National Fire Insurance Company of Hartford By: Janice H. Fermell, Attorney-In-Fact

Bond Number 9264241

April 21, 1997

Thence S 73°43'13" W, 4,167.54 feet;

Thence S 17°24'00" E, 5.40 feet;

Thence S 71°26'00" W, 918.66 feet;

Thence N 19°36'41" W, 227.35 feet;

Thence N 71°01'58" W, 1,006.37 feet;

Thence N 72°18'32" W, 1,296.59 feet;

Thence N 72°38'11" W, 1,263.68 feet;

Thence S 33°40'49" W, 21.40 feet;

Thence N 74°01'47" W, 172.39 feet;

Thence N 08°47'08" W, 30.44 feet;

Thence N 71°44'38" W, 911.11 feet;

Thence N 02°48'30" W, 109.38 feet;

Thence S 72°26'55" E, 915.42 feet;

Thence N 81°37'19" E, 56.42 feet;

Thence S 72°30'52" E, 137.21 feet;

Thence S 45°45'57" E, 54.64 feet;

Thence S 72°39'06" E, 1,083.60 feet;

Thence N 77°25'42" E, 64.46 feet;

Thence S 69°06'09" E, 76.26 feet;

Thence S 60°08'19" E, 92.71 feet;

Thence S 75°11'56" E, 1,373.56 feet;

Thence S 80°50'06" E, 470.30 feet;

Thence S 71°14'14" E, 571.25 feet;

Thence N 78°55′59″ E, 327.04 feet;

Thence N 88°30'45" E, 611.69 feet;

Thence N 73°39'50" E, 2,028.36 feet;

Thence N 52°41'12" E, 151.80 feet;

Thence S 84°47'43" E, 213.05 feet;

Thence N 73°38'22" E, 696.24 feet;

Thence N 56°06'02" E, 143.09 feet;

Thence N 80°49'03" E, 371.81 feet;

Thence N 56°41'49" E, 801.84 feet;

Thence S 53°41'20" E, 900.38 feet;

Thence 5 23°41'41" E, 486.36 feet;

Thence S 49°52'40" E, 1,306.12 feet;

National Fire Insurance Company of Hartford By Janioe H. Fennell, Attorney-In-Fact

Thence N 30°41'12" E, 110.20 feet;

Thence S 46°53'21" E, 638.47 feet;

Thence S 38°51'20" W, 75.58 feet;

Thence S 51°07'57" E, 1,006.51 feet;

Thence N 86°43'08" E, 154.54 feet;

Thence S 45°58'40" E, 229.13 feet;

Thence S 10°27'03" W, 82.47 feet;

Thence S 50°18'27" E, 1,630.18 feet;

Thence S 00°45'48" W, 552.85 feet to the Point of Beginning.

Being 73.11 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel 82: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;

Thence S 73°01'26" E, 1,321.05 feet;

Thence S 73°37'52" E, 408.71 feet;

Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;

Thence N 79°00'24" W, 249.07 feet;

Thence N 61°28'04" W, 132.28 feet;

Thence N $72^{\circ}46'06''$ W, 2,663.30 feet to the Point of Beginning.

Seing 8.26 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

<u>Parcel B3</u>: The following is a description of a parcel of land situated within Land Management District Nos. 02 & 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly

National Fire Insurance Company of Hartford By: Janice H. Fennell, Attorney-In-Fact

Bond Number 9264241 April 21, 1997

described as follows:

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence N 65°12'05" W, 9,373.74 feet;

Thence N 62°11'06" E, 928.42 feet to the Point of Beginning of the herein described percel of land.

Thence N 62°11'06" E, 229.61 feet;

Thence S 73°12'35" E, 920.88 feet;

Thence N 10°35'09" E, 152.98 feet;

Thence S 60°35'03" E, 194.23 feet;

Thence S 14°53'10" W, 109.71 feet;

Thence S 73°12'39" E, 194.42 feet;

Thence S 63°52'08" E, 286.52 feet;

Thence S 61°41'11" W, 157.09 feet;

Thence N 73°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acre(s), more or less, in area.

The survey for the above-described tract of land was initiated in July of 1994.

Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access Road Facilities Right-of-Way Description

This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained within these right-of-ways is 283.45 acres, more or less. These areas are more particularly described as follows:

Part A: Coal Haulage Road, Utility, Pond, and Maintenance Road Right-of-Way Description.

The following is a description of a right-of-way across a parcel of land within the 1882 Executive Order Joint Use Area situated within Land Management District Nos. 04 and 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

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Revised 09/25/96

Arril 21, 1997

Commence at the U.S. Coast & Geodetic Survey Coal Mine Triangulation Station, a found 1951 USGS Survey Brass Cap;

Thence run S 47°40'55" E, 24,700.68 feet;

Thence run N 89°57'28" E, 5,282.67 feet;

Thence S 15°36'11" E, 18,501.35 feet to the Point of Beginning of the herein described

parcel of land;

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 61°36'55" W, 1,758.19 feet;

Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

This tract contains 278.91 acres, more or less, in area.

The Survey for the above described tract of land was initiated in July of 1994.

National Fire Insurance Company of Hartford

James H. Fennell, Attorney-In-Fact

Part B: Water Well Monitoring Road Right-of-Way Description

Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and

bounds as follows:

From the point described in the eighth course of that certain legal description of Tract No. 1 of the Peabody Western Coal Company lease, recorded in Docket 259, Page 406, Navajo County Records, said point being defined by Peabody Western Coal Company as Lease Corner #8, as labeled hereon.

Thence S 89°59'39" E, along said Tract No. 1 lease boundary recorded in said Docket 258, Page 406, a distance of 1,559.08 feet to the True Point of Beginning of this description, monumented with a brass cap in concrete (BC):

Thence N 32°00'23" E, a distance of 98.12 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.68 feet along a curve to the left,

having a radius of 268.66 feet and a central angle of 31°42'29";

Thence N 00°17′54″ E, a distance of 173.19 feet to the beginning of a curve;

Thence Northerly, Northeasterly and Easterly a distance of 272.06 feet along a curve to the right, having a radius of 154.55 feet and a central angle of 100°51'49";

Thence S 78°50'17" E, a distance of 92.91 feet to the beginning of a curve;

Thence Easterly a distance of 96.51 feet along a curve to the left, having a radius of

405.74 feet and a central angle of 13°37'44";

Thence N 87°31'58" E, a distance of 49.65 feet to the beginning of a curve;

Thence Easterly and Mortheasterly a distance of 363.55 feet along a curve to the left,

having a radius of 457.75 feet and a central angle of 45°30'16";

Thence N 42°01'41" E, a distance of 56.13 feet to the beginning of a curve;

Thence Northeasterly and Northerly a distance of 148.13 feet along a curve to the left,

having a radius of 221.49 feet and a central angle of 38°19'04";

Thence N $03^{\circ}42'37''$ E, a distance of 285.71 feet to a point of cusp on a curve concave to the East, having a radius of 800.00 feet and a central angle of 1°14'29" and being

subtended by a chord which bears S 20°44'05" E 17.33 feet;

Thence Southerly along said curve a distance of 17.33 feet;

Thence S 21°21'19" E, a distance of 200.94 feet to the beginning of a curve;

Thence Southerly a distance of 75.81 feet along a curve to the right, having a radius of 600.00 feet and a central angle of $7^{\circ}14'21''$

Thence S 03°42'37" W, a distance of 17.40 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 228.38 feet along a curve to the right,

having a radius of 341.49 feet and a central angle of 38°19'04";

Thence S 42°01'41" W, a distance of S6.13 feet to the beginning of a curve;

Thence Southwesterly and Westerly a distance of 458.85 feet along a curve to the right,

having a radius of 577.75 feet and a central angle of 45°30'17";

Thence S 87°31′58" W, a distance of 49.65 feet to the beginning of 2 curve;

Thence Westerly a distance of 125.06 feet along a curve to the right, having a radius of 525.74 feet and a central angle of 13°37'44";

Thence N 78°50'17" W, a distance of 92.91 feet to the beginning of a curve;

Thence Westerly, Southwesterly and Southerly a distance of 60.81 feet along a curve to the left, having a radius of 34.55 feet and a central angle of 100°51′49″;

Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right,

having a radius of 388.66 feet and a central angle of 31°42′29";

Thence S 32°00′23″ W, a distance of 23.13 feet to the above described Peabody lease line; Thence N 89°59′39″ W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

The above described parcel contains 4.5379 acres of land, more or less.

By: Some a North Tree Insurance Company of Hartford By: Some a North Tange H. Fennell, Attorney-In-Fact

Parcel No. 4: Powerline Right-of-Way Description

This parcel is described in Attachment 4 and contains 8.52 acres, more or less.

National Fire Insurance Company of Hartford By: January Tempell, Attorney-In-Fact

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Bond Number 9264241

April 21, 1997

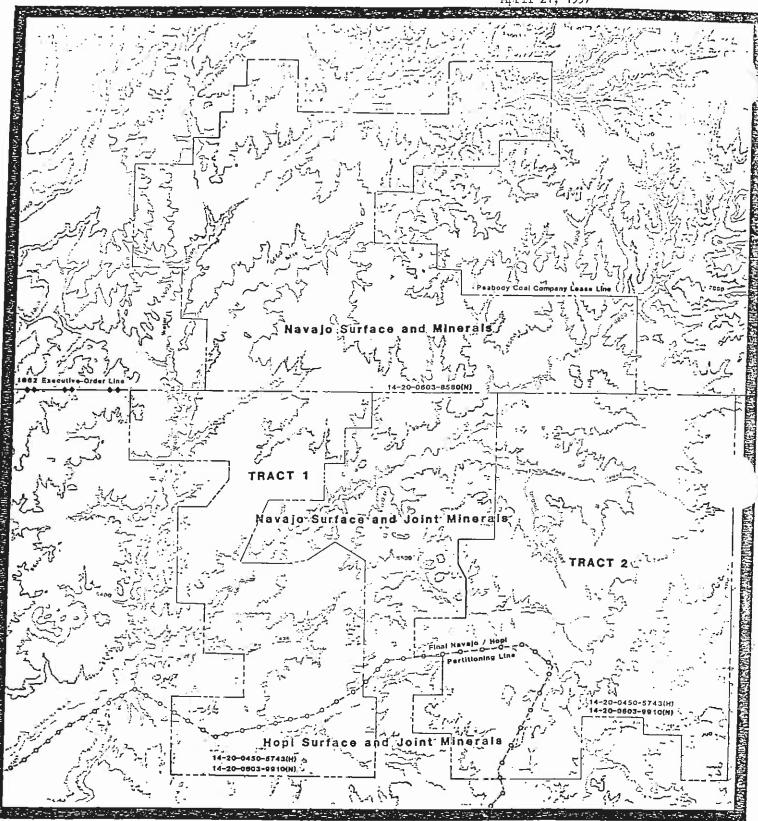
ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

National Fire Insurance Company of Hartford

By: Jewell H. Fermell, Attorney-In-Fact

April 21, 1997



BLACK MESA LEASES PEABODY COAL COMPANY National Fire Insurance
Company of Hartford

By Court - Towns C.(
Jamice H. Fennell,
Attorney-In-Fact

Deginning at a point 6,400.0 ft. North and 11,855.0 ft. East of the Coal Mine Triangulation station (Lat. 36 32' 44,597" N Long. 110 29' 35.691" W) thence East 5985.0 ft., thence North 2640.0 ft., thence East 2640.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence North 2640.0 ft., thence East 1320.0 ft., thence East 5280.0 ft., thence East 1320.0 ft., thence East 15,840.0 ft., thence North 5280.0 ft., thence East 10,550.0 ft., thence East 15,840.0 ft., Thence West 5280.0 ft., thence South 2640.0 ft., thence South 7920.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence South 5280.0 ft., thence South 2640.0 ft., thence East 6,600.0 ft., thence South 2640.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence East 2575.0 ft., thence South 2640.0 ft., thence East 18,415.0 ft., thence South 9985.0 ft., thence West 44,750.0 ft., thence North 7340.0 ft., thence West 2640.0 ft., thence North 5280.0 ft., thence West 5150.0 ft., thence West 2640.0 ft., to the point of Deginning and containing 24,858 acres more or less, all in Navajo County, Arizona.

The above description contains the following sections and partial sections:

T37N R18E:

Sections 28 all, 33 all, 34 all, 35 all, 36 all, S 1/2 32, NE 1/4 32, E 1/2 of SE 1/4 29.

136N R18E:

All of sections 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 21, 22, 23, 24, NW 1/4 1, N 1/2 and SW 1/4 and W 1/2 of SE 1/4 2, NW 1/4 and W 1/2 of NE 1/4 and S 1/2 11, S 1/2 12, E 1/2 20, N 2063.0 ft. of NE 1/4 29, N 2063.0 ft. 28, N 2063.0 ft. 27, N 2063.0 ft. 26, N 2063.0 ft. 25.

T36N R19E:

Sec 19 all, 20 all, 21 all, 22 all, S 1/2 15, S 1/2 16, S 1/2 17, S 1/2 and NW 1/4 18, N 2063.0 ft. of 27, N 2063.0 ft. of 28, N 2063.0 ft. 29, N 2063.0 ft. 30.

T37N R19E:

Sec. 29, 30, 31 all, N 1/2 32.

