

CHAPTER 3

LEGAL, FINANCIAL, AND COMPLIANCE
INFORMATION

CHAPTER 3

INDEX

	<u>Page</u>
Applicant/Operator Information	1
Applicant and Operator	1
Surface and Mineral Owners-Leasehold	1
Property Owners-Contiguous Property	1
Mine Safety and Health Administration Numbers	2
Right of Entry Information	2
Liability Insurance	4
Permit Term and Area	4
Certification	6
Permit History	6
Unsuitability Claims	6
Information Required Pursuant to 30CFR750.12(d) (2)	6
Employment, Population, Revenues, and Goods	6
Scenic and Aesthetic Resources	7
Cultural and Historic Resources	8
Significant, Threatened, and Endangered Wildlife and Vegetation Species	9
Air Quality	9
Bond Riders	9
Proof of Publication	9
Business Authorization	9

LIST OF FIGURES

	<u>Page</u>
Figure 1. Black Mesa Leases	10
Figure 2. Existing Permit Boundaries and Leases	11
Figure 3. Permit, Lease, and Coal Resource Area Boundaries	12

LIST OF TABLES

	<u>Page</u>
Table 1. Permit History	13



LIST OF ATTACHMENTS (CONT.)

LIST OF ATTACHMENTS

- Attachment 1. Identification of Interests and Compliance Information
 - Ownership and Control
 - Compliance Information
 - Resident Agent Identification
 - AML Fee Payment
- Exhibit A Peabody Western Coal Company Directors and Officers
- Exhibit B Organizational Chart for the PEC Family of Companies
- Exhibit C AVS Certification Document for the PEC Family of Companies
- Exhibit D Current, Previous, and Pending Coal Mining Permits
- Exhibit E Compliance Information
- Attachment 2. Description of Leased Lands
- Attachment 3. Description of Conveyor and Coal Loadout Facility
 - Right-of-Way and Easement and Assignment from PCC to FWCC
- Attachment 3A. Description of Conveyor Right-of-Way and Easement Grant Issued During August 1996
- Attachment 3b. Description of Road, Utility, Pond, and Rock Borrow Area Facilities Right-of-Way and Easement Grant Issued During August 1996
- Attachment 4. Description of Powerline Right-of-Way and Assignment from PCC to FWCC
- Attachment 4a. Revocable Use Permit for Environmental Monitoring Stations
- Attachment 5. Certificate of Liability Insurance
- Attachment 6. Description of Life-of-Mine Permit Area
- Attachment 7. Certification
- Attachment 8. Photographs
- Attachment 9. Lease Assignments
- Attachment 10. Bond Riders
- Attachment 11. Proof of Publications
- Attachment 12. Business Authorization Certificate



CHAPTER 3

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
P.O. Box 308
Window Rock, Arizona 86515

The Hopi Tribe
P.O. Box 123
Kykotsmovi, Arizona 86039



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).

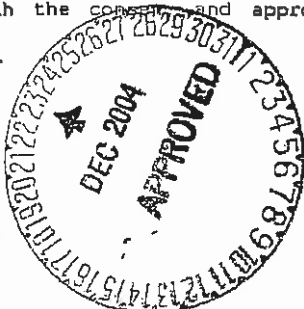
Mine Safety and Health Administration Numbers Pursuant to 30 CFR 778.13(d)

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 CFR 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 consent 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 CFR 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.

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 CFR 778.18

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

Permit Term and Area

The Black Mesa and Kayenta Mines are surface coal mines 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 twice; first on July 6, 1995 and subsequently on July 6, 2000. 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.



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 CFR 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 aspect 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 out-buildings. 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 the base of the mesa.



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 un-concentrated 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 un-mined 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 with Federal laws aimed 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.