Lease Number 14-20-0603-8580

National Fire Insurance Company of Hartford
By: Janice H. Fennell, Attorney-In-Fact

TRACT NO. 1

Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36030' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.641; thence south 3,719.18'; thence west 2,770.00'; thence south 3,650.00'; thence west 2,096.31'; thence south 3,902.08'; thence west 5,803.43'; thence South 24°17' west 7,198.18'; thence east 5,143.65'; thence north 79°27' east 2,013.07'; thence north 56°49' east 3,461.95'; thence south 59°47' east 3,795.59'; thence south 14,220.00'; thence east 1,470.06'; thence south 8,477.66'; thence west 21,351.27'; thence north 8,247.66'; thence east 7,361.27'; thence north 4,560.00'; thence west 4,210.00'; thence north 5,170.00'; thence west 2,920.00'; thence north 10,110.00'; thence east 2,930.00'; thence north 37049' east, 3,585.99'; thence north 1,889.40'; thence west 10,381.60'; thence north 7,369.18'; thence east 9,137.36' to the point of beginning, containing in all 15,595.81 acres, more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the following sections as shown on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

Lease Numbers
14-20-0450-5743
14-20-0603-9910

National Fire Insurance Company of Hartford

By: 1- 1- 1- 1

Janice H. Fennell, Attorney-In-Fact

TRACT NO. 2

Beginning at a point, said point being 29,092.64' east of Mile Post 23.5, being the same mile post as described in Tract No. 1, and on the 36°30' north parallel of latitude; thence east along said parallel 24,769.40'; thence south 40,176.84'; thence west 4,769.40'; thence north 4,807.66'; thence west 4,000.00'; thence north 1,754.65'; thence west 6,448.91'; thence south 6,562.31'; thence west 13,551.09'; thence north 4,807.66'; thence west 4,000.00'; thence north 4,000.00'; thence east 3,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 2,350.00'; thence east 4,000.00'; thence north 15,369.18' to the point of beginning, containing in all 24,404.19 acres more or less, and all being located in Navajo County, Arizona.

The above description contains all or a part of the Following sections on the "Arizona Protraction Diagram No. 35, Bureau of Land Management Area 2, Cadastral Engineering" map dated February 11, 1960:

```
T. 36 N., R. 19 E.
25, 26, 27, 28, 29, 32, 33, 34, 35, 36
```

National Fire Insurance Company of Hartford By: Janice H. Fennell, Attorney-In-Fact

National Fire Insurance Company of Hartford



For All the Commitments You Make'

Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the existing under the laws of the State of Connections.	he NATIONAL FIRE INSU ecticut, and having its ge	JRANCE COMPANY (neral administrative (F HARTFORD, a cor office in the City of C	poration duly organized and hicago, and State of Illinois.
does hereby make, constitute and appoint_	<u>Frank A. Word,</u>	Jr., Richard (<u> 3. Anderson, R</u>	lichard C. Rose.
Janice H. Fennell, Tracy				e
Douglas L. Ball, Individu	ally of Daniels,	West Virginia	3	
of				
its true and lawful Attorney-in-Fact with full p	ower and authority hereb	y conferred to sign, s	eal and execute i n its	behalf bonds, undertakings
and other obligatory instruments of similar	nature			
	- In Unlimited	d Amounts -		
and to bind the NATIONAL FIRE INSURANC were signed by the duly authorized officers of pursuant to the authority hereby given are h	of NATIONAL FIRE INSU	RANCE COMPANY C	and to the same ex F HARTFORD and a	tent as if such instruments If the acts of said Attorney,
This Power of Attorney is made and exe 1993 by the Board of Directors of the Compa	cuted pursuant to and by any.	y authority of the foll	owing Resolution du	ly adopted on February 17,
RESOLVED: That the Chairman of the Boation may, from time to time, appoint, by writte of insurance, bonds, undertakings and other coin their respective certificates of authority, should not be attach the seal of the Corporation the Board of Directors may at any time re	en certificates, Attorneys- obligatory instruments of hall have full power to bind on thereto. The Presiden	in-Fact to act in beha like nature. Such Att d the Corporation by t nt. an Executive Vice	If of the Corporation orney-in-Fact, subjec their signature and ex President, any Senic	in the execution of policies to the limitations set forth secution of any such instru- or or Group Vice President
This Power of Attorney is signed and sea of Directors of the Company at a meeting du	lled by facsimile under ar uly called and held on th	nd by the authority of ie 17th day of Februa	the following Resolutry, 1993.	ution adopted by the Board
RESOLVED: That the signature of the Properties of the Properties of the Corporation may be affixed by facsimile or on February 17, 1993, and the signature of a Second certificate of any such power, and any on the Corporation. Any such power so executed or undertaking to which it is attached, In Witness Whereof, the NATIONAL FIRE	n any power of attorney gecretary or an Assistant S y power or certificate be- ited and sealed and certificate to continue to be valid and INSURANCE COMPANY	ranted pursuant to the Secretary and the sea aring such facsimile fied by certificate so I binding on the Corp OF HARTFORD has	e Resolution adopted I of the Corporation resignatures and seal executed and sealed poration.	d by this Board of Directors may be affixed by facsimile shall be valid and binding , shall, with respect to any
ice President and its corporate seal to be h	ereto affixed this		December	, 19 <u>94</u>
	INSURAL	NATIONAL FIRE	NSURANZE COMPA	NY OF HARTFORD
	Lift The Control of t			
			M.C. Vonnahme	Group Vice President.
,			Wisher volitionine	droup vice riesident.
State of Illinois, County of Cook, ss:	MARTFORM	22	•	
On this 6th day of	December		ړ ۹۸	
On this day of ame M.C. Vonnahme, to me known, who, be linois; that he is a Group Vice President of t nd which executed the above instrument; tha orporate seal; that it was so affixed pursuant hereto pursuant to like authority, and acknow	ing by me duly swom, di the NATIONAL FIRE INS at he knows the seal of s to authority given by the	BUHANCE COMPANY aid Corporation; that Board of Directors o	the seal affixed to the said corporation an	e corporation described in the said instrument is such
· ×	NOTARY OF CO., IN.	Lin My Comm	da C. Dempsey Lission Expire	Notary Public. s October 19, 1298
	CERTIFIC	CATE		\ \ \
John M. Littler, Assistant Secretary of the N Attorney herein above set forth is still in force Attorney are still in force. In testimony where I day of April	NATIONAL FIRE INSURA ce, and further certify tha ereof I have hereunto su	NCE COMPANY OF	the Board of Director	s, set forth in said Power
	THE WISHING COUNTY	Joh	M. Littler	Assistant Secretary.

INV. NO.G-56624-D

6-23142-C

CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994

RESOLVED, That the President or any Vice President, or any Vice President of the Company,

is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the

Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any

application, form, document, or instrument of any type or character whatsoever on behalf of the

Company in order to carry on the ordinary business of the Company which is not the subject of a

specific resolution of the Board of Directors of the Company, or in accordance with the specific terms

of a resolution of the Board of Directors of the Company regarding a particular subject as limited by

any such resolution; and

RESOLVED, FURTHER, That any person dealing with the Company may rely on a

Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the

Company certifying that such person occupies the office indicated in such certificate as of the date of

such certificate, and accordingly possesses authority to execute the papers on behalf of the Company as

described in this resolution.

I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of

Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution

has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.

G. I. Crawford

Secretary

[Seal]

CERTIFICATE OF INCUMBENCY Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

W. H. Carson

President

G. L. Melvin

Vice President

G. I. Crawford

Secretary

C. W. Tilly

Treasurer & Assistant Secretary

M. T. Lewis

Assistant Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company, this 21st day of April, 1997.

G. I. Crawford

Secretary

[SEAL]

United States Department of the Interior OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT WESTERN REGIONAL COORDINATING CENTER

SURETY BOND

Bond No., 821548.65

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

DE LEONY TIROPERNI COLL COLENIARI

PEABODY WESTE	KN COAL COMPANY			4
	(Name of Corporation - Po	ermittee)		
P.O. Box 650, High	way 160 North Kayenta	Arizona USA	86033	1
(Street Address)	(City)	(State)	(ZIP)	
as Principal and Fede	d and existing under the la		<u>AWARE</u> ,	
	(Name and Address of Sur	rety Company)		
Federal Insurance Con	npany organized and existi	ng under the laws of the	State of IN	DIANA , and
	in the State of ARIZONA			
United States Departm	ent of the Interior, Office of	of Surface Mining Reclar	mation and	Enforcement
(OSM) in the sum of 1	PERFERNI MOLLI TONI DO	AT A DC A NID NIO /100	DOLL AD	e C

United States Department of the Interior, Office of Surface Mining Reclamation and Enforcemen (OSM) in the sum of FIFTEEN MILLION DOLLARS AND NO /100 DOLLARS (\$15,000,000.00), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the above named Principal has submitted Permit Application No. <u>AZ-0001D</u>, including a mining and reclamation plan, to conduct and reclaim a surface coal mining operation, as defined pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. §1201 et seq., (the Act) and its attendant regulations; and

Whereas, the Principal has chosen to file this performance bond as a guarantee that the reclamation of the land disturbed during this surface mining operation will be completed as required by the Act and 30 CFR Chapter VII, and as specified in the Permit as issued;

Whereas, the Surety, and their successors and assigns agree to guarantee the obligation and to indemnify, defend, and hold harmless the United States Office of Surface Mining Reclamation and Enforcement (OSM) from any and all losses and expenses which OSM may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas obligations guaranteed by this performance bond shall be in effect for the following described lands approved as the permit area or increment upon which initial or succeeding operations will be conducted: T35N, R18E: Secs. 3-11, 13-18, and 20-36; T35N, R19E: Secs. 1-5 and 7-36; T36N, R17E: Secs. 1-4, 11, and 12; T36N, R18E: Secs. 1-18 and 20-35; T36N, R19E: Secs. 15-22. 25-30, and 32-36; T37N, R18E: Secs. 28, 29, and 32-36;

Permit No. AZ-0001D

Bond No. . 82154865

Now, if the Principal faithfully completes all reclamation and abatement requirements set forth in the Act, in 30 CFR Chapter VII, and in its Permit, including the mining and reclamation plans, then this obligation shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of Permit No. AZ-0001D and extending until all reclamation, restoration, and abatement work pursuant to the Act, 30 CFR Chapter VII, and the permit has been completed to the satisfaction of OSM; and
- (b) until the bond is released pursuant to 30 CFR §800.40, replaced in accordance with 30 CFR §800.30, or until the permit has been sold, reassigned or otherwise transferred in accordance with 30 CFR §774.17; and
- (c) for a minimum period of <u>FIVE</u> years, notwithstanding the requirements of sub-paragraphs (a) and (b) above, it being further understood that if the Principal performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this bond shall begin again subject to the exception found in 30 CFR §816.116(c)(4) or 30 CFR §817.116(c)(4).

The failure of the Principal to fulfill the obligations specified by the Act, 30 CFR Chapter VII, and its permit, shall result in a forfeiture of this performance bond according to the procedures described in 30 CFR §800.50.

The Surety shall not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability. The amount of the Surety's liability may be adjusted by OSM pursuant to 30 CFR §800.15 for lands covered by this bond which have not been disturbed by the Principal, upon application by the Principal pursuant to 30 CFR §774.13 for revision of the Permit to delete such acreage, and approval by OSM of such revision.

The Surety will give prompt notice to the Principal and to OSM of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

In the event the Surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the Principal and to OSM.

Upon the incapacity of the Surety by reason of bankruptcy, liquidation, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of 30 CFR §800.11 and shall be subject to the requirements described in 30 CFR §800.16(c)(2).

IN WITNESS WHEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

	PRINCIPAL
Date	Peabody Western Coal Company
	(Corporation/Permittee)
Affix Seal	Ву:
	By:Corporate Official ¹
	Title:Attorney-in-Fact ¹
	Attorney-in-Fact ¹
ACKNOWLEDG	EMENT OF CORPORATE PERMITTEE
On this Day of	, 20, before me, a Notary Public in, appeared
and for the County of	, in the State of, appeared lly known to me to be the person whose name is subscribed to
the forgoing instrument and who, be for the purposes therein contained.	ing by me duly swom, did say that he/she executed the same have hereunto set my hand and official seal on the day,
month, and year aforesaid.	have hereome set my hand and official sea on the day,
My Commission Expires:	
	(Notary Public in aforesaid County and State)
	SURETY
Date: December 19, 2008	
	(Corporate Surety)
(Affix Seal)	B(: X 1 100)
	Title: Leon F. Hill (Altorney-in-fact ¹)
	Attorney or Corporate Resolution for a Surety, or corporate of Attorney or Corporate Resolution must be filed with this bond.
NOTE: If applicable, include the nar Surety Company.	ne, address, and phone number of the Agent representing the
Permit No. AZ-0001D	3 Roud No. 82154865

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of December		8_, before me, a	
in and for the County of Denver			
Leon F. Hill to me personally that he/whoris Attorney-in-Fact, Federal	known, who bej	ng by nie duly si	worn, did say
that he/shexis Attorney-in-Fact, Federal	Insurance C	_, the corporate	surety named
in and which executed the within instrument, and t	that the seal affix	ed to said instrur	nent is the
corporate seal of said corporation, and that said ins			
behalf of said corporation by authority of its Board	l of Directors, and	d he/she, as such	officer,
acknowledged said instrument to be the free act an	d deed of said co	rporation for the	uses and
purposes of said instrument as therein set forth.			

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on

month, and year aforesaid.

My Commission Expires: _12/20/2011

(Notary Public in aforesayd County and State)

Paperwork Reduction Act Notice

We use the information required by this form to ensure that the requirements for a surety bond under 30 CFR \$800.20 have been met. You must provide the requested information to obtain a benefit (a surety bond). Under his or fixpines 12/20/2011 842.16, the information collected is a matter of public record.

The time needed to complete this form and related forms and submit the requested information to obtain a surety bond will vary depending on individual circumstances. We estimate that the average time will be 4 hours per response. This number includes the time spent reviewing instructions, learning about the regulations, gathering and maintaining information, and completing and reviewing the forms. If you have comments concerning the accuracy of this estimate or suggestions for simplifying the forms or instructions, you may write to the Information Collection Clearance Officer, Office of Surface Mining Reclamation and Enforcement, Room 202 SIB, 1951 Constitution Ave, NW, Washington, D.C. 20240.

Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), you are not required to respond to, nor will you be subject to a penalty for a failure to comply with, a collection of information unless it displays a currently valid OMB control number.

OMB Control No. 1029-0043, expires 1/31/2009



Chubb Surety POWER
OF
ATTORNEY

Federal Insurance Company Vigilant Insurance Company Pacific Indemnity Company Attn: Surety Department 15 Mountain View Road Warren, NJ 07059

each as their true and lawful Attorney- In- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than ball bonds) given or executed in the course of business, and any instruments amending or altering the same, and consente to the modification or alteration of any instrument referred to in said bonds or obligations.

In Wilness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested

these presents and affixed their corporate seals on this 11th day of September, 2008.

Kennelh C. Wendel, Assistani Secretary

STATE OF NEW JERSEY

County of Somerset

59,

James E. Allman, Vice President

On this 11th day of September, 2008 before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By- Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with James E. Altman, and knows him to be Vice President of said Companies; and that the

signature of James E. Aliman, subscribed to said Power of Attomey is in the genuine handwriting of James E. Aliman, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seel



KATHERINE KALBACHER NOTARY PUBLIC OF NEW JERSEY No. 2316685 Commission Expires July 8, 2009

Notary Public

CERTIFICATION

Extract from the By- Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY;

"All powers of altomay for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys. In-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and early such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

(I) the foregoing extract of the By- Laws of the Companies is true and correct,

(ii) the Companies are duly licensed and authorized to transact surely business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasary Department; further, Federal and Vigilant are licensed in Puerto Pico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guarn, and each of the Provinces of Canada except Prince Edward Island; and

(III) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 19th day of December, 2008







To Columbia Konnoih C. Wendel, Assisiant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903-3493 Fax (908) 903-3656

e-mail: surety@chubb.com

CERTIFICATION

Based upon my inquiry of those individuals immediately responsible for obtaining and preparing the information contained in this 2010 5-year permit renewal application package for Kayenta Mine, I certify per 30 CFR 777.11(c) that such information is true and correct to the best of my information and belief.

As an authorized representative of Peabody Western Coal Company, first being duly sworn, I hereby certify that per 30 CFR 778.9(a), (b), and (d) the AVS information, regarding ownership and control and notice of violation information is accurate, complete, and up-to-date.

Pursuant to 30 CFR 778.11(d), I certify, swear, or affirm under penalty of the Act (Public Law 95-87) that I am the natural person with the greatest level of effective control over the entire proposed operation. I am aware that, as the person with the greatest level of effective control over this proposed operation, I am obligated by the Act to prevent violations and to cause any violation that occurs to be abated promptly. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Bradley G. Brown

President

Peabody Western Coal Company

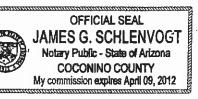
State of Arizona)
) ss.
Coconino County

The foregoing instrument was acknowledged before me this 18 day of 100, by Bradley G. Brown, President of Peabody Western Coal Company, a Delaware Corporation, on behalf of the corporation.

Notary Public

My Commission Expires:

April 9, 2012



J. Johlann

United States Department of the Interior OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT WESTERN REGIONAL COORDINATING CENTER

SURETY BOND

Bond No., 105191031

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

TEADODI WESTERN COAL CO	IVIPANY			•
(Name of Corpo	oration - Permittee)			
P.O. Box 650, Highway 160 North	Kayenta	Arizona USA	86033	. 1
(Street Address) (City)		(State)	(ZIP)	
a corporation organized and existing u as Principal and <u>Travelers Casualty</u>				

(Name and Address of Surety Company)

DEADODY WESTERNICOAL COMPANY

Travelers Casualty and Surety Company of America organized and existing under the laws of the State of <u>CONNECTICUT</u>, and licensed to do business in the State of <u>ARIZONA</u>, as Surety, are held and firmly bound unto the United States Department of the Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the sum of <u>TWENTY EIGHT MILLION DOLLARS AND NO /100 DOLLARS</u> (\$28,000,000.00), for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the above named Principal has submitted Permit Application No. <u>AZ-0001D</u>, including a mining and reclamation plan, to conduct and reclaim a surface coal mining operation, as defined pursuant to the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. §1201 et seq., (the Act) and its attendant regulations; and

Whereas, the Principal has chosen to file this performance bond as a guarantee that the reclamation of the land disturbed during this surface mining operation will be completed as required by the Act and 30 CFR Chapter VII, and as specified in the Permit as issued;

Whereas, the Surety, and their successors and assigns agree to guarantee the obligation and to indemnify, defend, and hold harmless the United States Office of Surface Mining Reclamation and Enforcement (OSM) from any and all losses and expenses which OSM may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas obligations guaranteed by this performance bond shall be in effect for the following described lands approved as the permit area or increment upon which initial or succeeding operations will be conducted: T35N, R18E: Secs. 3-11, 13-18, and 20-36; T35N, R19E: Secs. 1-5 and 7-36; T36N, R17E: Secs. 1-4, 11, and 12; T36N, R18E: Secs. 1-18 and 20-35; T36N, R19E: Secs. 15-22, 25-30, and 32-36; T37N, R18E: Secs. 28, 29, and 32-36;

Permit No. AZ-0001D

Bond No. . 105191031

Now, if the Principal faithfully completes all reclamation and abatement requirements set forth in the Act, in 30 CFR Chapter VII, and in its Permit, including the mining and reclamation plans, then this obligation shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of Permit No.<u>AZ-0001D</u> and extending until all reclamation, restoration, and abatement work pursuant to the Act, 30 CFR Chapter VII, and the permit has been completed to the satisfaction of OSM; and
- (b) until the bond is released pursuant to 30 CFR §800.40, replaced in accordance with 30 CFR §800.30, or until the permit has been sold, reassigned or otherwise transferred in accordance with 30 CFR §774.17; and
- (c) for a minimum period of <u>FIVE</u> years, notwithstanding the requirements of sub-paragraphs (a) and (b) above, it being further understood that if the Principal performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this bond shall begin again subject to the exception found in 30 CFR §816.116(c)(4) or 30 CFR §817.116(c)(4).

The failure of the Principal to fulfill the obligations specified by the Act, 30 CFR Chapter VII, and its permit, shall result in a forfeiture of this performance bond according to the procedures described in 30 CFR §800.50.

The Surety shall not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability. The amount of the Surety's liability may be adjusted by OSM pursuant to 30 CFR §800.15 for lands covered by this bond which have not been disturbed by the Principal, upon application by the Principal pursuant to 30 CFR §774.13 for revision of the Permit to delete such acreage, and approval by OSM of such revision.

The Surety will give prompt notice to the Principal and to OSM of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

In the event the Surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the Principal and to OSM.

Upon the incapacity of the Surety by reason of bankruptcy, liquidation, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage in violation of 30 CFR §800.11 and shall be subject to the requirements described in 30 CFR §800.16(e)(2).

IN WITNESS WHEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

	PRINCIPAL
Date <u>December 19, 2008</u>	Peabody Western Coal Company (Corporation/Permittee)
Affix Seal	By:Corporate Official ¹
	Title:Attorney-in-Fact
ACKNOWLEDG	EMENT OF CORPORATE PERMITTEE
the forgoing instrument and who, be for the purposes therein contained.	, 20, before me, a Notary Public in, in the State of, appeared ally known to me to be the person whose name is subscribed to sing by me duly sworn, did say that he/she executed the same have hereunto set my hand and official seal on the day,
Date: December 19, 2008	(Notary Public in aforesaid County and State) SURETY Travelers Casualty and Surety Company of America (Corporate Surety)
(Affix Seal)	Title: Leon F. Hill (Attorney-in-fact)

¹Where one signs by virtue of Power of Attorney or Corporate Resolution for a Surety, or corporate Principal, a certified copy of the Power of Attorney or Corporate Resolution must be filed with this bond.

NOTE: If applicable, include the name, address, and phone number of the Agent representing the Surety Company.

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of D	ecember	,20_08	$\frac{3}{2}$, before me, a	Notary Public
in and for the County of Denve	:T	_, in the State of	Colorado	, appeared
Leon F. Hill	to me personall	y known, who bei	ng by me duly s	wom, did say
Leon F. Hill that he/shris Attorney-In-F	actTraveler _of,Company	s Casualty a of America	ind Surety , the corporat	e surety named
in and which executed the within	instrument, and	that the seal affix	ed to said instru	ment is the
corporate seal of said corporation	i, and that said in	istrument was sigr	red, scaled and	delivered in
behalf of said corporation by auth	ority of its Boar	d of Directors, an	d he/she, as suc	h officer,
acknowledged said instrument to	be the free act a	nd deed of said co	rporation for th	e uses and
purposes of said instrument as the	erein set forth.			

IN WITNESS WHEREOF, I have hereunto set my hand and official sea

month, and year aforesaid.

My Commission Expires: 12/20/2011

(Notary Public in procesaid County and State)

Paperwork Reduction Act Notice

We use the information required by this form to ensure that the requirements for a surety bond under 30 CFR 800.20 have been met. You must provide the requested information to obtain a benefit (a surety bond). Under 35 Vices 12/20/2011 842.16, the information collected is a matter of public record.

The time needed to complete this form and related forms and submit the requested information to obtain a surety bond will vary depending on individual circumstances. We estimate that the average time will be 4 hours per response. This number includes the time spent reviewing instructions, learning about the regulations, gathering and maintaining information, and completing and reviewing the forms. If you have comments concerning the accuracy of this estimate or suggestions for simplifying the forms or instructions, you may write to the Information Collection Clearance Officer, Office of Surface Mining Reclamation and Enforcement, Room 202 SIB, 1951 Constitution Ave, NW, Washington, D.C. 20240.

Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), you are not required to respond to, nor will you be subject to a penalty for a failure to comply with, a collection of information unless it displays a currently valid OMB control number.

OMB Control No. 1029-0043, expires 1/31/2009



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Scaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No.

220546

Certificate No. 002682048

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of lowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Leon F. Hill, Jane L. Smith, Jennifer L. Sperlak, Scott Rons, and Ryan Blegen

							.•	
	of the City of Denver		State of	Colorado		thuis te	no mul landful Are	omeu(n) in Foot
	each in their separate capacity if	f more than one is named above	e, to sign, execute	seal and acknowl	edge any and all	bonds, recognizar	ue and rawrut Att nees, conditional t	orney(s)-in-raci, indertakings and
	other writings obligatory in the	nature thereof on behalf of il	ic Companies in the	icir business of gi	mranteeing the fi	idelity of persons.	guaranteeing the	performance of
	contracts and executing or guara	inteeing bonds and undertakin	gs required or pen	nitted in any actio	ns or proceedings	s allowed by law.		
			150	1111	7 -71			
	(4	A Same I	18 13			
ì	IN WITNESS WHEREOF, the	Communies have caused this	instrument to be si	and their con	ga '-'	n harata affiyad ti	30	lh
1	IN WITNESS WHEREOF, the October	2008	madametra to oc a	Suca and tricin con	Sociate acuts to or	e nereto artixed, d	113	
		· · · · · · · · · · · · · · · · · · ·	,	11				
		Farmington Casualty Con	npany		St. Paul G	uardian Insuranc	e Company	
		Fidelity and Guaranty In			St. Paul M	ercury Insurance	e Company	
		Fidelity and Guaranty In		Iters, Inc.		Casualty and Sur		
		Seaboard Surety Compan St. Paul Fire and Marine		inv		Casualty and Sur tes Fidelity and (
			anonia de de la compre	,	Cinted Ota	tes Fractity and t	suaranty Compa	iny .
	1977	PROPORTIES 1927		SEAL)	SEAL S	HARTFORD, TO CONH	HARTPORD S	TOPS OF ANY
	State of Connecticut City of Hartford ss.			Ву: .	Georg	Thompson, Sci	nor Vice President	- THE SALL
	On this the 30th could be the Senior Vice President of Seaboard Surety Company, St. P. Casualty and Surety Company, T. authorized so to do, executed the formula of the search of the se	aul Fire and Marine Insuranc ravelets Casualty and Surety	ce Company, St. P Company of Ame	aul Guardian Insu rica, and United S	rance Company, States Fidelity an	denty and Guarai , St. Paul Mercur d Guaranty Comr	y Insurance One y Insurance Com pany, and that he.	pany, Travelers
	In Witness Whereof, I hercunto s My Commission expires the 30th		SEC. TETRES		Y	Navie C. T	C. Jeto	eault

58440-5-07 Printed in U.S.A.