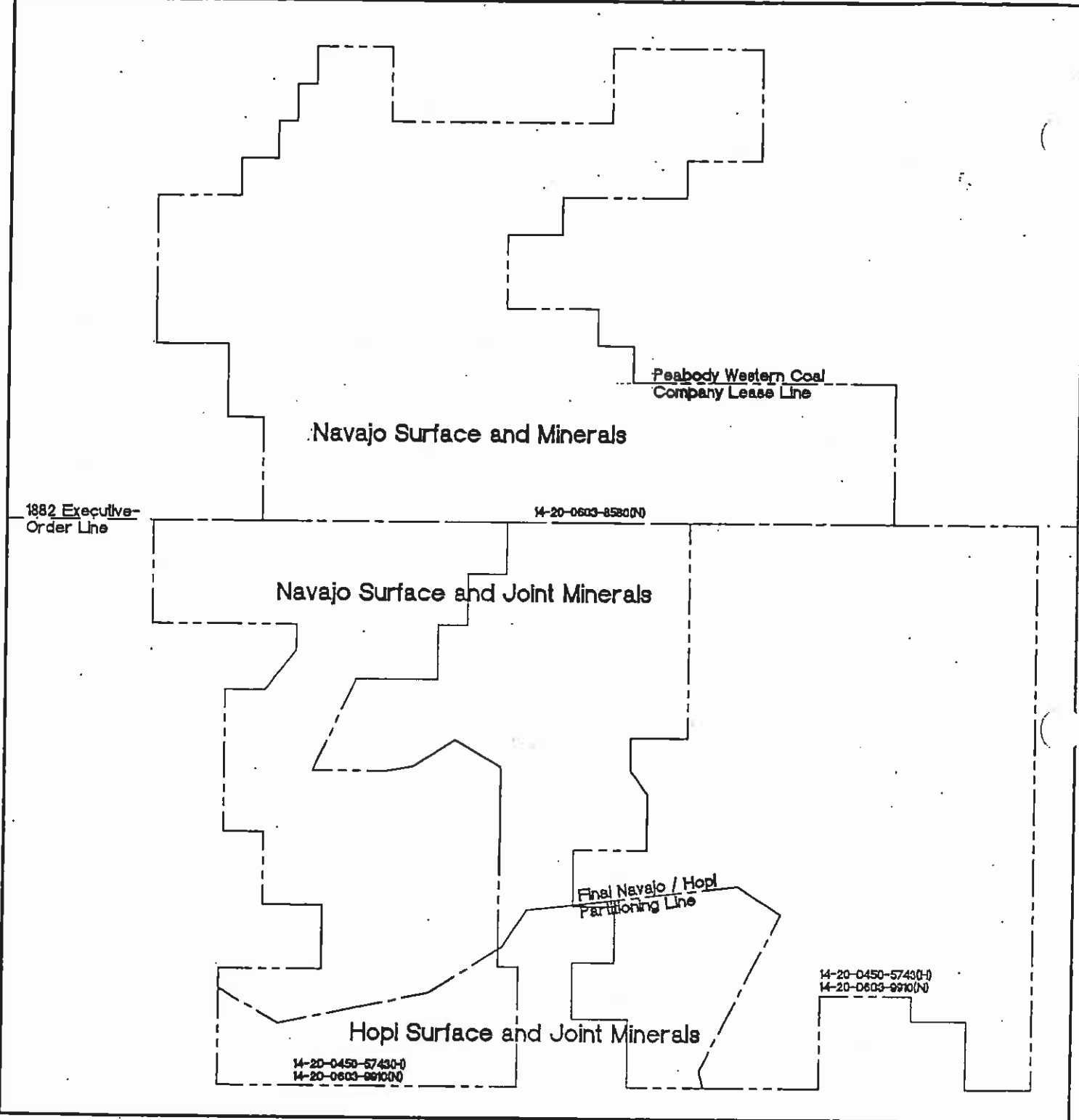


FIGURE 1

BLACK MESA LEASES
PEABODY WESTERN COAL COMPANY

FIGURE 2
EXISTING PERMIT BOUNDARIES/BLACK MESA LEASES
PEABODY WESTERN COAL COMPANY

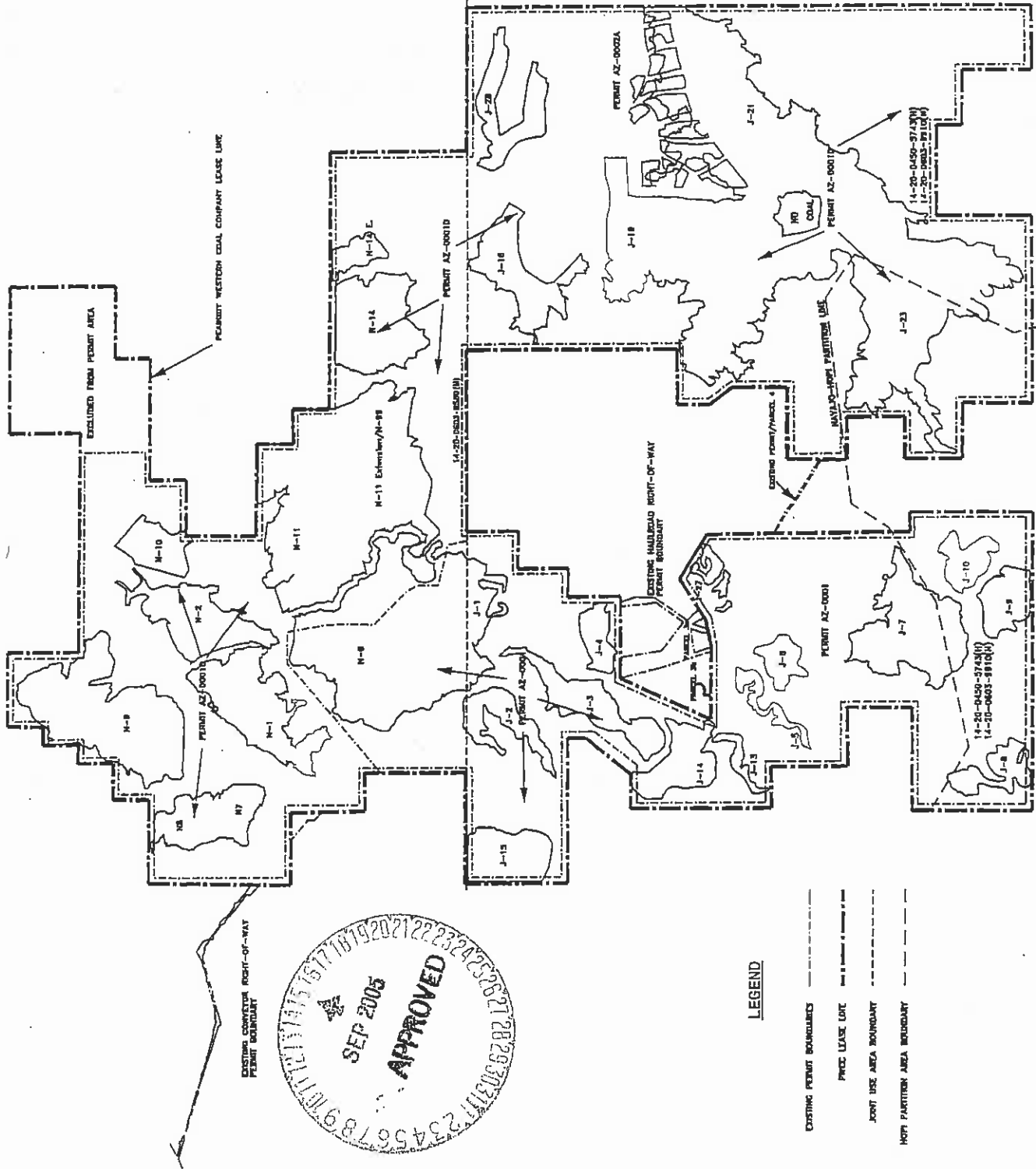
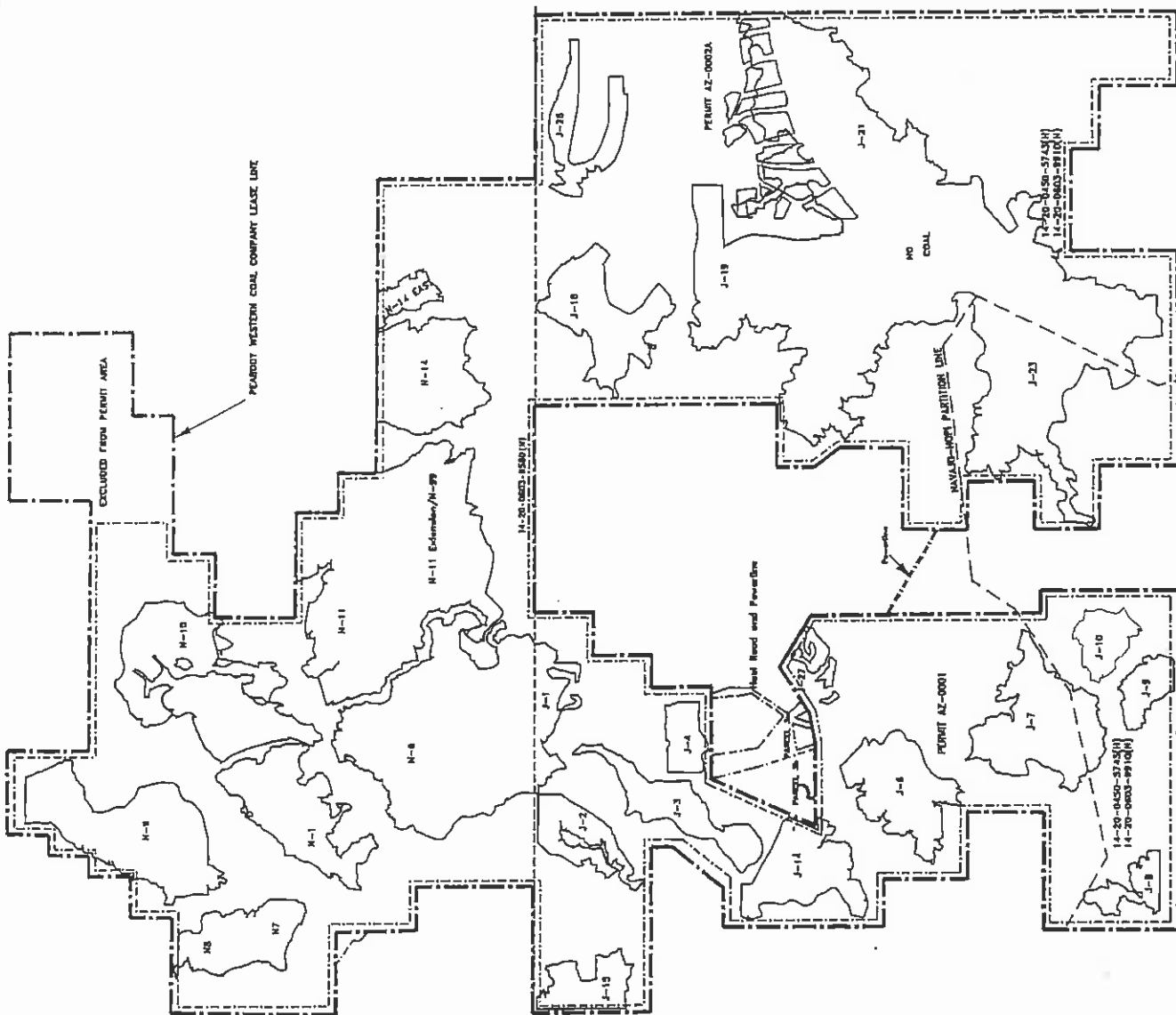


FIGURE 2



234567890112131415161718192021222324252627282930313233
 SEP 2005
 APPROVED

- LEGEND**
- PROPOSED PERMIT BOUNDARIES
 - PERMIT LEASE LINE
 - JOINT USE AREA BOUNDARY
 - HOPI PARTITION AREA BOUNDARY

FIGURE 3
 PROPOSED PERMIT BOUNDARIES/BLACK MESA LEASES
 PEABODY WESTERN COAL COMPANY
 REVISED 01/23/2004

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

<u>Mining Area(s)</u>	<u>Submittal Date</u>	<u>Approval Date</u>
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

<u>Action</u>	<u>Date</u>
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. Alexandria 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 & SECRETARY	01/01/2009	
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 Company, LLC	OWNER	12/05/2005	
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, Kemal	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
158664	Peabody Coal Company, LLC	OWNER	07/11/2005	12/07/2005
156232	Hammond, Robert	PRESIDENT	06/23/2005	01/01/2008
156232	Hammond, Robert	DIRECTOR	05/09/2005	01/01/2009
149160	Putz, 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	Kacich, 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

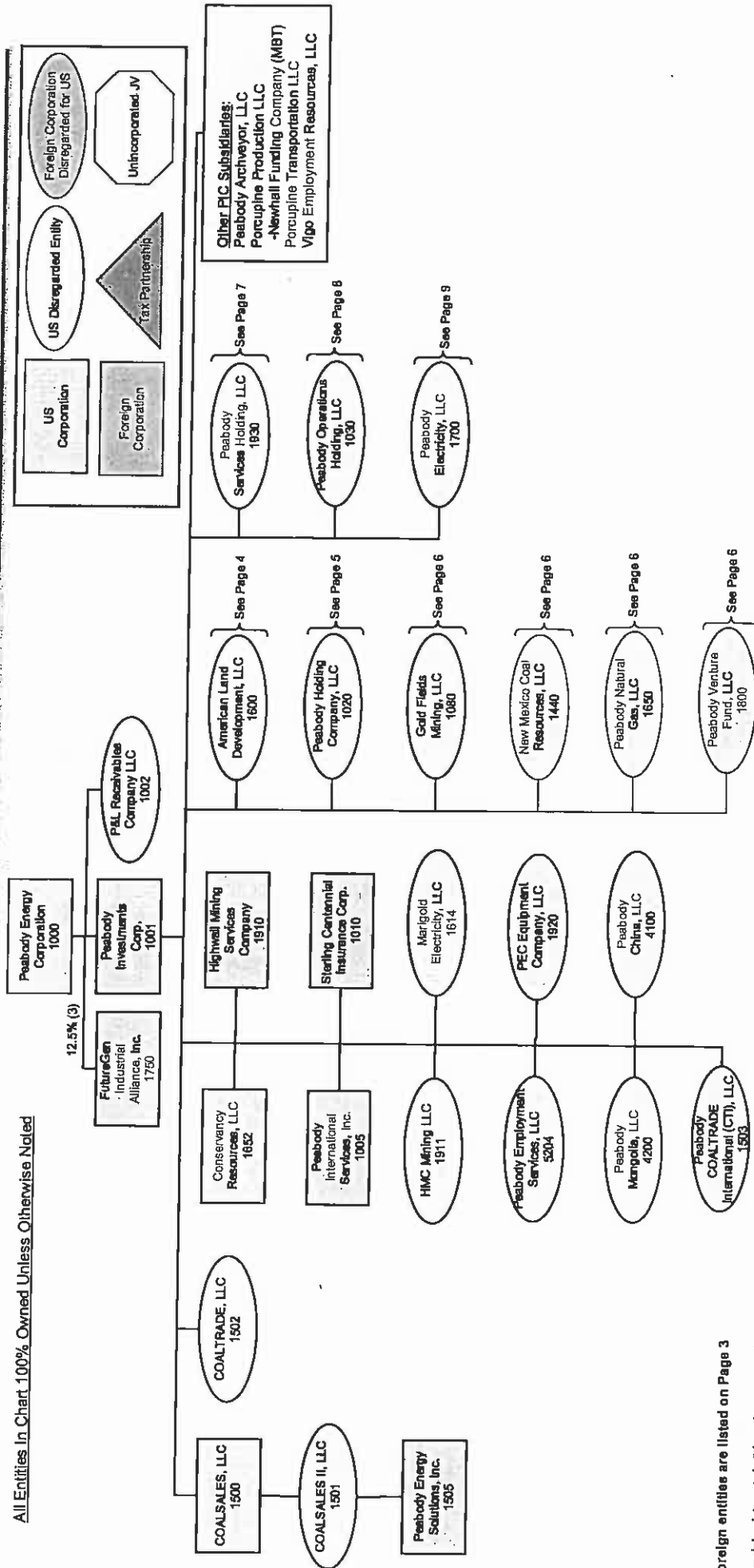
EXHIBIT B

ORGANIZATIONAL CHART FOR THE
PEC FAMILY OF COMPANIES

Peabody Energy Corporation Organizational Chart – December 31, 2009



All Entities in Chart 100% Owned Unless Otherwise Noted



Foreign entities are listed on Page 3

(3) Remaining interests in this entity owned by independent third party.

EXHIBIT C

AVS CERTIFICATION DOCUMENT FOR THE
PEC FAMILY OF COMPANIES

Peabody Energy Corporation

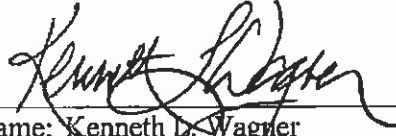
Assistant Secretary's Certificate

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

- (i) Alexandria 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) Alexandria 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 L. Wagner
Title: Assistant Secretary

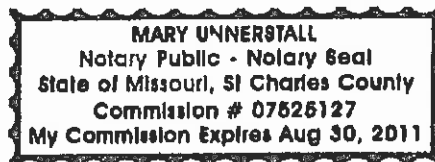
Notary

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.



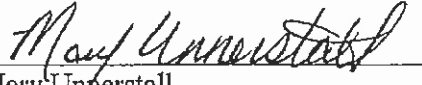

Mary Unnerstall
Notary Public

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	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
AZ-0001D	07 / 2005	07 / 2010	OSM	PWCC	PHCLLC

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	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
AZ-0001D	07 / 2000	07 / 2005	OSM	PWCC	PHCLLC

State: Arizona
Mine Name: BLACK MESA
Address: 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	Expire Date	Issued By	Issued To	Applicant Ownership and Control
AZ-0001	01/2000	01/2005	OSM	PWCC	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:

1. 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: 2

For NOV's Issued Between 03/15/2007 and 07/30/2009

Date: 06/16/2010

07-039

Company: PEABODY WESTERN COAL COMPANY
Mine: KAYENTA
Permit: AZ-0001D **MSHA ID:** 02-01195
County: NAVAJO **State:** Arizona
NOV: 07-020-352-002 **Issued:** 09/25/2007
Issuer: U.S. Office of Surface Mining *Issued To: Received Certified Mail*
Cause: 1) FAILURE TO MAINTAIN REQUIRED 1 TO 2 FEET OF FREEBOARD IN GRADIENT TERRACE; 2) FAILURE TO MAINTAIN INLET AND SPILLWAYS OF SEDIMENT PONDS;
Status: 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 **MSHA ID:** 02-01195
County: NAVAJO **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

Company: PEABODY WESTERN COAL COMPANY
Mine: KAYENTA
Permit: AZ-0001D **MSHA ID:** 02-01195
County: NAVAJO **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
County: NAVAJO
NOV: 08-020-107-002
Issuer: U.S. Office of Surface Mining
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;

MSHA ID: 02-01195
State: Arizona
Issued: 03/14/2008
Issued To: Greg E. Jones

08-008

Company: PEABODY WESTERN COAL COMPANY
Mine: KAYENTA
Permit: AZ-0001D
County: NAVAJO
NOV: 08-020-190-003
Issuer: U.S. Office of Surface Mining
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;

MSHA ID: 02-01195
State: Arizona
Issued: 03/20/2008
Issued To: Received Certified Mail

08-009

Company: PEABODY WESTERN COAL COMPANY
Mine: KAYENTA
Permit: AZ-0001D
County: NAVAJO
NOV: 08-020-352-002
Issuer: U.S. Office of Surface Mining
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;

MSHA ID: 02-01195
State: Arizona
Issued: 04/23/2008
Issued To: Received Certified Mail

Peabody Energy Corporation: Notice of Violation List

Page: 4

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
Permit: AZ-0001D MSHA ID: 02-01195
County: NAVAJO State: Arizona
NOV: 08-020-352-005 Issued: 10/22/2008
Issuer: U.S. Office of Surface Mining *Issued To: Darrel EIKINS*
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
County: NAVAJO State: Arizona
NOV: 08-020-352-006 Issued: 11/12/2008
Issuer: U.S. Office of Surface Mining *Issued To: Gary Wendt*
Cause: 1) FOUR J21 PONDS HAVE EMBANKMENT CRACKS; 2) EROSION AND HOLES ON THREE 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) REMOVE POND & PROVIDE FOR POSITIVE DRAINAGE IN THE AREA;
Penalty: 3), 4) & 5) NONE; 1), 2) & 6) CONFERENCE HELD 02/11/09; ASSESSED \$1730. AND PAID 05/29/09;

08-029

Company: PEABODY WESTERN COAL COMPANY
Mine: KAYENTA
Permit: AZ-0001D MSHA ID: 02-01195
County: NAVAJO State: Arizona
NOV: 08-020-190-005 Issued: 09/26/2008
Issuer: U.S. Office of Surface Mining *Issued To: Received Certified Mail*
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 SEEDING 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

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
Mine: KAYENTA
Permit: AZ-0001D
County: NAVAJO
MSHA ID: 02-01195
State: Arizona
NOV: 09-020-107-003
Issuer: U.S. Office of Surface Mining
Issued: 11/18/2009
Issued To: Gary Wendt
Cause: 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

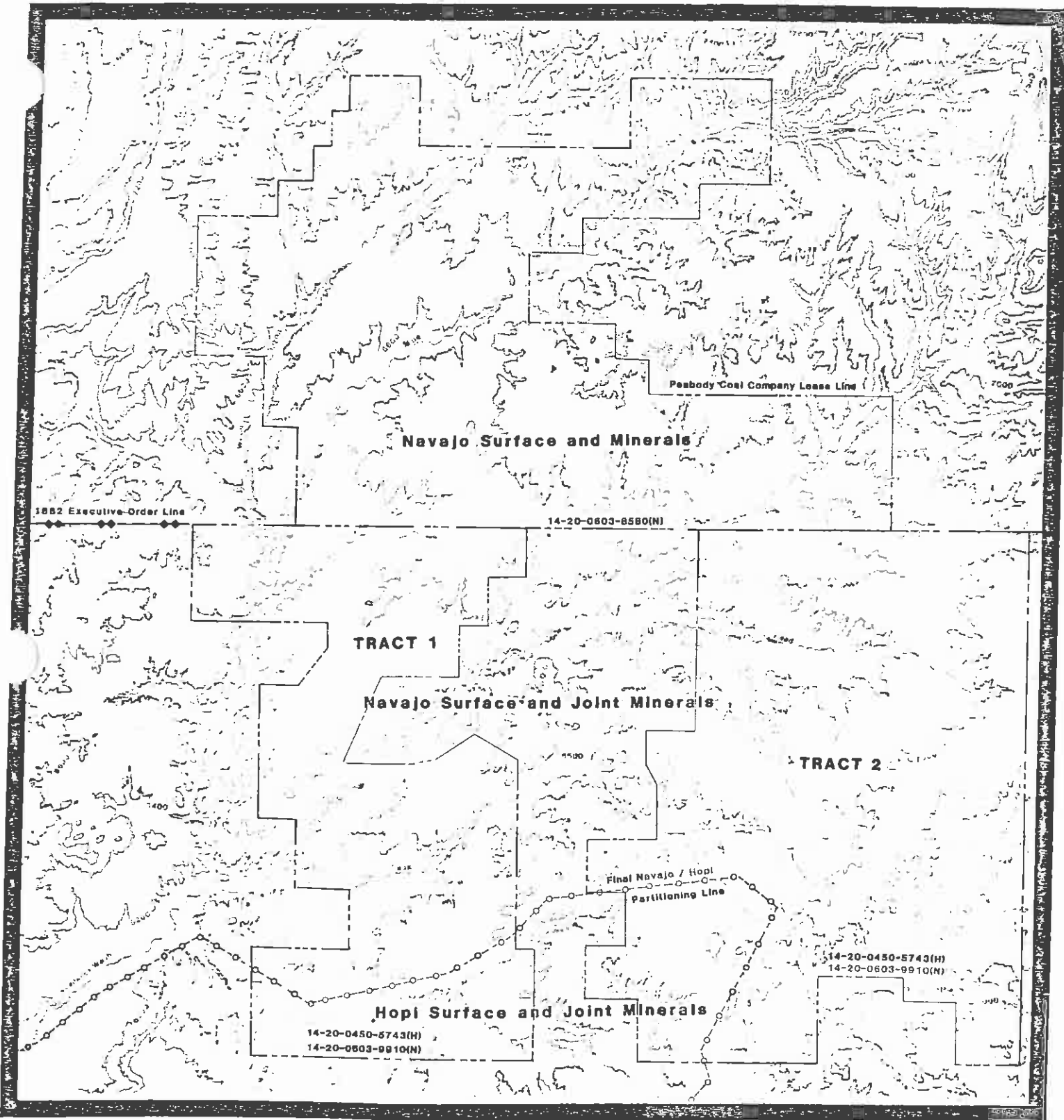
Company: Peabody Western Coal Company
Mine: KAYENTA
Permit: AZ-0001D
County: NAVAJO
MSHA ID: 02-01195
State: Arizona
NOV: 09-020-107-002
Issuer: U.S. Office of Surface Mining
Issued: 07/30/2009
Issued To: Gary Wendt
Cause: FAILURE TO COMPLY WITH AIRBLAST LIMITS AS SPECIFIED BY THE REGULATIONS WITH A 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
County: NAVAJO
MSHA ID: 02-01195
State: Arizona
NOV: 10-020-190-002
Issuer: U.S. Office of Surface Mining
Issued: 03/23/2010
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**

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

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

5 1.24 "Secretary" - the Secretary of the Interior or
6 his authorized representative or such person or agency as
7 he may expressly designate to perform the functions pro-
8 vided in this §323 Grant to be performed by him or such
9 Federal agency as may succeed to the duties of the Secre-
10 tary of the Interior under this §323 Grant.

11 1.25 "Area Director" - Area Director of the Navajo
12 Area Office of the Bureau of Indian Affairs at Window
13 Rock, Arizona, or other official in charge of the Indian
14 Agency having jurisdiction over the Reservation Lands.

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

23 2.1. A right-of-way and easement for the
24 Plant Site, the Pumping Plant Site, Ash Disposal
25 Area and Rail Loading Site, with Arizona hav-
26 ing an undivided 14% interest therein; Los

1 Angeles having an undivided 21.2% interest
2 therein; Salt River Project having an undivid-
3 ed 46.0% interest therein; Nevada having an
4 undivided 11.3% interest therein; and Tucson
5 having an undivided 7.5% interest therein.

6 2.2 Rights-of-way and easements for the purposes
7 of constructing, reconstructing, installing, operating,
8 maintaining, relocating and removing the improvements
9 hereinafter described within the areas shown and de-
10 scribed in the referenced Exhibits, with the Grantees
11 having the respective undivided interests set forth
12 in paragraph 2.1.

13 2.2.1. Power and communication lines,
14 extending from the Pumping Plant Site to the
15 Plant Site in, on, over and across the real
16 property shown on Exhibit A hereof and de-
17 scribed on supplemental Exhibit 5 hereto.

18 2.2.2. A water pipeline and access road
19 extending from the Pumping Plant Site to the
20 Plant Site in, on, over and across the real
21 property shown on Exhibit A hereof and des-
22 cribed on supplemental Exhibit 6 thereto.

23 2.2.3. An access road extending from the
24 Pumping Plant Site to the Proposed Indian Ser-
25 vice Route N-228 on, over and across the real
26 property shown on Exhibit A hereof and described



IN REPLY REFER TO:

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.

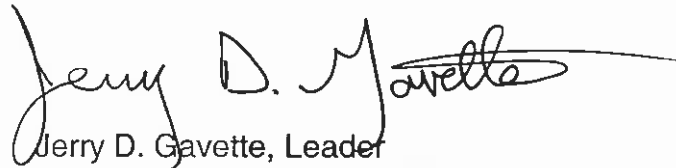
By copy of this letter, OSM/WR requests PWCC, other OSM offices, and other agencies/offices to insert the materials transmitted with OSM's memoranda dated September 13, 2005, (OSM ID 05/09/12-14) into the approved permit application package, in accordance with the insertion instructions.