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Scaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, and Vi President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointed such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTITER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary: or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardina Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 19th day of December

Kori M. Johansula Assistant Secretary













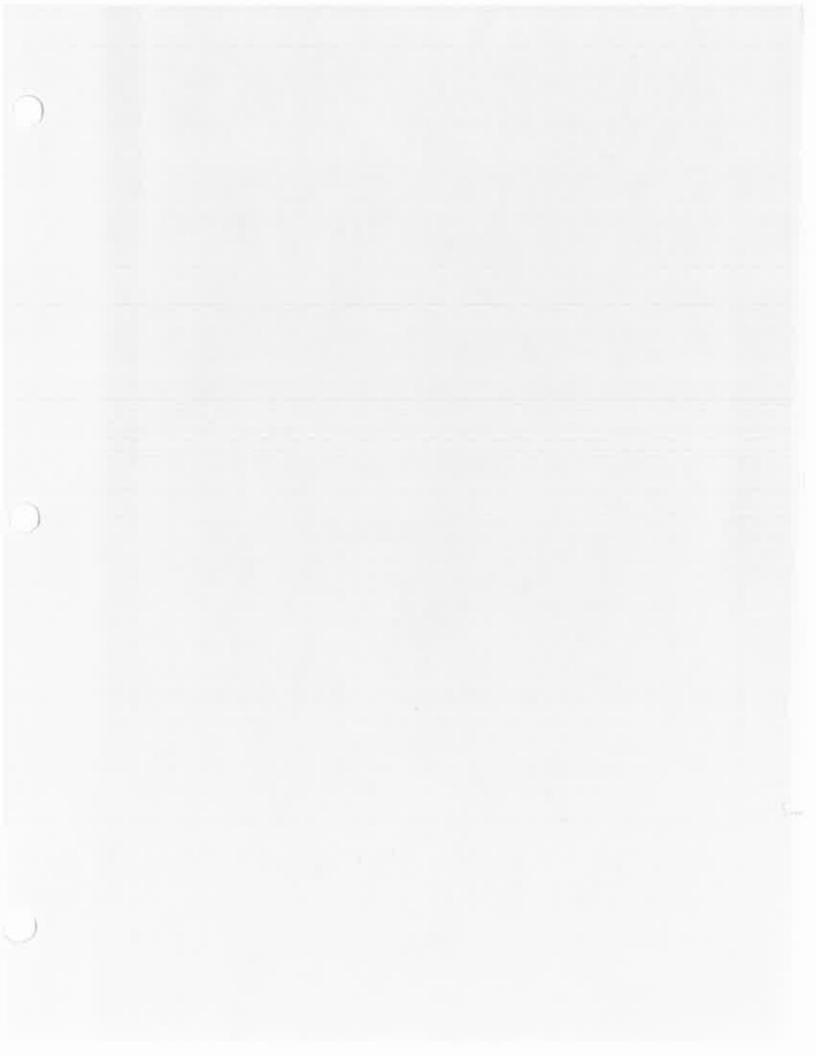








To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.



ATTACHMENT 11

PROOF OF PUBLICATION

ATTACHMENT 11

The following affidavits of publication are included in this attachment:

Permit Transfer - 1994

Navajo Times

Permit Renewal - 1995

Navajo-Hopi Observer Navajo Times Arizona Daily Sun Lake Powell Chronicle The Independent

Permit Renewal - 2000

Navajo-Hopi Observer Navajo Times Hopi Tutuveni

N-11 Extension (N-99) Significant Permit Revision - 2004

Navajo-Hopi Observer Navajo Times Hopi Tutuveni

Permit Renewal - 2005

Navajo-Hopi Observer Navajo Times Hopi Tutuveni

Permit Renewal - 2010

Navajo-Hopi Observer Navajo Times



112 special announcements

PUBLIC NOTICE

Pursuant to Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed applications with the Office of Surface Mining Reclamation and Enforcement, Western Support Center (OSM, WSC) for renewal of Permit AZ-0001C covering mining operations at Kayenta Mine, Navajo County, Arizona. The renewal application consists of current ownership and control information, revised mine plan sequence, jurisdictional permit and affected lands map, updated topsoil resources inventory, updated facilities information, and revised bond cost estimate. No new permit area is proposed beyond that which is currently approved. This notice is hereby given that:

1. The name and business address of the applicant is:

Peabody Western Coal Company 1300 South Yale

Flagstaff, Arizona 86001

2. The Kayenta Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 34 to 38 North, Ranges 17 to 20 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5 minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001C permit area is located within the following lands of Navajo County, Arizona which are described relative to the Gila and Salt River Base Meridian. T35N, R18E Sections 13, 14, 24, 25, and 36;

Sections 1-5 and 7-36; T36N, R17E Sections 1-5, 11, and 12; T36N, R18E Sections 1-18, 20, and 23-26; T36N, R19E

T35N, R19E

L

Sections 15-22, 25-30, and 32-36; T37N, R17E
Section 33; T37N, R18E
Sections 28, 29, and 32-26.
3. Locations of where copies of the application are available for public review and/or inspection are:
Peabody Western Coal Company 1300 South Yale
Flagslaff, AZ 86001

Forest Lake Chapter House P.O. Box 444 Pinon, Az 86510 Dan Y. Begay, President

Office of Surface Mining Albuquerque Field Office 505 Marquette NW, Suite 1200 Albuquerque, NM 87102

Bureau of Indian Affairs 3rd and Will Streets Gallup, NM 87305

Office of Surface Mining Western Support Center 1999 Broadway, Suite 3320 Denver, Co 80202-5733

Bureau of Indian Affairs Keams Canyon Agency Office P.O. Box 158 Keams Canyon, AZ 86034

4. The name and address of the OSM/WSC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m. thirty (30) days from the date of the fourth and last publication of this notice is:

Mr. Rick Williamson
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303) 672-5606
5. This notice shall be published once a week for four consecutive weeks.

AFFIDAVIT OF PUBLICATION

I, Tommy Arviso Jr., Editor and Department Director of the Navajo Times, a legal newspaper published weekly at Window Rock,

Navajo Nation, Arizona, do hereby swear that a legal notice:
PEABODY WESTERN COAL COMPANY: has filed applications with the
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT, WESTERN
SUPPORT CENTER (OSM, WSC) for renewal of Permit NO.AZ-0001C
covering mining operations at Kayenta Mine, Navajo County, Ariz.
was published in said Navajo Times on the following date(s):

March 16; March 23; March 30; and April 6, 1995 and that said notice is attached to this affidavit and is a true and

exact copy of said notice as published.

Tommy Arviso Jr.

Editor

STATE OF ARIZONA:)

:)

COUNTY OF APACHE:)

day of (15.11) ,1995

Notary Public (

My Commission Expires:

8-11-98

Thursday, April 6, 1995

Navajo Times

egal notices Window Rock, AZ: 86515 of Call (602) 871-6642

PUBLIC NOTICE
Pursuant to the Code of Fageral Regulations (CFR), Title 30,
Subchapter E, Part 750 and
Subchapter G, Parts 773 and 774,
notice is hereby given that
Peabody Western Coal Company
has filed applications with the
Office of Surface Mining Reclamation and Enforcement, Westem Support Center (OSM, WSC)
lor renewal of Permit AZ-0001C PUBLIC NOTICE for renewal of Permit AZ-0001C covering mining operations at Kayenta Mine, Navajo County, Arizona. The renewal application consists of current ownership and control information, revised mine plan sequence, jurisdictional permit and affected lands map, up-dated topsoil resources inventory, updated facilities information, and revised bond cost estimate. No new permit area is proposed be-yond that which is currently ap-proved. This notice is hereby given

The name and business address of the applicant is: Peabody Western Coal Company, 1300 South Yale, Flagstaff, ARizona 86001.
 The Kayanta Mine permit

Arizona near the northern edge of

2. The Kayenta Mine permit area is located in northeastern

Black Mesa within the protracted boundaries of Townships 34 to 38 North, Ranges 17 to 20 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-U.S. Geological Survey 7.5-minute quadrangle maps; Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001C permit area is located within the following lands of Navaio County Arizona which are Navajo County, Arizona which are described relative to the Gila and Salt River Base Meridian.

T35N, R18E, Sections 13, 14,

24, 25, and 36; T35N, R19E, Sections 1-5 and

T36N, R17E, Sections 1-5, 11,

and 12; T36N, R18E, **Sections 1-18,** 20, and 23-26;

T36N, R19E, Sections 15-22, 25-30, and 32-36; T37N, R17E, Section 33; T37N, R18E, Sections 28, 29,

and 32-36.

Locations of where copies of the application are available for public review and/or inspection

Peabody Western Coal Com-pany, 1300 South Yale, Flagstaff, AZ 86001.

Office of Surface Mining, Al-buquerque Field Office, 505 Marquette NW, Suite 1200, Albu-

Marquette NW, Suite 1200, Albuquerque, NM 87102.
Office of Surface Mining, Western Support Center, 1999 Broadway, Suite 3320, Denver, CO 80202-5733.
Forest Lake Chapter House, P.O. Box 444, Pinon, AZ 86510, Dan Y. Begay, President.
Bureau of Indian Affairs, Old Clubbouse Building #3, Window

Clubhouse Building #3, Window Rock, AZ 86515. Bureau of Indian Alfairs,

Keams Canyon Agency Office, P.O. Box 158. Keams Canyon, AZ 86034.

4. The name and address of the OSM/WSC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m. thirty (30) days from the date of the fourth and last publication of this notice is: Mr. Rick Williamson, Office of Surface Mining, Reclamation and Enforcement, 1999 Broadway, Suite 3320, Denver, CO B0202-5733, (303) 672-5606. 5. This notice shall be pub-lished once each week for four

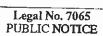
consecutive weeks.

To be Published in The NAVAJO TIMES March 16, 23, 30 and April 6, 1995.

PROOF OF PUBLICATION

STATE OF ARIZONA, County of Coconino sss.
Joan Riverabeing duly sworn, deposes and says:
That he is the Legal Clerk of Arizona Daily Sun
a newspaper published at Flagstaff, Coconino County, Arizona; that the
Public Notice #7065
a copy of which is here-
unto attached, was first published in said newspaper in its issue dated the
19th day of March , 1995, and was
published in each one issue of said newspaper for four
consecutiveweeks the last publication being in the issue dated the
9th day of April , 19.95
Subscribed and sworn to before me this
19.95 day of 9.15 , 19.95
Deila Lilloson Notary Public
My Commission expires 10-14-97

S-609



Purmant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is

hereby given that Peabody Western Coal Company has filed applications with the Office of Surface Mining Reclamation and Enforcement, Western Support Center (OSM, WSC) for renewal of Permit AZ-0001C covering mining operations at Kayenta Mine, Navajo County, Arizona. The renewal application consists of current ownership and control information, revised mine plan sequence, jurisdictional permit and affected lands map, updated topsoil resources inventory, updated facilities information, and revised bond cost estimate. No new permit area is proposed beyond that which is currently approved. This notice is hereby given that:

1. The name and business address of the applicant is: Peabody Western Coal Company, 1300 South Yale, Flagstaff, Arizona 86001

2. The Kayenta Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 34 to 38 North, Ranges 17 to 20 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001C permit area is located within the following lands of Navajo County, Arizona which are described relative to the Gila and Salt River Base Meridian.

T35N, R18E Sections 13, 14, 24, 25, and 36; T35N, R19E Sections 1-5 and 7-36; T36N, R17E
Sections 1-5, 11, and 12;
T36N, R18E
Sections 1-18, 20, and
23-26;
T36N, R19E
Sections 15-22, 25-30, and 32-36;
T37N, R17E
Section 33;
T37N, R18E
Sections 28, 29, and
32-36.

Locations of where copies of the application are available for public review and/or inspection are:

Peabody Western Coal Company, 1300 South Yale, Flagstaff, AZ 86001

Office of Surface Mining, Albuquerque Field Office, 505 Marquette NW, Suite 1200, Albuquerque, NM 87102

Office of Surface Mining, Western Support Center, 1999 Broadway, Suite 3320, Denver, CO 80202-5733

Forest Lake Chapter House, P.O. Box 444, Pinon, AZ 86510; Dan Y. Begay, President

Bureau of Indian Affairs, 3rd and Hill Streets, Gallup, NM 87305

Bureau of İndian Affiars, Keams Canyon Agency Office, P.O. Box 158, Keams Canyon, AZ 86034

4. The name and address of the OSM/WSC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m. thirty (30) days from the date of the fourth and last publication of this notice is:

Mr. Rick Williamson, Office of Surface Mining Reclamation and Enforcement, 1999 Broadway, Suite 3320, Denver, CO 80202-5733; (303) 672-5606

5. This notice shall be published once each week for four consecutive weeks. PUB:Mar 19, 26, April 2, 9, 1995 7065

Affidavit of Publication

COPY OF NOTICE

)	STATE OF ARIZONA)
) ss. COUNTY OF COCONINO)
	I,Sue Shinneman, being first duly sworn,
	depose and say that I am Publisher of the Lake Powell Chronicle, a weekly newspaper of general circulation and published every Wednesday, at Page, Coconino County, Arizona. The notice attached hereto is a true copy of said notice and was published in the regular and entire issue of every number of the paper during the period and times of publication, and that the same was published in the newspaper proper and not in a supplement thereto. Said notice
	was published for four consecutive issues, the first publication
	having been made on <u>March 22, 1995</u> , and the last on
	April 12, 1995
	Je Leu Shennener
	Subscribed and sworn to before me
	May Siske , Notary Public
	OFFICIAL SEAL MARY SISK Notary Putrilic - States of Artzona COCONINO COUNTY My Comm. Expires March 13, 1998

LEGAL NO. 0679 LEGAL NOTICE PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed applications with the Office of Surface Mining Reclamation and Enforcement, Western Support Center (OSM, WSC) for renewal of Permit AZ-0001C covering mining operations at Kayenta Mine, Navajo County, Arizona. The renewal application consists of current ownership and control information, revised mine plan sequence, jurisdictional permit and affected lands map, updated topsoil resources inventory, updated facilities information, and revised bond cost estimate. No new permit area is proposed beyond that which is currently approved. This notice is hereby given that: given that:

1. The name and business address of the applicant is:

Peabody Western Coal Company

1300 South Yalc

Flagstaff, Arizona 86001
2. The Kayenta Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 34 to 38 North, Ranges 17 to 20 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001C permit area is located within the following lands of Navajo County, Arizona which are described relative to the Gila and Salt River Base Meridian.