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.

**TAKE PRIDE[®]
IN AMERICA** 

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,

A handwritten signature in black ink that reads "Jerry D. Gavette". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

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

Enclosures

cc: AFO
BIA-Navajo Regional Office
BIA-Western Regional Office
✓ OSM-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

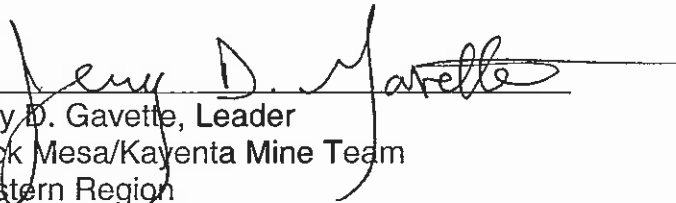
Under the Indian Lands Program (30 CFR Chapter VII, Subchapter E), PWCC on September 9, 2005, submitted to OSM proposed minor permit revision AZ-0001-D-J-29 for Black Mesa/Kayenta Mines permit AZ0001D. The application was updated Chapter 7, Revised Blasting Monitoring Map, Drawing No. 94700.

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

1. 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. **MINE/OPERATION:** Black Mesa / Kayenta Mine

3. **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. **Letterhead date of submittal:** September 9, 2005

4. **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) **Citation of applicable regulations:** 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 parties 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.

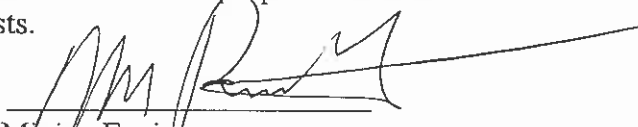
The J-7 pit will no longer be mined so there is no reason for a seismograph at that location, the Katie Charley location is too far from the blasting now and the Kescoli site for J-21 is much better, the J-19/ J-19 West Pit north side should be placed on the north side of the area on the Dugout Wash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

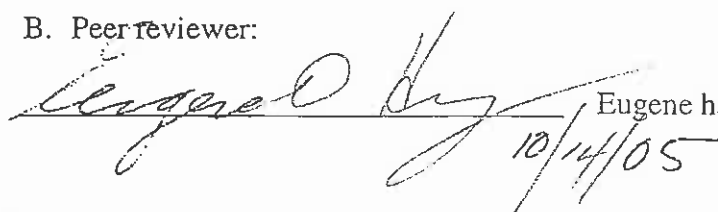
or This part of the application/document complies with the requirements of the applicable regulations.

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


Michael F. Rosenthal Mining Engineer
2005
Black Mesa/Kayenta Mine Team

October 11,

B. Peer reviewer:


Eugene hay, Mining Engineer
10/14/05
October 12, 2005

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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 Plant 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.

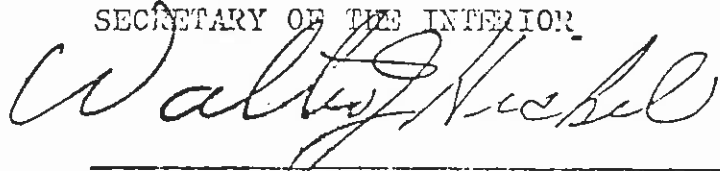
3. CONSENT OF THE NAVAJO TRIBE OF INDIANS. The Tribe has consented to the grant of the rights-of-way and easements hereunder, as required by applicable regulations of the Department of the Interior, by resolutions, duly approved, of its Tribal Council and Advisory Committee. Such consent is further set 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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

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 waiver and exception is permitted by law and is in the best interest of the Tribe.

IN TESTIMONY WHEREOF, 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 3, 1879 (20 Stat. 394, 5 U.S.C. §485), as amended, and the Acts of July 9, 1882 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.

GIVEN under my hand in Washington,
the 10th day of December, 1969.

SECRETARY OF THE INTERIOR


Walter J. Hickel

The covenants and conditions of this §323 Grant are

1 accepted and agreed to this 23 day of December,
2 1969.

3 ARIZONA PUBLIC SERVICE COMPANY

4 By *M. Titus*
5 EXECUTIVE VICE PRESIDENT

6 ATTEST:
7 *Lerald Higgins*
8 Assistant Secretary

9 APPROVED AS TO FORM AND LEGALITY
10 ROGER ARNEBERGH, CITY ATTORNEY

11 DEC 18 1969

12 By *Donald J. Reiser*
13 Donald J. Reiser
14 Deputy City Attorney

AUTHORIZED BY RES. 416
NOV 20 1969

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES
By the Board of Water and Power
Commissioners

15 ATTEST:
16 *Mary J. Lora*
17 Secretary

18 By *Frank L. ...*
19 PRESIDENT

20 NEVADA POWER COMPANY

21 By *John C. Gibbs*

22 ATTEST:
23 *G. P. ...*
24 Secretary

26

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

By *[Signature]*
President

ATTEST AND COUNTERSIGNED:

[Signature]
Secretary

TUCSON GAS & ELECTRIC COMPANY

ATTEST:

By *[Signature]*
VICE PRESIDENT

[Signature]
Secretary

STATE OF Arizona)
County of Maricopa) SS

The foregoing instrument was acknowledged before me
this 23rd day of December, 1969, by M. C. Titus,
Executive Vice President of ARIZONA PUBLIC SERVICE COMPANY,
a corporation, on behalf of said corporation.

[Signature]
Notary Public

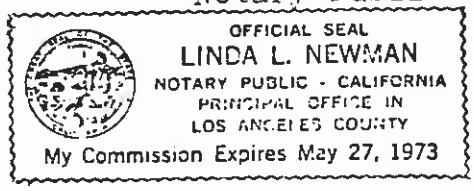
My Commission expires:

July 9, 1972

1 STATE OF California)
2 County of Los Angeles) SS

3 The foregoing instrument was acknowledged before me
4 this 18th 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.

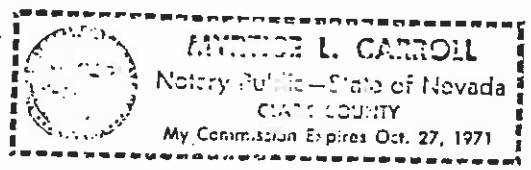
9
10 Linda L. Newman
Notary Public
11 My Commission expires:
12 _____



14 STATE OF Nevada)
15 County of Clark) SS

16 The foregoing instrument was acknowledged before me
17 this 18th day of December, 1969, by John C. Lipp,
18 Vice President of NEVADA POWER COMPANY, a Nevada
19 corporation, on behalf of said corporation.

20
21 Lynette L. Carroll
Notary Public
22 My Commission expires:
23 _____



1 STATE OF Arizona)
2 County of Maricopa) ss

3 The foregoing instrument was acknowledged before me
4 this 22nd day of December, 1969, by V. I. CORBELL,
5 President of SALT RIVER PROJECT AGRICULTURAL
6 IMPROVEMENT AND POWER DISTRICT, an Arizona agricultural im-
7 provement district, on behalf of said District.

8 Don E. Smith
9 _____
10 Notary Public

11 My Commission expires:
12 My Commission Expires May 3, 1971

14 STATE OF Arizona)
15 County of Pima) ss

16 The foregoing instrument was acknowledged before me
17 this 19th day of December, 1969, by A. H. Callin,
18 Vice President of TUCSON GAS & ELECTRIC COMPANY, an
19 Arizona corporation, on behalf of said corporation.

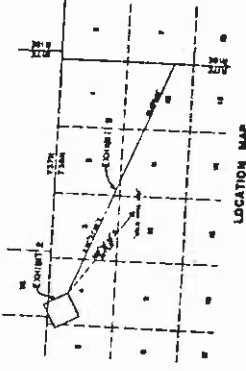
21 Michelle T. G. ...
22 _____
23 Notary Public

24 My Commission expires:
25 ...



VICINITY MAP

SCHEDULE OF EXHIBITS
 EXHIBIT 8 - RAIL LOADING SITE
 EXHIBIT 9 - CONVEYOR AND COMMUNICATION LINES FROM THE RAIL LOADING SITE TO THE PLANTORY-LEASED LANDS



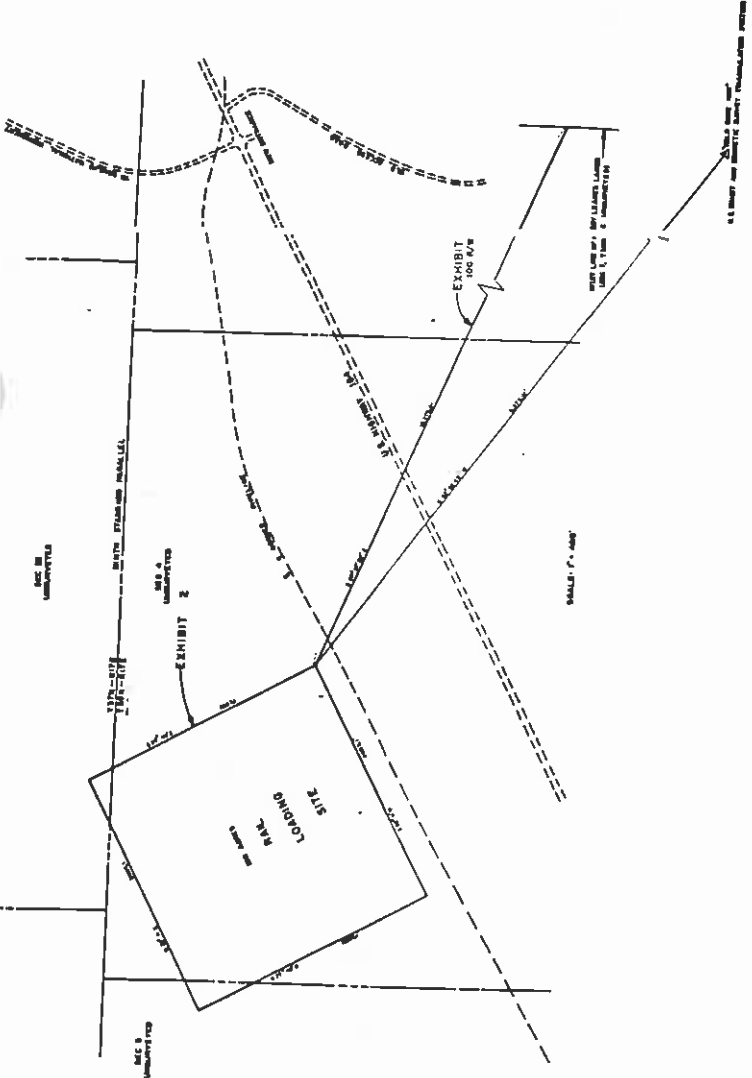
LOCATION MAP



CONFORMED COPY

EXHIBIT - Y

APPLICATION FOR EXHIBIT NO. 8
 HAWAIIAN AIRLINES, INC. & HAWAIIAN AIRLINES
 ENGINEER: H. L. GIBSON, JR., P.E.
 ARCHITECT: J. L. MOYER, JR., P.E.
 HAWAIIAN AIRLINES, INC. & HAWAIIAN AIRLINES
 HONOLULU, HAWAII



SCALE 1" = 400'

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 "^{COAL}Gold Mine 1951"; thence North $53^{\circ} 38' 40''$ West (True Bearing), 8,277.31 feet to the true point of beginning of the parcel of land herein described; thence South $62^{\circ} 11'$ West, 2,087.10 feet; thence North $27^{\circ} 49'$ West, 2,087.10 feet; thence North $62^{\circ} 11'$ East, 2,087.10 feet; thence South $27^{\circ} 49'$ 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 "^{CORL}Gold-Mine 1951"; thence North $53^{\circ} 38' 40''$ 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 $67^{\circ} 37' 20''$ 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.