T35N, R18E
Sections 1-5, 11, and 12;
"T36N, R18E
Sections 1-5, 11, and 12;
"T36N, R18E

Sections 1-18, 20, and 23-26;

T36N, R19E Sections 15-22, 25-30, and 32-36; T37N, R17E

Section 33

T37N, R18E

3. Locations of Where copies of the application are available for public review and/ 'or inspection are:

Peabody Western Coal Company

1300 South Yale Flagstaff,

AZ 86001

Office of Surface Mining Albuquerque Field Office 505 Marquette N, Suite 1200 Albuquerque, NM 87102

Office of Surface Mining Western Support Center 1999 Broadway, Suite 3320 Denver, CO 80202-5733

Forest Lake Chapter House

P.O. Box 444 Pinon, AZ 86510 Dan Y. Begay, President

Bureau of Indian Affairs

3rd and Hill Streets Gallup, NM 87305

Bureau of Indian Affairs

Keams Canyon Agency Office

P.O. Box 158

Keams Canyon, AZ 86034

4. The name and address of the OSM/SC representative here written comments, p.m. thirty (30) days from the date of the fourth and last publication of this notice is:

Mr. Rick Williamson

Office of Surface Mining Reclamation and Enforcement 1999 Broadway, Suite 3320 Denver, CO 80202-5733

(303) 672-5606

5. This notice shall be published once each week for four consecutive weeks To be Published in the Lake Powell Chronicle March 22, 29, April 5, 12, 1995. Lega! No. 0679

Affidavit of Publication

FATE OF NEW MEXICO	Ŷr.
) SS
UNTY OF McKINLEY	

/		
HUBBARD, FREIDA	beina duly s	אטנט ווטטט
oath, deposes and says:	boing duly s	worn apon
As <u>LEGAL CLERK</u>	of The Inder	nendent a
newspaper published in and h	aving a general cir	culation in
McKinley County, New Mexico	and in the City of G	allup. New
 Mexico and having a general cir 	culation in Cibola Co	ounty. New
Mexico and in the City of Gran	ts, New Mexico and	l having a
general circulation in Apache Co	unty, Arizona and in	the City of
St. Johns and in the City of Wind this affiant makes this affidavit ba	iow Hock, Arizona in	rerein: that
of the facts herein sworn to. That	the publication, a cor	ov of which
is hereto attached was published	in said newspaper	during the
 period and time of publication an 	id said notice was pu	ıblished in
the newspaper proper, and not i		
for FOUR TIMES , the	first publication bei	ing on the
16TH day of MA	RCH 19 S	95 the
16TH day of MA second publication being on the	23RD	
MARCH	05	uay
of MARCH , 19	the third p	ublication
the <u>30TH</u> day of <u>MA</u>	<u>RCH</u>	95
		
and the last publication being or		day of
APRIL	9 <u>95</u>	
That such newspaper, in which	h such notice or adve	rtisement
was published, is now and has be	en at all times materi	ial hereto.
duly qualified for such purpose, ar	nd to publish legal no	tices and
advertisements within the meaning of the State of New Mexico, 1941	g of Chapter 12, of the	e statutes
or the state of they livexico, 1941	Complianory.	
	10 1 10	0
	Affiant.	
Sworn and subscribed to be	fore me this 4TH	day
NATE .		day
, A.D.	, 19 <u>95</u> .	
: Dian	2. China	
	Notary Public	
My commission expires		7
TIME 22 1007		

LEGAL NOTICE
Kayenta Navajo County
Arizona

PUBLIC NOTICE.

Pursuant to the Code of Federal Regulations (CFR). Title 30, Subchapter E, Part 775 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed applications with the Office of Surface Mining Reclaimation and Enforcement. Western Superscript Weste

LEGAL NOTICE

port Center (OSM, WSC) for renewal of Permit AZ-0001C covering mining operations at Kayenta Mine, Navajo County, Arizona. The renewal application consists of current ownership and control information, revised mine plan sequence, jurisdictional permit and affected lands map, updated topsoil resources inventory, updated facilities information, and revised bond cost estimate. No new permit area is proposed beyond that which is currently approved. This notice is hereby given that:

1. The name and business address of the applicant is:

applicant is:
Peabody Western Coal Company
1300 South Yale

Flagstaff, Arizona 86001
2. The Kayenta Mine permit area is located in northeastern Arizona near the northern in edge of Black Mesa with the prolected bounderies of Townships 34 to 38 North, Ranges 17 to 20 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The Az-0001C permit area is located within the following Lands of Navajo County, Arizona which are described relative to the Gila and Salt River Base Meridian.

the Glia and Salt River Base Meridian.
T35N, R18E
Sections 13, 14, 24, 25, and 36;
T35N, R19E

F Sections 1-5 and 7-36; T36N, R17E

150, K176 150, R185 150, R186 150, R186 150, R186 150, R196

136N, R19E (37) Sections 15-22, 25-30, and 32-36;

Section 28, 29, and 32-36,

3. Locations of where copies of the application are available for public review and/or inspection area:

Peabody Western Coal Company 1300 South Yale Flagstaff, AZ 86001

Office of Surface Mining
Albuquerque Field Office
505 Marquette NW, Suite 1200
Albuquerque, NM 87102

Office of Surface Mining
 Western Support Center
 1999 Broadway, Suite 3320
 Denver, CO 80202-5733

Forest Lake Chapter House P.O. Box 444 Pinon, AZ 86510 Dan Y. Begay, President

Bureau of Indian Affairs Old Clubhouse Building #3 Window Rock, AZ 86515

Bureau of Indian Affairs Kearns Canyon Agency Office P.O. Box 158 Kearns Canyon, AZ 86034

4. The name and address of the OSM/WSC representative where written comments, objections, or request for an informal conference may be submitted on or before 5:00 p.m. thirty (30) days from the date of the fourth and last publication of this notice is:
Mr. Rick Williamson
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303)672-5606
5. This notice shall be published once each week for four consecutive weeks.
Legal #11640 Published in The Independent March 16, 23, 30, and April 6, 1995.

AFFIDAVIT OF PUBLICATION For Corporation commission

Navajo-Hopi Observer 417 W. Santa Fe Ave. Flagstaff, Arizona 86001 (520) 226-9696 or fax (520) 226-1115

STATE OF ARIZONA COUNTY OF COCONINO

I, KATHLEEN TIMMS, PUBLISHER, am authorized by the publisher as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The NAVAJO-HOPI OBSERVER is a newspaper which is published (check one) _ _ daily, _X weekly or more often, is of general circulation and is in compliance with the Arizona Revised Statutes § 10-140.34 & 39-201. A & B. (Please note: publication has to be completed within 60 days of filing.) The notice will be/has been published one (1) consecutive times in the newspaper listed above.

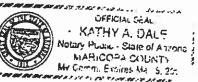
DATE OF PUBLICATION

- 1) March 22, 2000
- 2) March 29. 2000
- 3) April 5, 2000
- 4) April 12, 2000

THE NAME OF THE CORPORATION: Peabody Western Coal Company

AUTHORIZED SIGNATURE AHADA SUBSCRIBED AND SWORN TO BEFORE ME ON THE 151 DAY OF

NOTARY SIGNATURE: 1904 9. 10 al



www.navajohopiobserver.com

PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed an application with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC) for renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, Arizona.

The permit renewal does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the renewal. The renewal application consists of current ownership and control information, mine plan sequence, jurisdictional permit and affected lands map, updated topsoil stockpile sites, updated existing and proposed facilities information, and the updated bond cost estimate. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2000 through July 5, 2005. This notice is hereby given that:

The name and business address of the applicant is:
 Peabody Western Coal Company
 P. O. Box 650

Navajo Route 41 Kayenta, Arizona 86033

The Kayenta Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 37 North, Ranges 17 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001D permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian.

T35N, R18E
Sections 13, 14, 24, 25, and 36;
T35N, R19E
Sections 1-5 and 7-36;
T36N, R18E
Sections 1-4, 11, and 12;
T36N, R19E
Sections 1-18, 20, and 23-26;
T37N, R18E
Sections 15-22, 25-30, and 32-36;

Sections 28, 29, and 32-36.

3. Locations of where copies of the application are available for public review and/or inspection are:

Peabody Western Coal Company P. O. Box 650 Navajo Route 41 Kayenta, AZ 86033

Office of Surface Mining Albuquerque Field Office 505 Marquette NW, Suite 1200 Albuquerque, NM 87102

Office of Surface Mining Western Regional Coordinating Center 1999 Broadway, Suite 3320 Denver, CO 80202-5733

Forest Lake Chapter House P. O. Box 444 Prince Pinon, AZ 86510 Amus Johnson, President

The Hopi Tribe
Office of Mining and Mineral Resources
P. O. Box 123
Kykotsmovi, AZ 86039

The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 15, 2000, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303) 844-1400, x1496
email: kayentaminerenewal@osmre.gov

I, Tommy Arviso Jr., Editor and Department Director of the Navajo Times, a legal newspaper published weekly at Window Rock,

Navajo Nation, Arizona, do hereby swear that a legal notice:
PUBLIC NOTICE: Pursuant to the Code of Federal Regulations,
(CFR), Title 30, Subchapter E, part 750 and Subchapter G,
Parts 773 and 774, notice is hereby given that PEABODY
WESTERN COAL COMPANY has filed an application with the office
was published in said Navajo Times on the following date(s):

March 23; March 30; April 06; and April 13, 2000

and that said notice is attached to this affidavit and is a true and exact copy of said notice as published.

Tommy Arviso Jr.

STATE OF ARIZONA:)

:)

COUNTY OF APACHE:)

SUBSCRIBED AND SWORN TO before me this

18 day of April , 2000

Motary Public

My Commission Expires:

SHIRLEY M. BARNEY
NOTARY PUBLIC STATE CRARIZONA
APACHE COLLTY
APACHE COLLTY
APACHE COLLTY
APACHE COLLTY



Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed an application with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC) for renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, Arizona.

The permit renewal does not affect any learns and conditions of the avisiting roal leases and no new roal leases are associated with the re-

The permit renewal does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the renewal. The renewal application consists of current ownership and control information, mine plan sequence, jurisdictional permit and affected lands map, updated topsoil stockpile sites, updated existing and proposed facilities information, and the updated bond cost estimate. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2000 through July 5, 2005. This notice is hereby given that:

- The name and business address of the applicant is: Peabody Western Coal Company
 P.O. Box 650
 Navajo Route 41
 Kayenta, Arizona 86033
- 2. The Kayerita Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 37 North, Ranges 17 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001 D permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gita and Salt River Base Mendian.

T35N, R18E
Sections 13, 14, 24, 25 and 36
T35N, R19E
Sections 1-5 and 7-36
T36N, R17E
Sections 1-4, 11 and 12
T36N, R18E
Sections 1-18, 20 and 23-26
T36N, R19E
Sections 15-22, 25-30 and 32-36
T37N, R18E
Sections 28, 29, and 32-36

 Locations of where copies of the application are available for public review and/or inspection are:

Peabody Western Coal Company P.O. Box 650 Navajo Route 41

Kayenta, AZ 86033

Office of Surface Mining Albuquerque Field Office 505 Marquette NW, Suite 1200 Albuquerque, NM 87102

Office of Surface Mining Western Regional Coordinating Center 1999 Broadway, Suite 3320 Denver, CO 80202-5733

The Hopi Tribe Office of Mining and Mineral Resources P.O. Box 123 Kykotsmovi, AZ 86039

Forest Lake Chapter House P.O. Box 444 Pinon, AZ 86510 Arnos Johnson, President

4. The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 15, 2000, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303) 844-1400, x1496
email; kayentaminerenewal@osmre.gov.