Bill ...

ACD-411-72

Class "C" Resolution
No BIA Action Required.
Rule B - ...

RESOLUTION OF THE
ADVISORY COMMITTEE OF THE
NAVAJO TRIBAL COUNCIL

Approving and Consenting to Revisions in
the Final Allotment for a Conveyor and
Communications Lines Extending from the
Peabody Leased Lands to the Rail 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 Tribal Land Administration, and compensation has been paid to the affected surface users.

RECEIVED

JAN 26 1973

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.

William C. Alcott

Vice Chairman
Navajo Tribal Council

7100 11175

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

ARPM/327

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 1940
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 centerline 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 resolution 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. Fathem

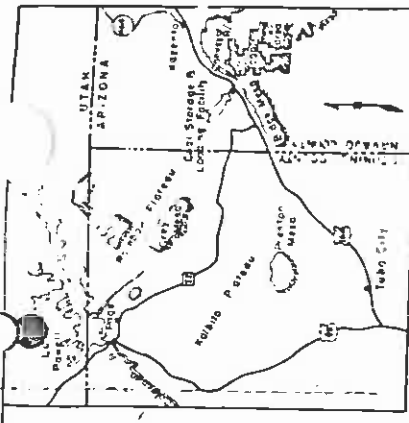
ASSISTANT Area Real Property
Management Officer

Enclosures

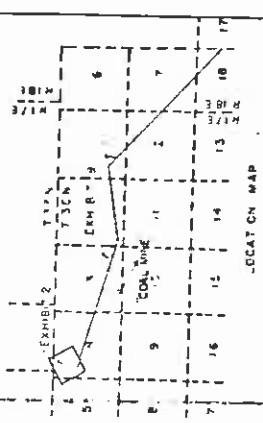
REVISED EXHIBIT 9
CONVEYOR AND COMMUNICATION LINES FROM THE RAIL
LOADING SITE TO THE PEABODY LEASED LANDS

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 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 concrete monument); thence, from point of beginning South $72^{\circ} 32' 24''$ East for a distance of 10,749.29 feet to a point; thence, North $73^{\circ} 44' 02''$ East for 5,125.33 feet to a point; thence, South $49^{\circ} 52' 13''$ 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 $49^{\circ} 52' 13''$ 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 $49^{\circ} 52' 13''$ 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.

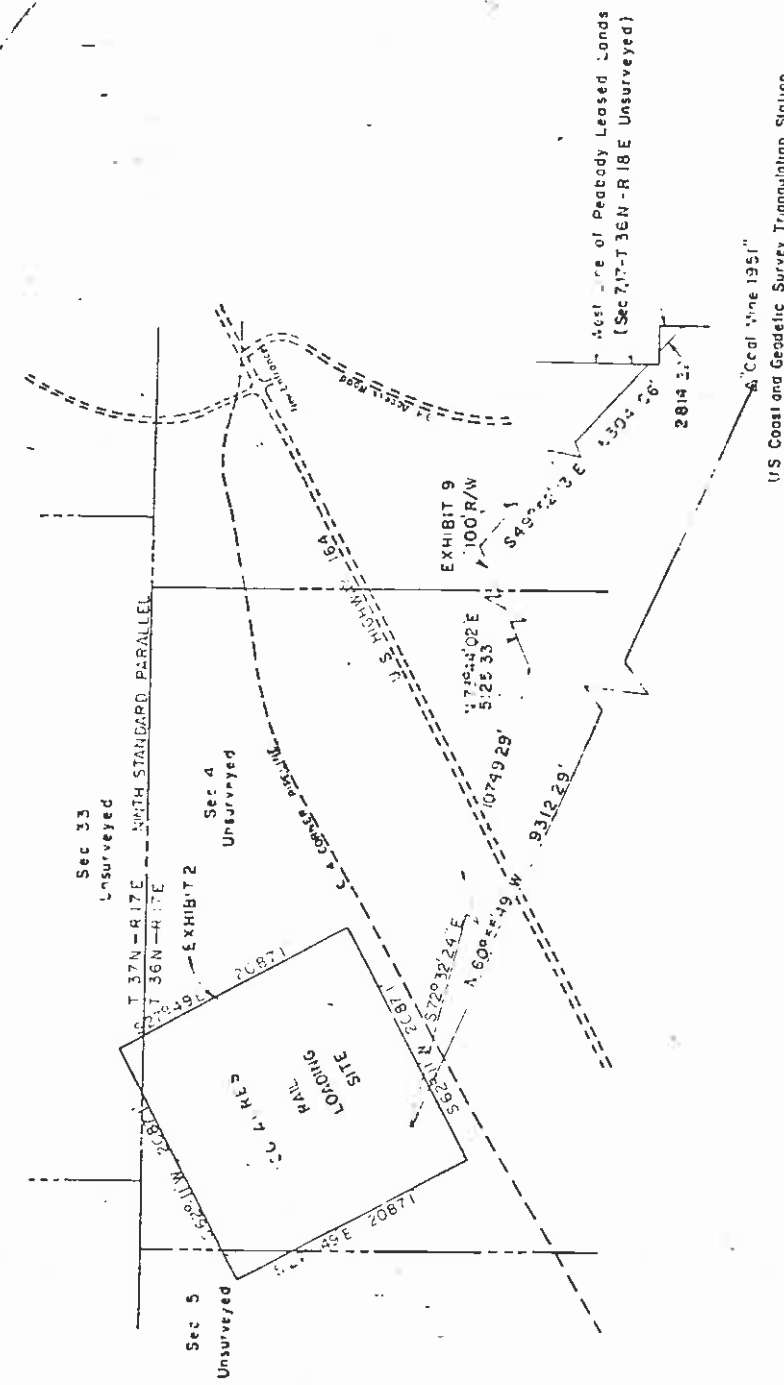


SCHEDULE OF EXHIBITS
 EXHIBIT 2 - RAIL LEADING SITE
 EXHIBIT 3 - CONVEYOR AND COMMUNICATION LINES
 FROM THE RAIL LEADING SITE TO THE
 PEABODY LEASEE LANDS



CONFORMED COPY

RE. SEC 5 AND 17 E
 APPLICATION FOR RIGHTS OF WAY
 ALVARO GENERATION STATION SITE & IMPROVEMENT INCLUDES
 05 ON ACROSS
 T 36 N, R 7 E, S 17 E
 U. S. AND SALT LAKE BASIN AND MOUNTAIN



U.S. Coast and Geodetic Survey Triangulation Station
 "Coal Mine 1951"

West side of Peabody Leased Lands
 (Sec 7, 17, T 36 N - R 18 E Unsurveyed)

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
INDIVIDUALLY OWNED _____
GOVERNMENT OWNED _____
RIGHT-OF-WAY 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 "A" 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 Redelelegation 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 Navajo, State of Arizona.

The said easement, as shown on the Map(s) attached consisting of one sheet marked Exhibit "A", 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 Stipulations for Rights-of-Way over Indian Land".

Said easement is further subject to compliance with the conditions contained in the BIA Navajo Area Office's archeological clearance dated May 7, 1984.

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

This easement is subject to any valid existing right or adverse claim and is ~~[without limitation on xxxxxxxxxx]~~ / for a term of twenty (20) years ending on September 7, 2004], so long as said easement shall be actually used for the purpose above specified; PROVIDED, that this right-of-way shall be terminable in whole or in part by the Grantor for any of the following causes upon 30 days written notice and failure of the Grantee with said notice period to correct the basis for termination (25 CFR 169.20):

- 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 7th day of September, 1984.

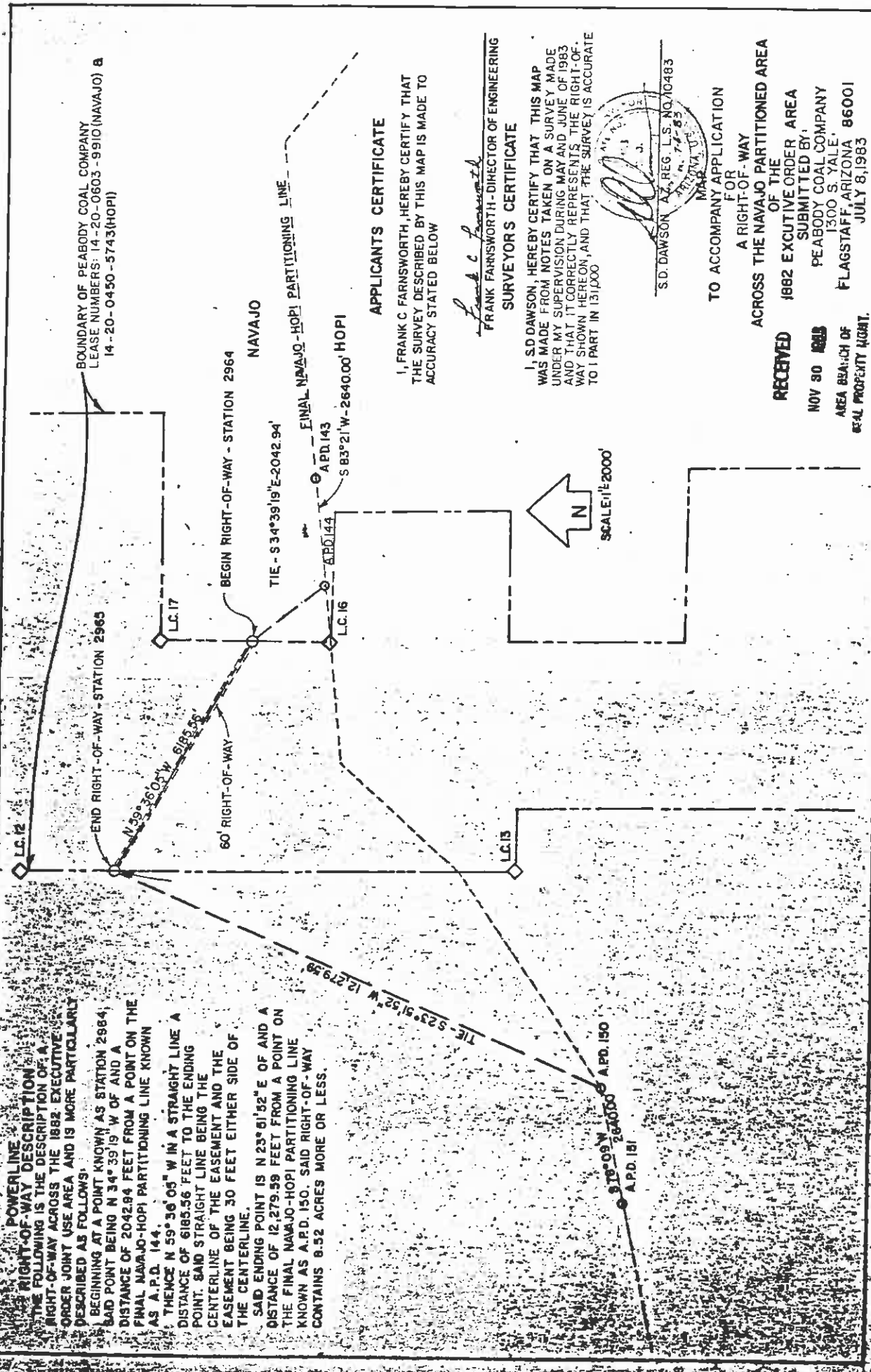
UNITED STATES OF AMERICA

By [Signature]
(Name)
[Stamp]
Area Director
(Title)

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

POWERLINE RIGHT-OF-WAY DESCRIPTION
 THE FOLLOWING IS THE DESCRIPTION OF A RIGHT-OF-WAY ACROSS THE 1882 EXECUTIVE ORDER JOINT USE AREA AND IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:
 BEGINNING AT A POINT KNOWN AS STATION 2964, SAID POINT BEING N 34° 39' 19" W OF AND A DISTANCE OF 2042.84 FEET FROM A POINT ON THE FINAL NAVAJO-HOPI PARTITIONING LINE KNOWN AS A.P.D. 144.
 THENCE N 59° 36' 05" W IN A STRAIGHT LINE A DISTANCE OF 6185.56 FEET TO THE ENDING POINT. SAID STRAIGHT LINE BEING THE CENTERLINE OF THE EASEMENT AND THE EASEMENT BEING 30 FEET EITHER SIDE OF THE CENTERLINE.
 SAID ENDING POINT IS N 23° 51' 52" E OF AND A DISTANCE OF 12,279.58 FEET FROM A POINT ON THE FINAL NAVAJO-HOPI PARTITIONING LINE KNOWN AS A.P.D. 150. SAID RIGHT-OF-WAY CONTAINS 8.52 ACRES MORE OR LESS.

BOUNDARY OF PEABODY COAL COMPANY
 LEASE NUMBERS: 14-20-0603-9910 (NAVAJO) &
 14-20-0450-5743 (HOPI)



APPLICANTS CERTIFICATE

I, FRANK C. FARNSWORTH, HEREBY CERTIFY THAT THE SURVEY DESCRIBED BY THIS MAP IS MADE TO ACCURACY STATED BELOW

Frank C. Farnsworth
 FRANK FARNSWORTH - DIRECTOR OF ENGINEERING

SURVEYOR'S CERTIFICATE

I, S.D. DAWSON, HEREBY CERTIFY THAT THIS MAP WAS MADE FROM NOTES TAKEN ON A SURVEY MADE UNDER MY SUPERVISION DURING MAY AND JUNE OF 1983 AND THAT IT CORRECTLY REPRESENTS THE RIGHT-OF-WAY SHOWN HEREON, AND THAT THE SURVEY IS ACCURATE TO 1 PART IN 151,000



S.D. DAWSON A.Z. REG. L.S. NO. 70483

TO ACCOMPANY APPLICATION FOR A RIGHT-OF-WAY

ACROSS THE NAVAJO PARTITIONED AREA OF THE

1882 EXECUTIVE ORDER AREA

SUBMITTED BY:

PEABODY COAL COMPANY
 1500 S. YALE
 FLAGSTAFF, ARIZONA 86001
 JULY 8, 1983

RECEIVED

NOV 30 1983

AREA BEARING OF REAL PROPERTY DEPT.



SCALE: 1" = 2000'

Exhibit 'A'

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 Rights of Way Over Indian Lands. 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:

1. 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 the existing portion of the Navajo Water Well #4 access road disturbance area outside of the Navajo Lease #14-20-0503-9910, Tract No. 1.

The proposed 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 Parcel #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: Right-of-Way Grant
Date of Execution: 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-166-96
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.



FARCEL 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;

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 278.91 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";

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 425.74 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 Easterly, 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;

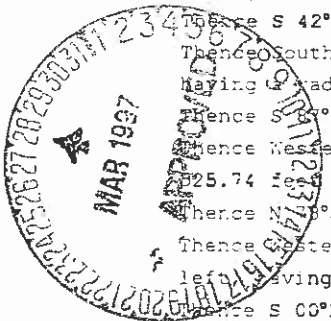
Thence Southerly and Southwesterly a distance of 215.09 feet along a curve to the right, having a radius of 388.66 feet and a central angle of 31°42'29";

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.

Revised 09/25/96





United States Department of the Interior



BUREAU OF INDIAN AFFAIRS
Navajo Area Office
P.O. Box 1060

Gallup, New Mexico 87305-1060

IN REPLY REFER TO:

ARES/542

AUG 28 1996

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

Dear Mr. Carson:

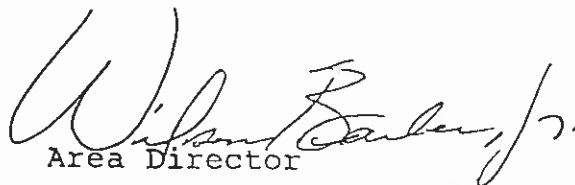
Enclosed for your information and use is an approved Grant of Easement for the existing and proposed Right-of-Way for Parcels Nos. 1 and 2 located on Navajo Tribal Trust lands adjacent to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910. The right-of-way is situated in Sections 3, 4, 9 & 10, Township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



United States Department of the Interior



BUREAU OF INDIAN AFFAIRS
Navajo Area Office
P.O. Box 1060

Gallup, New Mexico 87305-1060

IN REPLY REFER TO:

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

REVOCABLE USE PERMIT
ASSIGNMENT OF RIGHT ~~XXXXXXXXXXXXXXXXXX~~

WHEREAS, the Secretary of the Interior through the Area Director, Bureau of Indian Affairs, Navajo Area Office, Window Rock, Arizona has heretofore approved a ~~XXXXXXXXXX~~ Revocable Use Permit ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~, on June 1, 19 80, to Peabody Coal Company, a Delaware corporation, crossing (Navajo tribal), ~~(unlocated) XXXXXXXX~~ ~~XXXXXXX~~ lands located in the County of Navajo, State of Arizona ~~XXXXXXX~~, being more particularly described as a ~~XXXXXXXXXXXXXXXXXX~~ a Permit to ~~XXXXXXXXXXXXXXXXXX~~ construct, operate, maintain, repair, replace, and/or remove ~~XXXXXXXXXXXXXXXXXX~~ 15 environmental monitoring ~~XXXXXXXXXXXXXXXXXX~~ stations ~~XXXXXXX~~ ~~XXXXXXXXXXXXXXXXXX~~, and containing 4.19137⁰ acres, more or less.

NOW THEREFORE, for and in consideration of ten and more***** ~~XXXXXXXXXXXXXXXXXXXX~~ dollars (\$10.00*****), and other good and valuable consideration, the said Peabody Coal Company, a Delaware corporation, the owner of the above-described ~~XXXXXXXXXXXXXXXXXXXX~~ ^{Revocable Use Permit} ~~XXXXXXXXXXXXXXXXXXXX~~, hereinafter called Assignor, hereby bargains, sells, transfers, assigns, and conveys said ~~XXXXXXXXXXXXXXXXXXXX~~ ^{Revocable Use Permit} ~~XXXXXXXXXXXXXXXXXXXX~~ to the Assignee named below to HAVE AND TO HOLD the same unto the Assignee from and after the full execution of this assignment, for the unexpired portion of the term of said easement, together with all the right, title, and interest therein granted.

IN WITNESS WHEREOF, said Assignor has hereunto set its hand and seal, this 28th day of September, 19 94.

Peabody Coal Company, a
Delaware Corporation Assignor
Company
1300 South Yale Street
Flagstaff, Arizona 86001
Address
By W. Howard Carson
W. Howard Carson
Vice President
Title

=====

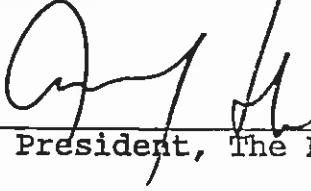
REVOCABLE USE PERMIT
ASSUMPTION OF ~~RIGHT~~

I (we), the Assignee named below, for the consideration described above, hereby assumes and agrees to be bound by and to fulfill all of the obligations, terms, conditions, and stipulations of the above described ~~XXXXXXXXXXXX~~ ^{Permit} ~~XXXXXXXXXXXX~~, to the same extent as if Assignee were the Grantee originally named therein.

IN WITNESS WHEREOF, the said Assignee has hereunto set its hand and seal this 28th day of September, 19 94.

Peabody Western Coal Company,
a Delaware corporation Assignee
Company
1300 South Yale Street
Flagstaff, Arizona 86001
Address
By Gary L. Melvin
Gary L. Melvin
Vice President
Title

THE NAVAJO NATION (Formerly known as NAVAJO TRIBE OF INDIANS)

BY: 

President, The Navajo Nation

AUG 23 1995

Date

UNITED STATES OF AMERICA

BY: 

Area Director

AUG 24 1995

Date

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.

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 4 in favor, 0 opposed and 0 abstained, this 13th day of July, 1995.