State of Arizona)

) ss.		
County of Navajo,)		
I, E. Bradley Martin, & TUTUVENI, a newspay Navajo and State of A Subchapter E, Part 750 a Peabody Western Coal Mining Reclamation an WRCC) for renewal of Navajo County, Arizona TUTUVENI, in 2 issues	per of general circ rizona that the C and Subchapter G. Company has file d Enforcement W Permit AZ-001D of attached hereto, , and said notice w	culation published ode of Federal reparts 773 and 774, and an application restern Regional Covering mining of was published in the cover published in the covering mining of the covering mining mini	I am Editor at THE HOPI at Kykotsmovi, County of gulations (CFR), Title 30, notice is hereby given that with the Office of Surface Coordinating Center (OSM, perations at Kayenta Mine, said newspaper, THE HOPI e regular issue of the paper was dated March 21, 2000
Publication Day (71)	II.		
	<u>.</u>	Vol. 10, No. 6, and	•
CeRMan	e Hopi Tuluvelli, v	/ol. 10, No. 7, and Dated	pul 5, 2000
Signat	ure	•	•
SUBSCRIBED AND SW	'ORN TO before п	ne this	day of Gril, 2000
Edith II. 1	itseoma		
	NOTAR	Y PUBLIC	
My commission expires _	July 13,	2002	OFFICIAL SEAL EDITH H. LETSEOMA NOTARY PUBLIC - STATE OF ARIZONA NAVAJO COUNTY My commission expires July 13, 2002.

Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed an application with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC) for renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, Arizona.

The permit renewal does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the renewal. The renewal application consists of current ownership and control information, mine plan sequence, jurisdictional permit and affected lands map, updated topsoil stockpile sites, updated existing and proposed facilities information, and the updated bond cost estimate. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2000 through July 5, 2005. This notice is hereby given that:

1. The name and business address of the applicant is:

Peabody Western Coal Company P. O. Box 650
Navajo Route 41
Kayenta, Arizona 86033

2. The Kayenta Mine permit area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted bound-

aries of Townships 35 through 37 North, Ranges 17 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Owl Spring, Great Spring, Yucca Hill, and Cliff Rose Hill. The AZ-0001D permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridan.

T35N, R18E
Sections 13, 14, 24, 25, and 36;
T35N, R19E
Sections 1-5 and 7-36:
T36N, R17E
Sections 1-4, 11, and 12;
T36N, R18E
Sections 1-18, 20, and 23-26;
T36N, R19E
Sections 15-22, 25-30, and 32-36;
T37N, R18E
Sections 28, 29, and 32-36.

3. Locations of where copies of the application are available for public review and/or inspection are:

Peabody Western Coal Company P.O. Box 650 Navajo Route 41 Kayenta, AZ 86033 Office of Surface Mining Albuquerque Field Office 505 Marquette NW, Suite 1200 Albuquerque, NM 87102

Office of Surface Mining Western Regional Coordinating Center 1999 Broadway, Suite 3320 Denver, CO 80202-5733

Forest Lake Chapter House P.O. Box 444 Pinon, AZ 86510 Amos Johnson, President

The Hopi Tribe
Office of Mining and Mineral Resources
P.O. Box 123
Kykotsmovi, AZ 86039

4. The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 pm., May 15, 2000, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO. 80202-5733
(303) 844-1400, x1496
email: kayentaminerenewal@osmre.gov

....

Navajo-Hopi Observer 417 W. Santa Fe Ave Flagstaff, AZ 86001 520-226-9696 or fax 520-226-1115

STATE OF ARIZONA COUNTY OF COCONINO

I, MILDRED HILLESHEIM, PUBLISHER, am authorized as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Navajo-Hopi Observer is a newspaper which is published (check one) daily, \underline{X} weekly or more often, is of general circulation and is in compliance with the Arizona Revised Statutes § 10-140.34 & 39-201. A & B.

DATED OF PUBLICATION

- 2/13/02 1)
- 2/20/02 2)
- 2/27/02 3)
- 3/06/02

Peabody Western Coal Company THE NAME OF THE ADVERTISER:

FILE NUMBER:

TYPE OF DOCUMENT:

Public Notice

AUTHORIZED SIGNATURE

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 14

NOTARY SIGNATURE:

Notary Public Arizona

Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filled an updated mine plan proposal, that includes the J23 mining area, with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC). This proposal updates an existing application for a permanent program permit covering mining operations at Black Mesa Mine, Navajo County, Arizona.

The mine plan revision does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the revision. The revision consists of the J23 mine plan sequence, jurisdictional permit and affected lands map, updated sediment and water control facilities information, baseline environmental studies for a proposed transportation corridor, updated cultural and archeological studies, updated hydrologic impact assessments, and the updated bond cost estimate. The proposal includes a modification to the permit area incorporating a new transportation corridor. No other modifications to the permit area are proposed. This notice is hereby given that:

- The name and business address of the applicant is: Peabody Western Coal Company,
 P. O. Box 650, Navajo Route 41, Kayenta, Arizona 86033
- The area proposed for the Black Mesa Mine permanent program permit is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 36 North, Ranges 18 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Great Spring, and Yucca Hill. The proposed permanent program permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian. T35N, R18E

Sections 3-5, 8-11, 13-17, and 20-36;

T35N, R19E

Sections 17-21, 28-30, and 31-33;

T36N, R18E

Sections 9-10, 14-17, 20-23, and 26-35;

 Locations of where copies of the application are available for public review and/or inspection are:

Forest Lake Chapter House

P.O. Box 444

Pinon, AZ 86510

Amos Johnson, President

The Hopi Tribe

Office of Mining and Mineral Resources

Highway 264, 1 mile East of Kykotsmovi

Kykotsmovi, AZ 86039

Office of Surface Mining

Albuquerque Field Office

505 Marquette NW, Suite 1200

Albuquerque, NM 87102

Office of Surface Mining

Western Regional Coordinating Center

1999 Broadway, Suite 3320

Denver, CO 80202-5733

4. The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., April 1, 2002, thirty (30) days after the last publication date of this notice is:

Mr. Jerry Gavette
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denyer, CO 80202-5733
(303) 844-1400, x1496
email: ggavette@osmre.gov

•	•
I, Duane A. Beyal, Managing	Editor of the Navajo Times, a legal
newspaper published weekly at Wir	dow Rock, Navajo Nation, Arizona,
do hereby swear that a legal notice: Public Notice - Peabody We an updated mine plan propo mining area with OSM, WRCC	stern Coal Company has filed sal, that includes the J23
was published in said Navajo Times	on the following date(s):
	ebruary 21, February 28, 2002. is Affidavit and is a true and exact copy
or said nouce as published.	
	Duane A. Beyal Managing Editor
	Managing Editor
STATE OF ARIZONA :) :)	
COUNTY OF APACHE :)	
SUBSCRIBED AND SWORN	TO before me this
18 Th day of	March , 2002.
Smily C. Treelas	
Notary Public	
My Commission Expires:	

Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed an updated mine plan proposal, that includes the J23 mining area, with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC). This proposal updates an existing application for a permanent program permit covering mining operations at Black Mesa Mine, Navajo County, Arizona.

The mine plan revision does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the revision. The revision consists of the J23 mine plan sequence, jurisdictional permit and affected lands map, updated sediment and water control facilities information, baseline environmental studies for a proposed transportation comidor, updated cultural and archeological studies, updated hydrologic impact assessments, and the updated bond cost estimate. The proposal includes a modification to the permit area incorporation a new transportation. cation to the permit area incorporating a new transportation corridor. No other modifications to the permit area are pro-

posed. This notice is hereby given that:

1. The name and business address of the applicant is:
Peabody Western Coal Company, P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033.

2. The area proposed for the Black Mesa Mine permanent program permit, is located in northeastern Arizona near the program permit, is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 36 North, Ranges 18 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Great Spring, and Yucca Hill. The proposed permanent program permit area is located within the following lands of Navajo. County Arizona that are described relative to the Gila and County, Arizona that are described relative to the Glia and Salt River Base Meridian.

T35N. R18 E

Sections 3-5, 8-11, 13-17 and:20-36;

T35N, R19E

Sections 17-21, 28-30, and 31-33; T36N, R18E

Sections 9-10, 14-17, 20-23, and 26-35.

3. Locations of where copies of the application are available for public review and/or inspection are: Forest Lake Chapter House, P.O. Box 444, Pinon, AZ

86510, Amos Johnson, President.

Office of Surface Mining, Albuquerque Field Office, 505
Marquette NW, Suite 1200, Albuquerque, NM 87102.
The Hopi Tribe, Office of Mining and Mineral Resources,
Highway 264, 1 mile east of Kykotsmovi, Kykotsmovi, AZ

Office of Surface Mining, Western Regional Coordinating Center, 1999 Broadway, Suite 3320, Denver, CO 80202-5733.
4. The name and address of the OSM representative where

written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., April 1, 2002, thirty (30) days after the last publication date of this notice is: Mr. Jerry Gavette, Office of Surface Mining, Reclamatton and Enforcement, 1999 Broadway, Suite 3320, Denver, CO 80202-5733, (303) 844-1400, x1496, email:ggavette@osmre.gov.

To be Published In The NAVAJO TIMES February 7, 14, 21,

28, 2002.

Affidavit of Publication

State of Arizona,)
)ss.
County of Navajo,)

I, Doris J. Bilagody, being duly sworn, depose and say I am Secretary at THE HOPI TUTUVENI, a newspaper of general circulation published at Kykotsmovi, County of Navajo and State of Arizona that Peabody Western Coal Company has filed an updated mine plan proposal, that includes the J23 mining area with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC) attached hereto, was published in said newspaper, for 2 issues, and said notice was published in the regular and entire issue THE HOPI TUTUVENI, for 2 issues, and said notice was published in the regular and entire issue of every number of the paper during the period of the time of publication and was published in the newspaper proper and not in a supplement, the first publication being dated February 06, 2002 and the last publication being dated March 20, 2002.

Publication Dates: February 06, 2002 and March 20, 2002. attached hereto, was published in said newspaper, THE HOPI

Dates J. Bilagody Dated March 27th, 2002.

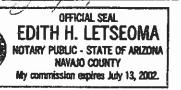
SUBSCRIBED AND SWORN TO before me this ______ day of

<u>March</u>, 2002.

Edith N. Let seoms

NOTARY PUBLIC

My commission expires



Pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company has filed an updated mine plan proposal, that includes the J23 mining area, with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC). This proposal updates an existing application for a permanent program permit covering mining operations at Black Mesa Mine, Navajo County, Arizona.

The mine plan revision does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the revision. The revision consists of the J23 mine plan sequence, jurisdictional permit and affected lands map, updated sediment and water control facilities information, baseline environmental studies for a proposed transportation corridor, updated cultural and archeological studies, updated hydrologic impact assessments, and the updated bond cost estimate. The proposal includes a modification to the permit area incorporating a new transportation corridor. No other modifications to the permit area are proposed. This notice is hereby given that:

1. The name and business address of the applicant is:

Peabody Western Coal Company

P. O. Box 650

Navajo Route 41

Kayenta, Arizona 86033

2. The area proposed for the Black Mesa Mine permanent program permit is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 36 North, Ranges 18 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass S.E., Great Spring, and Yucca Hill. The proposed permanent program permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian.

T35N, R18E

Sections 3-5, 8-11, 13-17, and 20-36;

T35N, R19E

Sections 17-21, 28-30, and 31-33;

T36N, R18E

Sections 9-10, 14-17, 20-23, and 26-35;

Locations of where copies of the application are available for public review and/or inspection are:

Forest Lake Chapter House P.O. Box 444 Pinon, AZ 86510 Amos Johnson, President

Office of Surface Mining Albuquerque Field Office 505 Marquette NW, Suite 1200 Albuquerque, NM 87102 The Hopi Tribe
Office of Mining and Mineral Resources
Highway 264, 1 mile East of Kykotsmovi
Kykotsmovi, AZ 86039

Office of Surface Mining
Western Regional Coordinating Center
1999 Broadway, Suite 3320
Denver, CO 80202-5733

4. The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., April 1, 2002, thirty (30) days after the last publication date of this notice is:

Mr. Jerry Gavette
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303) 844-1400, x1496
email: ggavette@osmre.gov

Affidavit of Publication

that a copy of this notice, as per clipping attached, was published weekly in the regular and entire issue of said OBSERVER, a newspaper of general circulation published newspaper and not in any supplement thereof, four (4) consecutive weeks, commencing with issue dated March 17, at Flagstaff, Coconino County, Arizona, do solemnly swear the NAVAJO-HOPI newspaper and not in any supplement thereof, four 2010 and ending with issue dated April 7, 2010. Douglas F. Wells, Publisher of LEGAL NOTICE - 2000

Wouglas F. Wells, Publisher

Subscribed and sworn to before me this 7th day of April

Carol J. DeLander My commission expires

My commitseion expires Sept. 22,

PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Subchapter E, Part 750 and Subchapter B, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company (FYMCC) has filed an application with the Office of Surface Mining Rechmenton and Enforcement, Western Region (DSM) for renewed of Pennis AZ-00010 covering making operations at Keyerta Mine, Navyo County, Arizona. The pennis renewed of Pennis AZ-00010 covering making operations at Keyerta Mine, Navyo County, Arizona. The pennis renewed operand will be from duly 6, 2010 through July 5, 2015. This notice is horeby given that:

1. The name and business address of the applicant is:
1. The name and business address of the applicant is:
1. The name and business address of the applicant is:
1. The name and business address of the applicant is:
1. The Ayenta Mine Pennis AZ-00010 area is located in northeastern Arizona near the northern edge of Black Mass within the profraced boundaries of Towarisps 35 through 37 North, Ranges 17 through 19 East. The operation is contained within the areas shown on the following U.S. Geological Survey, 7.5-minute quadrangle maps; Longhouw Palley, Marah Pass SE, Ord Spring, Great Spring, Youca Hill, and CRI Toss. H. H. The pennis area is located within the following lands of Navayo County, Arizona that are described relative to the Gills and Sat River Bess Meridian.