Elmer L. Milford, Chairperson
Resources Committee

Motion: Jones Begay
Second: Willis Peterson

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 W. Howard Carson and
G. Irene Crawford were on the 12th day
of September, 1994, the duly elected, qualified, and acting president, and secretary,
respectively, of Peabody Coal Company

a corporation organized under the laws of Delaware on which day they
executed an Assignment of Revocable Use Permit
XXXXX * for and in behalf of said cor-
poration, covering certain Trust or Restricted Indian lands on the Navajo
Reservation, in the State of Arizona; that they were fully empowered to execute said
instrument and all papers in connection therewith, and that their action in executing the same binds the
said corporation to full performance of all obligations thereunder.

[CORPORATE SEAL]

G. Irene Crawford
Asst. Secretary
(Title)

This 12th day of September, 1994

Subscribed and sworn to before me this 12th day of September, 1994

(Signed) Pamela P. Schurman

[SEAL]

Notary Public
(Title)

* 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 were on the 28th day
of September, 19 94, the duly elected, qualified, and acting president, and secretary,
respectively, of Peabody Western Coal Company

a corporation organized under the laws of Delaware on which day they
executed an Assignment of Revocable Use Permit
~~XXXXXX~~ for and in behalf of said cor-
poration, covering certain Trust or Restricted Indian lands on the Navajo
Reservation, in the State of Arizona; that they were fully empowered to execute said
instrument and all papers in connection therewith, and that their action in executing the same binds the
said corporation to full performance of all obligations thereunder.

G. Irene Crawford
Secretary (Title)

[CORPORATE SEAL]

This 28th day of September, 19 94

Subscribed and sworn to before me this 28th day of September, 19 94

(Signed) Pamela P. Schurmer
Notary Public (Title) 9/27/97

[SEAL]

* Indicate whether lease, bond, or assignment.



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Navajo Area Office

P. O. Box M

Window Rock, ARIZONA 86515-0714

IN REPLY REFER TO:
ARPM/332

JAN - 7 1926

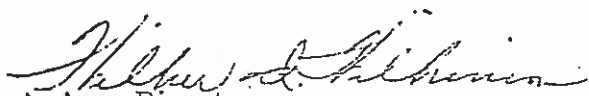
Mr. Kenneth R. Moore
Arizona Division
Peabody Coal Company
1300 South Yale
Flagstaff, Arizona 86001

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,


Acting Assistant Area Director

Enclosures

REVOCABLE USE PERMIT

THIS PERMIT entered into this 1st day of June, 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

<u>SITE NO.</u>	<u>ALLUVIAL WELLS</u>	<u>ACRES</u>
31	NW $\frac{1}{2}$, NW $\frac{1}{2}$, SE $\frac{1}{2}$, Section 21, T35N, R18E (existing)	.000298
94	NE $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E "	.000298
95	NE $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E "	.000298
102	SW $\frac{1}{2}$, SW $\frac{1}{2}$, NW $\frac{1}{2}$, Section 18, T35N, R19E "	.000298
108	NW $\frac{1}{2}$, NE $\frac{1}{2}$, SE $\frac{1}{2}$, Section 13, T35N, R19E "	.000298
<u>STREAM STATIONS</u>		
16	SE $\frac{1}{2}$, SE $\frac{1}{2}$, SE $\frac{1}{2}$, Section 2, T36N, R18E "	.040634
18	NE $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 2, T36N, R18E "	.092562
25	SW $\frac{1}{2}$, SW $\frac{1}{2}$, NE $\frac{1}{2}$, Section 9, T35N, R18E (new)	.045914
26	NW $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E "	.001148
34	NW $\frac{1}{2}$, NW $\frac{1}{2}$, SE $\frac{1}{2}$, Section 4, T34N, R19E "	.001148
155	NE $\frac{1}{2}$, SE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E "	.001148
<u>CREST GAUGES</u>		
16	SW $\frac{1}{2}$, SW $\frac{1}{2}$, SW $\frac{1}{2}$, Section 1, T36N, R18E (existing)	.000298
18	NE $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 2, T36N, R18E "	.000298
25	SE $\frac{1}{2}$, SE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 9, T35N, R18E (new)	.000298
26	NW $\frac{1}{2}$, NE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E "	.000597
34	NW $\frac{1}{2}$, NW $\frac{1}{2}$, SE $\frac{1}{2}$, Section 4, T34N, R19E "	.000298
37	SE $\frac{1}{2}$, SE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 31, T35N, R19E (existing)	.000298
85	SW $\frac{1}{2}$, SW $\frac{1}{2}$, SW $\frac{1}{2}$, Section 21, T35N, R18E "	.000597
155	NE $\frac{1}{2}$, SE $\frac{1}{2}$, NW $\frac{1}{2}$, Section 20, T35N, R18E (new)	.000597
<u>PRECIPITATION GAUGES</u>		
152	SE $\frac{1}{2}$, NE $\frac{1}{2}$, SW $\frac{1}{2}$, Section 24, T37N, R18E (new)	.000459
154	SE $\frac{1}{2}$, NE $\frac{1}{2}$, SE $\frac{1}{2}$, Section 1, T36N, R19E "	.000459
<u>MONITORING ROADS</u>		
34	NW $\frac{1}{2}$, Section 4, T34N, R19E; NE $\frac{1}{2}$, Section 5, T34N, R19E; and SE $\frac{1}{2}$, Section 32, T35N, R19E	3.884298
<u>TRAINING DIKES</u>		
16	SW $\frac{1}{2}$, SW $\frac{1}{2}$, SW $\frac{1}{2}$, Section 1, T36N, 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 were 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 Guidelines.

IN WITNESS WHEREOF, the parties hereto have executed the permit
this 14th day of October 1985, ~~1984~~

NAVAJO TRIBE OF INDIANS, PERMITTER

BY: *C. J. ...*
Chairman, Navajo Tribal Council

PEABODY COAL COMPANY, PERMITTEE

BY: *Kenneth R. Moore*
KENNETH R. MOORE
PRESIDENT, ARIZONA DIVISION
PEABODY COAL COMPANY

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

APPROVED: **DEC 1-6 1985**

William ...
AREA DIRECTOR, NAVAJO AREA OFFICE

EXHIBIT A

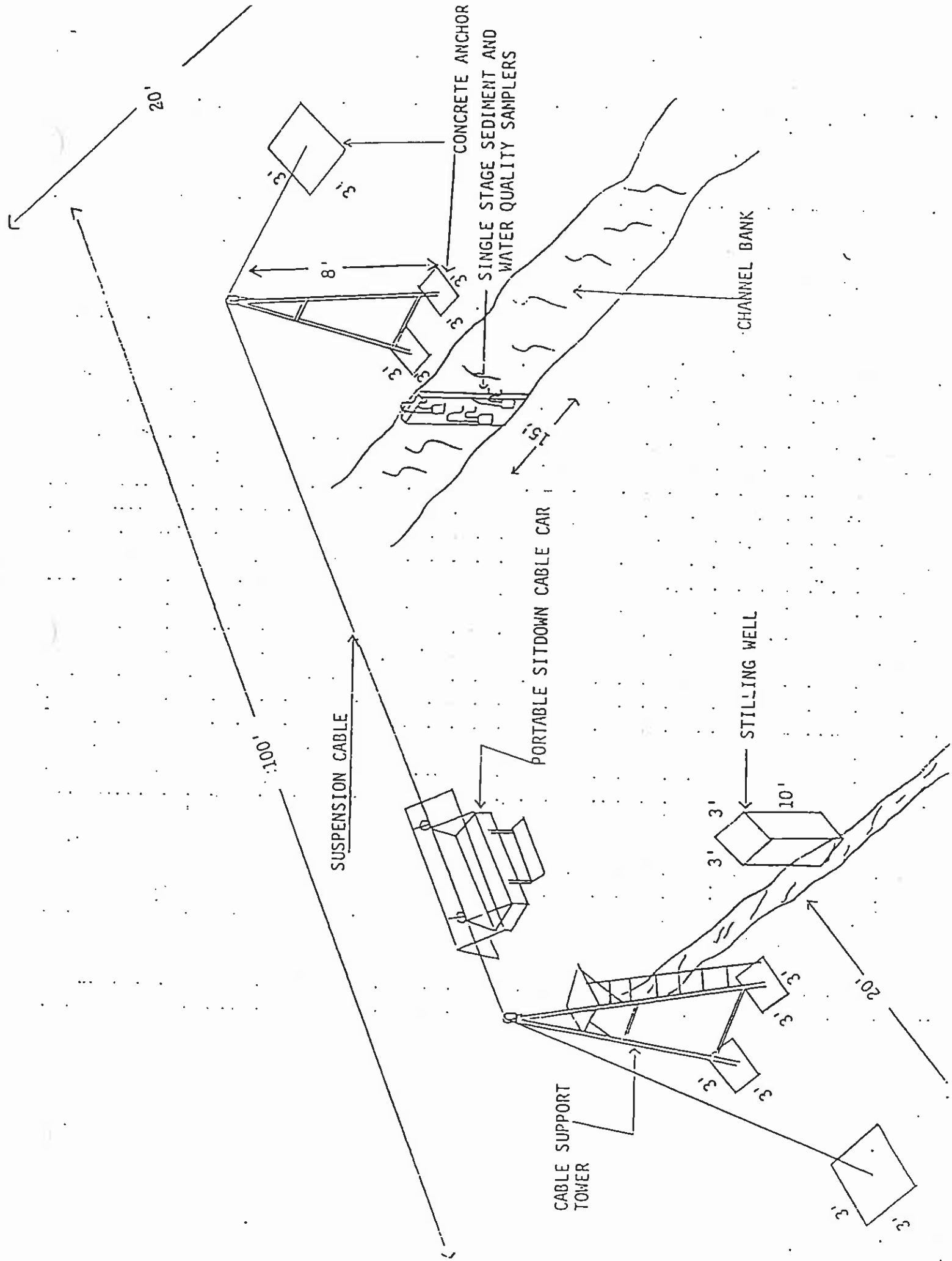


FIGURE 2.