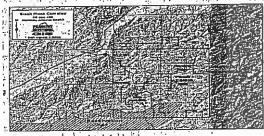
1. TISSN, R.18E - Sections 1-5 and 7-36;
1. TISSN, R.19E - Sections 1-16 20, and 22-26;
1. TISSN, R.19E - Sections 1-18, 20, and 22-26;
1. TISSN, R.19E - Sections 1-18, 20, and 22-26;
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1. TISSN, R.19E - Sections 1-18, 20, and 22-36;
1. TISSN, R.19E - Sections 1-18, 20, and 22-36;
1. TISSN, R.19

Newjo Nation Minerals Department
Office of Surface Mining
Window Rock 20 80515

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Window Rock AZ 80515

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Ciffice of Surface Mining
Western Repton
Deriver, CO 80202-3050

A The same and address of the OSM representative when written comments, objections, or requests for an informat conference may be authoritied on or before 5:00 p.m., m.d.l., May 17, 2010, which is no less than thirty (30) days that the last publication date of the two papers is
McDernia Windermage
Ciffice of Surface Mining Reclamation and Enforcement
1999 Broadway, Suite 3320, Deriver, CO 80212-3950
(303) 2935-0438 email: keystratemental Commence. The request mat finding commences are proposed on the application may request an informal conference. In a request mat finding accordance in the locality of the proposed operation.



comitA of the brobosed obergroup of the Land of the broken is Mr. Deinnia Winterninger
10ffice of Surface Mining
1999 Broadway, Suite 3320
1999 Broadway, Suite 3320
(303) 293-5048
entail: kayentaranewal@osmre.gov
entail: kayentaranewal@osmre.gov

Per 30 CFR 773.8(c), any person having an interest that is or may be adversely
siffected by the decision on the application may request an informal conference.
The request must briefly eurmarks hie issues to be raised by the requestor and
the request must briefly eurmarks hie issues or be raised by the requestor and
the request must briefly eurmarks hie issues to be raised by the requestor and
the request must be adversed operation.

bublication date of the two papers is: objections, or requests for an informal conference may be submitted on or before 5:00 p.m.; m.c.t.; Way 17, 2010, which is no less than thirty (30) days after the last 4. The name and address of the OSM representative where written comments,

Office of Surface Mining Western Region 1999 Broadway, Surfa 3320 Denver, CO 80202-3050

Office of Surface Mining
Reclamation and Enforcement
505 Marquerte MM, Sulte 1200
Albuquerque, MM 87102,

Window Hock, AZ 86515 Mavelo Mation Minerale Department of Surface Mining Office of Surface Mining Office of Surface
An electronic copy of the application is available for vevew we were to the sold of the section and per sections as the section and section are setable for public and set in the section are setables for public and set in the section are setables.

edhT IdoH offices Office of Mining and Mineral Resources Highway 264-1 mile east of Kykotsmovi Kykotsmovi, Kykotsm

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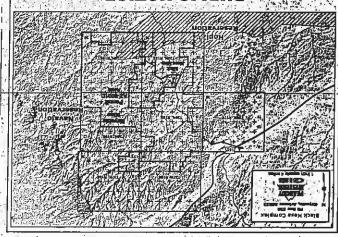
public notice.

T36N, R18E - Sections 13, 14, 24, 25, and 36, 178N, R18E - Sections 1-5 and 7-36; R18E - Sections 1-5 and 7-36; R18E - Sections 1-71, and 12; R36N, R17E - Sections 1-79, 20, and 22-26; R18E - Sections 15-22, 25-30, and 32-36; R18E - Sections 28, 29, and 32-36; R18E - Sections 28, 20, and 32-36; R18E - Sections 28, 29, and 32-36;

S. The Keyenia Mine Pennik AZ-0001D area is located in indiffestern Antonia and the individual series of Townstern Azione and the protected boundaries of Townster as a fine as a first and the series and series are and series are .

hart Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement. Western Region (OSM) for renewal of Permit AZ-0001D. covering mining operations at Kayenta, Mine, Navel County, Arzona_The permit renewal does not affect any terms and conditions of the adding ooal leases, and no new coal leases are associated with the renewal meant area is proposed beyond that which is currently approved. The term of the renewad permit will be from July 8, 2010 through July 6, 2015. The terms and business address of the applicant is: Peabody Western Cost. The nearest purple of the applicant is: Peabody Western Cost. The nearest purple of the applicant is: Peabody Western Cost. The Kayenta, Artsona, 86033. Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Sub-chapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company (PWCC) has filled an application with the

BOBLIC NOTICE





PAGE

THURSDAY, MARCH 25, 2010

Invoice# L10-465

I, Duane A. Beyal, Editor of the Navajo Times, a legal newspaper published weekly at Window Rock, Navajo Nation, Arizona, do hereby swear that a legal notice: Renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, AZ. was published in said Navajo Times on the following date(s): March 25 and April 1, April 8, 2010. and that said notice is attached to this Affidavit and is a true and exact copy of said notice as published.

(in Duane A. Beyal

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{ :	ANOZIAA 40 3TAT2

COUNTY OF APACHE

SUBSCRIBED AND SWORN TO before me this

{:

.010S ,_____ day of <u>April</u> , 2010.

OFFICIAL SEAL OLLVIA L. WILSON NOTARY PUBLIC - State of Arizons April 6 - State of Arizons April 56, 2012

My Commission Expires:

Motary Public

April 16, 2012

Invoice# L10-465

I, Duane A. Beyal, Editor of the Navajo Times, a legal newspaper published weekly at Window Rock, Navajo Nation, Arizona, do hereby swear that a legal notice: Renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, AZ. was published in said Navajo Times on the following date(s): March 18, March 25 and April 1, April 8, 2010. and that said notice is attached to this Affidavit and is a true and exact copy of said notice as published.

Duane A. Beyal

STATE OF ARIZONA	:}
	:}

COUNTY OF APACHE :}

SUBSCRIBED AND SWORN TO before me this

Notary Public

My Commission Expires:

April 16, 2012





THURSDAY,

PAGE,

em Region, Internet website at http://www.wrcc.osmre.gov. Paper copies of the application are available for public and/or inspection at the following five listed locations: Navajo Nation Minerals Department Forest Lake Chapter House Office of Surface Mining. Navajo Route 41 Window Rock Boulevard 20 miles north of Pinon Window Rock, AZ 86515 Pinon, AZ 86510

Office of Surface Mining Office of Surface Mining
Reclamation and Enforcement
505 Marquette NW, Suite 1200
Albuquerque, NM 87102

Office of Surface Mining
Western Region
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Subchapter E, Pert 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Rectamation and Enforcement, Western Region (OSM) for renewal of Permit AZ-0001D. Covering mining operations at Kayenta Mine, Navelo County, Arizona. The permit renewal does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the renewal: No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from Juf 8, 2010 through July 5, 2015. This notice is hereby given that:

1. The name and business address of the applicant is: Peabody Western Coal Company, P, O. Box 650, Navajo Route 41, Kayenta, Artzona, 85033.

2. The Kayenta Mine Permit AZ-0001D area is located in northeastern Artzona near the northern edge of Black Mesa within the protracted boundaries of Townships 35 through 37 Nortif, Ranges 17 through 19. East. The operation is contained within the areas shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Longhouse Valley, Marsh Pass'S.E. Owl Spring, Great Spring, Yucca Hill, and Cliff Rosa Hill. The permit area is located within the following lands of Navajo County, Artzona that are described relative to the Glia and Salt River Base Meridian.

T36N, R18E - Sections 1-5 and 7-36;
T36N, R19E - Sections 1-18, 20, and 22-26;
T36N, R19E - Sections 1-18, 20, and 22-26;
T36N, R19E - Sections 1-18, 20, and 32-36.

T37N, R18E - Sections 1-18, 20, and 32-36.

3. An electronic copy of the application is available for review on the OSM. West-

rinon, AZ 86510
The Hopl Tribe

The Hopl Tribe
Office of Mining and Mineral Resources
Highway 264
1 mile east of Kykotsmovi
Kykotsmovi, AZ 86039

PUBLIC NOTICE

4. The rlame and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., m.d.t., May 17, 2010, which is no less than thirty (30) days after the last publication date of the two papers is:

Mr. Dennis Winterringer
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver CO 80202-3050
(303) 293-5048
email: kayentarenewal@osmre.gov

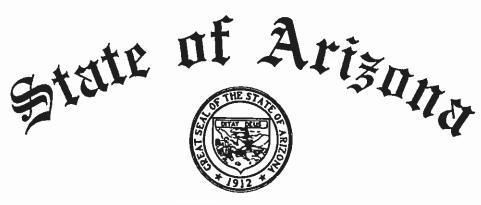
Per 30 CFR 773.5(c), any person having an interest that is or may be adversely affected by the decision on the application may request an informal conference. The request must briefly summarize the issues to be raised by the requestor and must sate whether the requester desires to have the conference conducted in the locality of the proposed operation.

D

HURSDAY, APRIL 08, 2010

ATTACHMENT 12

Business Authorization Certificate



OFFICE OF THE

CORPORATION COMMISSION

To all to Whom these Presents shall Come, Greeting:

I, the Executive Secretary of the Arizona Corporation Commission, DO HEREBY CERTIFY that

PEABODY WESTERN COAL COMPANY

a corporation organized under the laws of the jurisdiction of _	he jurisdiction of	
, was on the	day of _	August
19, authorized to transact business in the State of Ariz	zona as a	Foreign corporation.

I FURTHER CERTIFY that this corporation has filed all affidavits and annual reports and paid all annual filing fees required to date and, therefore, is in good standing in this State.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 9th 19.

0000m By KM

CF: 0044 Rev. 10/93

area and have influenced the direction of streams. In the immediate vicinity of the lease, the most important fold is the Oljeto Syncline, which extends north to south through the western part of the leasehold.

Within and adjacent to the leasehold, most of the faults are oriented in a east - west direction, and most of the folds are oriented in a north - south direction, paralleling the Oljeto Syncline. Coal has been eroded away near the crest of most anticlines and preferentially left in the areas of major synclines. As a consequence of this erosion as well as burning of the coal at its outcrop, coal of commercial quantity is concentrated in isolated fields or subareas within the leasehold.

Faults are of minor importance and exhibit very little surface evidence of displacement, with the exception of those areas where they have truncated rocks of dominant character, such as the Yale Point Sandstone. The throw on most of the major faults is minor and seldom exceeds 6 feet. The faults are normal in character and are probably related to tensional forces resulting from the gentle folding and uplift of the Black Mesa.

None of the tectonic activity in the immediate vicinity of the leasehold has been widespread or violent enough to result in introduction of igneous rocks either of intrusive or extrusive nature.

Geomorphology

At the close of the Cretaceous, through the beginning of the Tertiary period, roughly 75 million years ago, the Laramide Orogeny began, forcing the mid-Continental sea southward and elevating the Rocky Mountains. To the west, the Basin and Range Province was produced, forming a series of parallel mountains and valleys. These forces carried into the southern part of the Colorado plateau and resulted in large scale folding. Subsequent erosion has created the steep-sided and relatively flat-topped mesas characteristic of the region.

The area of the leasehold is characterized by steeply incised washes which cut through the Wepo Formation and Yale Point Sandstone. In general, where coal has been exposed along the margins of the washes, it has burned in place and formed masses of resistant baked shale and "clinker" materials. This "clinker" material preferentially weathers to step-sided and generally flat-topped buttes, which occur along the margin of the minable

coal. The massive sandstones of the Toreva and Yale Point Formations form steep-sided cliffs which are generally flat-topped and support extensive stands of Ponderosa Pine in the northern part of the area and Pinyon in the central and southern parts of the area.

The major washes in the area, Dinnebito, Moenkopi, Coal Mine and Yellow Water Canyon, are apparently uninfluenced by major structure and tend to run counter to the dominant structural fabric of the region. These washes are extremely steep-sided and are contained in relatively narrow canyons with only minor development of alluvial material. Generally, the streams in the area are ephemeral in nature and do not commonly carry large amounts of water with the exception of runoff following rain or snow storms.

The area of the leasehold is characterized by gently rolling, relatively flat topography dissected by the steeply incised washes. In the center of the area where the coal is extensively burned, steep-sided buttes are capped by the more resistant "clinker" of the burned coal. Along the northern part of the leasehold, the Yale Point Sandstone, which caps the northern rim of Black Mesa, tends to form exaggerated topographic highs which are sharply incised by washes. Steep-sided or vertical cliffs are commonly formed by the Yale Point Sandstone.

Little terrace development occurs within the washes. However, in the southwestern part of the area several terraces have been developed within the broader margins of the washes, particularly Moenkopi and Coal Mine Washes.

The dominant geomorphic features of the leasehold and vicinity are summarized as:

- 1. The cliff-forming nature of the Yale Point and Toreva Formations.
- 2. The very low apparent dip of the strata which results in gently rolling, relatively flat-topped topography.
- The steeply incised nature of the washes.
- 4. The resistant nature of the "clinkered" material which tends to form rounded buttes at the margin of the minable coal.

Stratigraphy of the Leasehold

Introduction. George Kiersh (1956), in his description of the mineral resources of the Navajo and Hopi Indian Reservation, described the geology of the area surrounding Black

Mesa and made tentative correlation to adjacent areas. Figure 2 is a generalized map of the area. The stratigraphic chart shown in Figure 3 lists the rocks from the Precambrian through the Cenozoic Eras. The following descriptions of the rocks are arranged according to geologic age commencing with the oldest formations and continuing through successively younger formations.

Pre-Permian Rocks. Although not exposed in the immediate vicinity of Black Mesa, a thick series of pre-Permian formations crop out along the Colorado River, particularly in the Grand Canyon. The oldest exposed rock is the Vishnu Schist. Overlying the Vishnu Schist is the Precambrian-age, Grand Canyon Series comprised of interbedded shale, sandstone, limestone and mudstone strata. Overlying the Grand Canyon Series is the Cambrian-aged Tonto group of rocks which include the Tapeats Sandstone, Bright Angel Shale and Muav Limestone. Unconformably overlying the Tonto group is the Devonian-aged Temple Butte Limestone. The massive, blue-gray Redwall Limestone of Mississippian age unconformably overlies Temple Butte and forms prominent cliffs within the inner canyon gorge of the Crand Canyon. In the immediate vicinity of Black Mesa, none of the rocks described in the preceeding section are exposed because they are too deeply buried and have not been exposed by erosion (Figure 4).

Permian Rocks. To the west of Black Mesa, in the Grand Canyon, the Supai Formation of Permian-Pennsylvanain age unconformably overlies the Redwall Limestone (Mississippian age). The Supai is an alternating series of sandstone and shale units and is overlain by the Hermit Shale, which is composed largely of well-indurated mud and fine-grained sandy material. Conformably overlying the Hermit Shale is the Coconino Sandstone, which is widespread over-most of northeastern Arizona. The Coconino thins to the southeast and eastward, and grades into the DeChelly Sandstone. In the western part of the region, the Toroweap Formation of red sandstone and dark gray limestone conformably overlies the Coconino Sandstone. In the eastern part of the area the Coconino intertongues with the Toroweap Formation and the Canyon DeChelly. Conformably overlying the Toroweap is the Kaibab Limestone, which is widespread throughout much of northern Arizona. The Kaibab, Toroweap, Coconino and Hermit Shale comprise the Aubrey Group.

Triassic Formations.

Moenkopi Formation. The lowermost Triassic-aged rocks exposed in the area are those of the Moenkopi Formation. This formation consists of: siltstone, claystone and sandstone

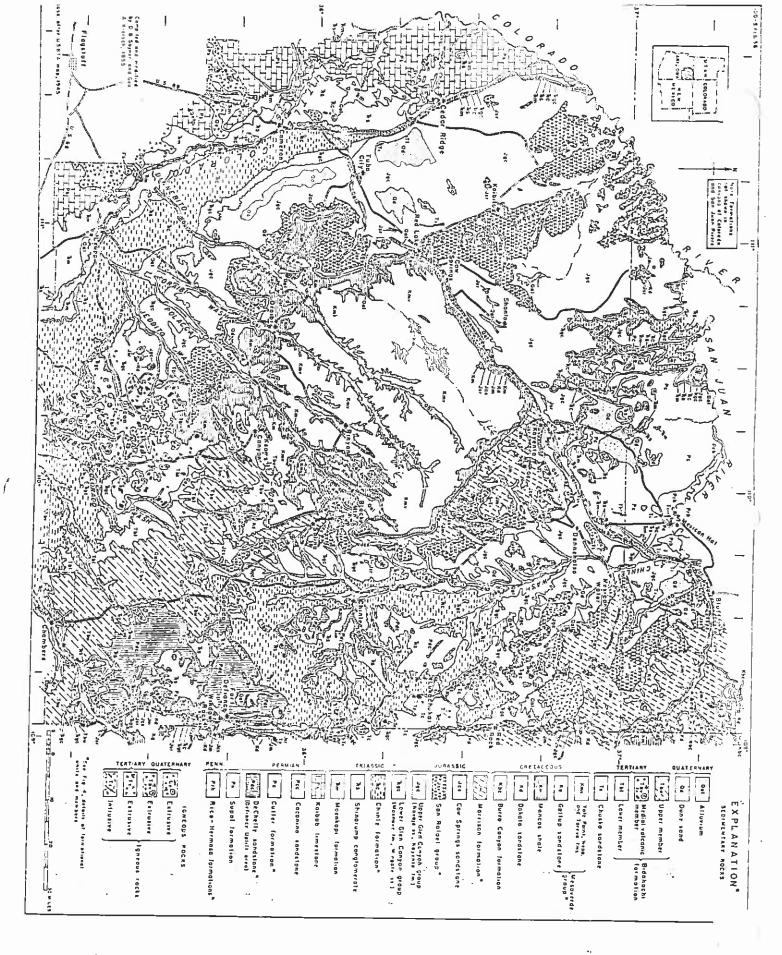
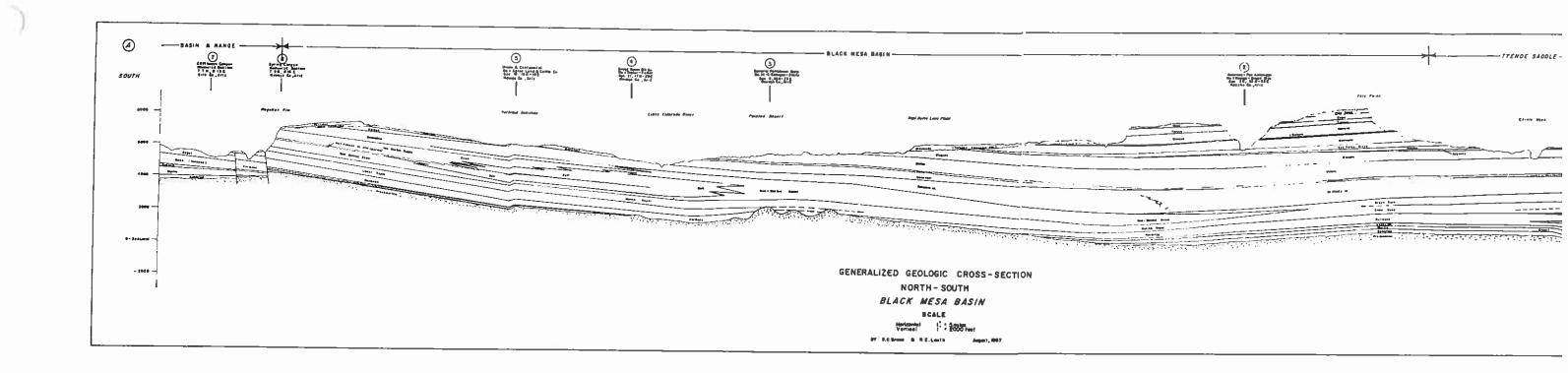


Figure 2 - Generalized geologic map Navajo country, Arizona-Utah. Largely after quadrangle maps by U.S. Geologic Survey, 1955. Compiled by: J.W. Harshbarger, C.A. Repenning, J.H. Irwin, M.E. Cooley, J.P. Akers, P.R. Stephens, H.G. Page. Also, maps by: J.D. Strobel, 1953; I.J. Witkind, 1952, J.E. Allen and R. Balk, 1954, A.A. Baker, 1935, and R.B. O'Sullivan, G.H. Dixon and O.I. Dilworth, 1954.

NOMENCLATURE CHART OF THE CANYONLANDS & ADJACENT AREAS SW UTAH & NW ARIZ. G. CANYON - BLK. MESA B. PER IOD PARADOX BASIN **EPOCH** (EAST OF HINGE LINE) (INCL CANYONLANDS) ARY MIOCENE CENOZOIC BRIAN HEAD FM OLIGOCENE ar'n lili ERT EOCENE CLARON FM - WASATCH FM PALEOCENE KAIPAROWITS Z S WAHWEAP FM 20 SPRINGS MESAVERDE GROUP (MFSA-YALE PT SS STRAIGHT CLIFFS SS UPPER VERDE WEPO FM FM GROUP MANCOS ⋖ SHALE TROPIC SH MANCOS SH GREENHORN LS MEA DAKOTA SS œ DAKOTA SS DAKOTA SS LOWER CEDAR MT-BURRO CAN FMS O MORRISON BRUSHT BASIN SH MBR MORRISON FM S MOR FM SALT WASH SS MER SPRINGS SS Ś UPPER CT CR SS) BLUFF SS SAN SAN RAFAFI RAFAEL RAFAEL ENTRADA SS ENTRADA SS ഗ ENTRADA SS GROUP GROUP GROUP CARMEL CARMEL FM CARMEL FM MID. & LOW NAVAJO NAVAJO SS NAVAJO TOP GLEN GLEN GLEN MOENAVE FM SPRINGDALE CANYON KAYENTA KAYENTA FM KAYENTA CANYON CANYON GROUP MOENAVE DING CAN GROUP GROUP WINGATE SS UPPER WINGATE CHINLE FM HOSS BACK SSI ≥ CHINLE FM CHINLE FM SHINARUMP CGL MBR SHINARUMP SHI WARUME - MOSS BACH MIDDLE ⋖ UPPER RED MAR 霳 SHMABKAIB MBR MIDDLE RED MBR VIRGIN LS MBR LOWER RED MBR TIMPOWEAP MBR MOENKOPI LOWER MOENKOPI EM MOQUI MBR FM WUPATEL MRR HOSKINNINI MBR OSKINNINI MBR OCHOA-TOP GUADALUPE TOROWEAP FM KAIBAB LS ⋖ TOROWEAP FM LEONARD DE CHELLY SS Σ COCONINO SS ORGAN ROCK TONGUE 霳 HERMIT SH ORGAN A TONGUE WOLFCAMP QUEANTOWEAP SS CEDAR MESA SS MBR SUPAL H'GAITO TONGUE 'ELEPHANT CAN PAKOON LS HALGAITO TONGUE RIVER ≥ FM VIRGIL MISSOURI HONAKER TRAIL FM CALLVILLE LS HERMOSA GROUP Z UNDIVIDED COLORADO Z DES MOINES PARADOX EVAPORITES MOLAS Lil α. PINKERTON TRAIL FM MOLAS FM ATOKA MOLAS FM MORROW CHESTER ഗ MERAMEC OSAGE P.O REDWALL LS Σ LEADVILLE LS REDWALL LS KINDERHOOK ECCITATION OF THE PROPERTY OF OURAY LS OURAY LS NO/ ELBERT FM U ELBERT MOR UPPER TEMPLE ELBERT FM TEMPLE BUTTE LS MC CRACKEN MOR BUTTE LS McC ANETH FM AN \triangleleft MID & LOW SILURIAN UNDIFF Δ ORDOVICIAN CARB O BRIGHT ANGEL UPPER UNDIFF CARB OPHIR SH MUAV LS MUAV LS TONTO MIDDLE IGNAC10 BRIGHT ANGEL SH ◂ BRIGHT ANGEL PIOCHE LOWER TAPEATS CHUAR GROUP NANKOWEAP FM RAMA FM DOX FM MB LATE UNKAR GROUP (ALGONKIAN) SHINUMO OTZITE BASS LS CHOTAUTA CGL 1 1 α EARLY ZOROASTER GRANIT \cap (ARCHEAN) IGNEOUS & METAMORPHICS VISHNU IGNEOUS & METAMORPHICS VERTICAL TIME SCALE NOT UNIFORM COMPILED BY CM MOLENAAR

FIGURE 3



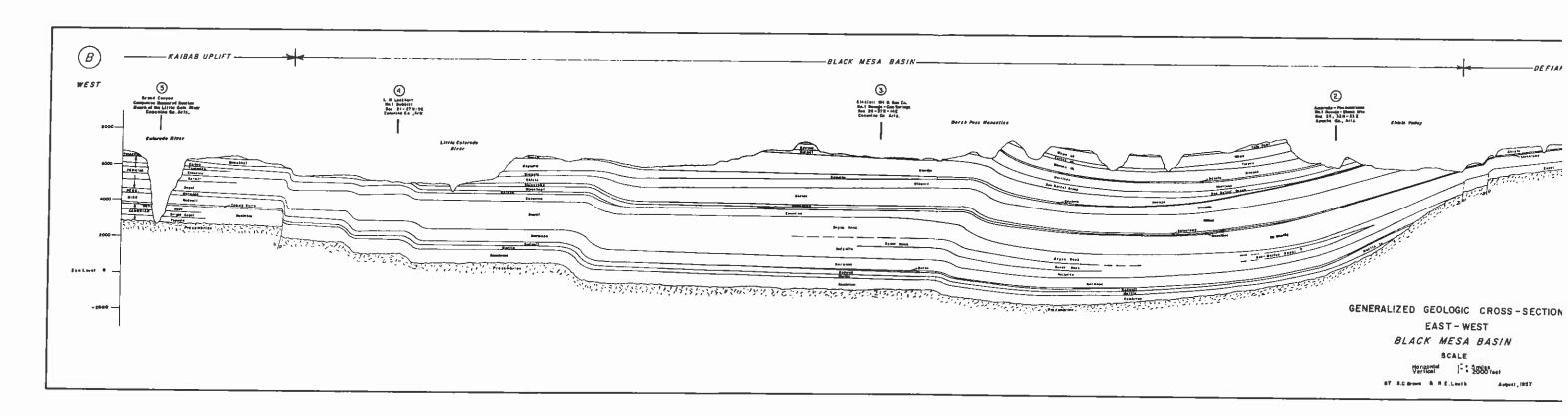


Figure 4