CREST GAGES #16, 18, 25, 26, 34, 37, 85 AND-155

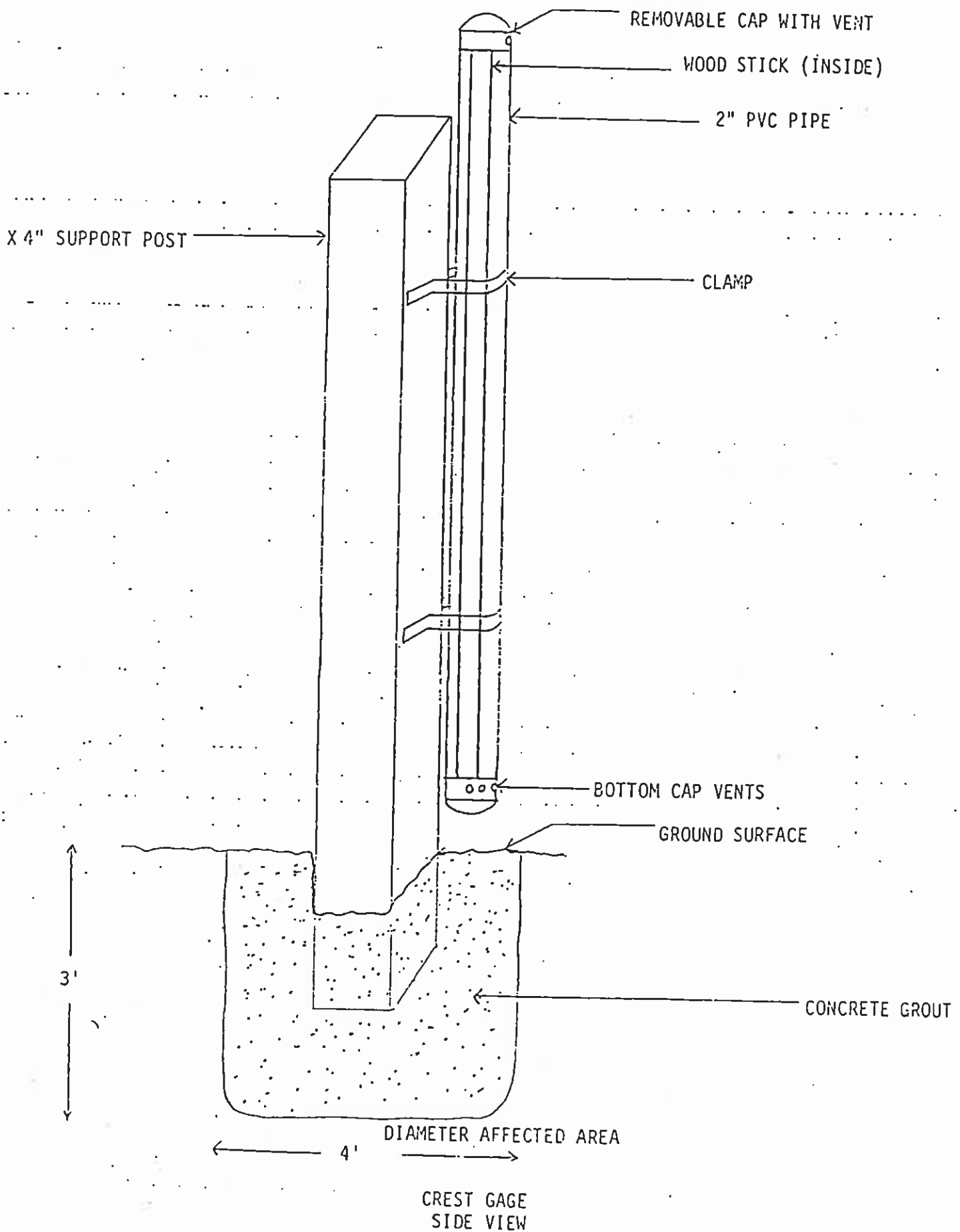


FIGURE 3.

FLUME STATION #18
TOP VIEW

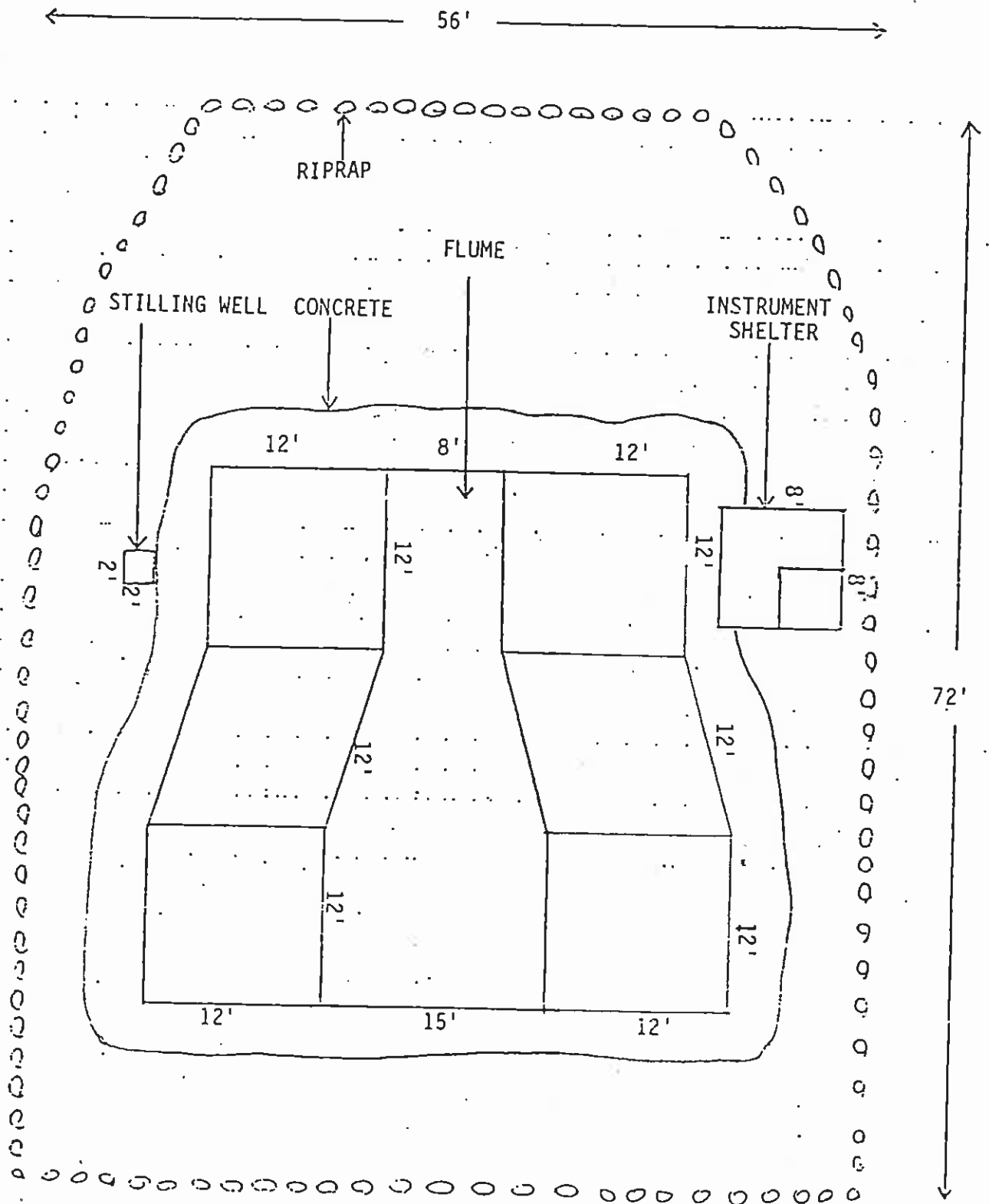


FIGURE 4.

STREAM STAGE STATION WITH CATWALK #16

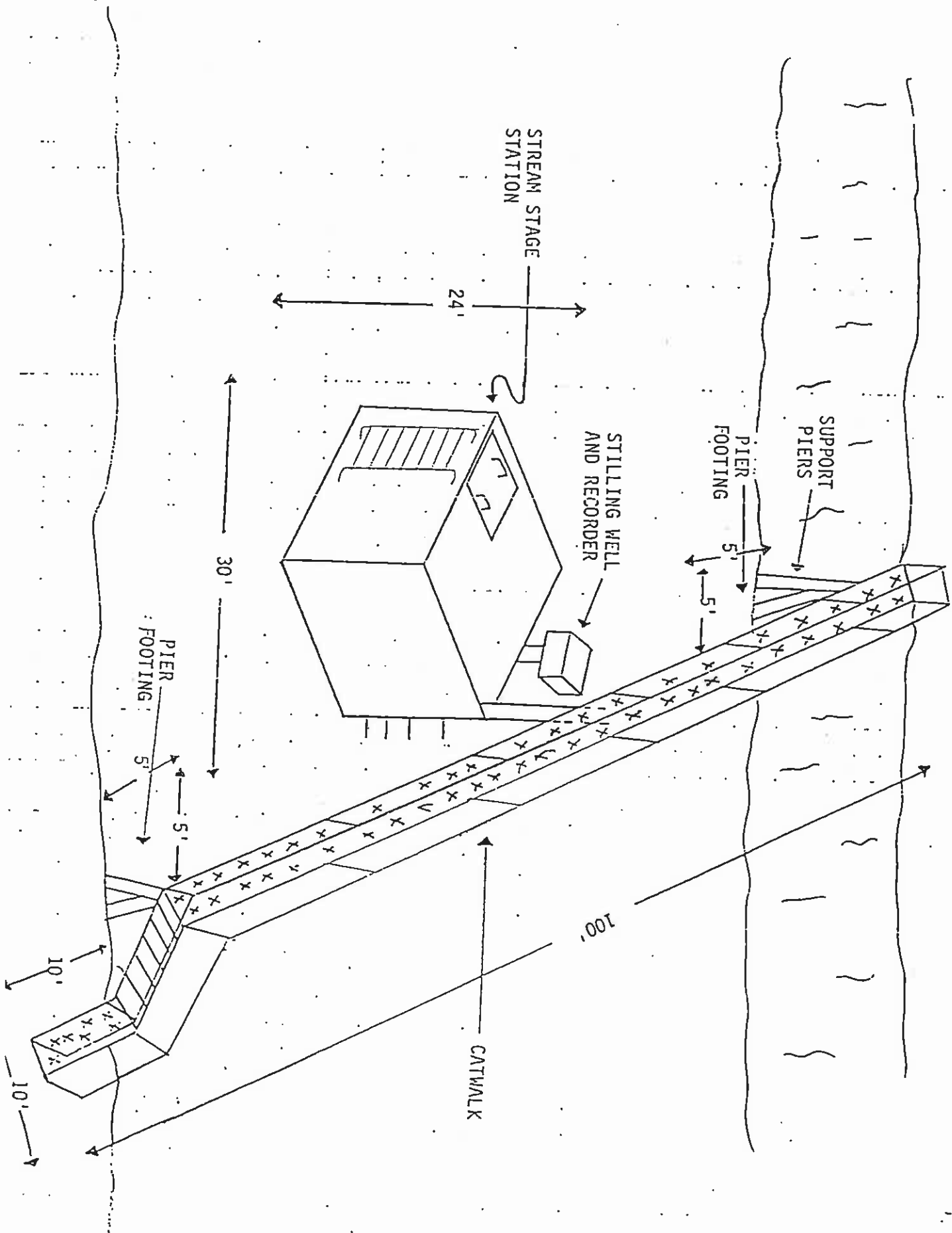
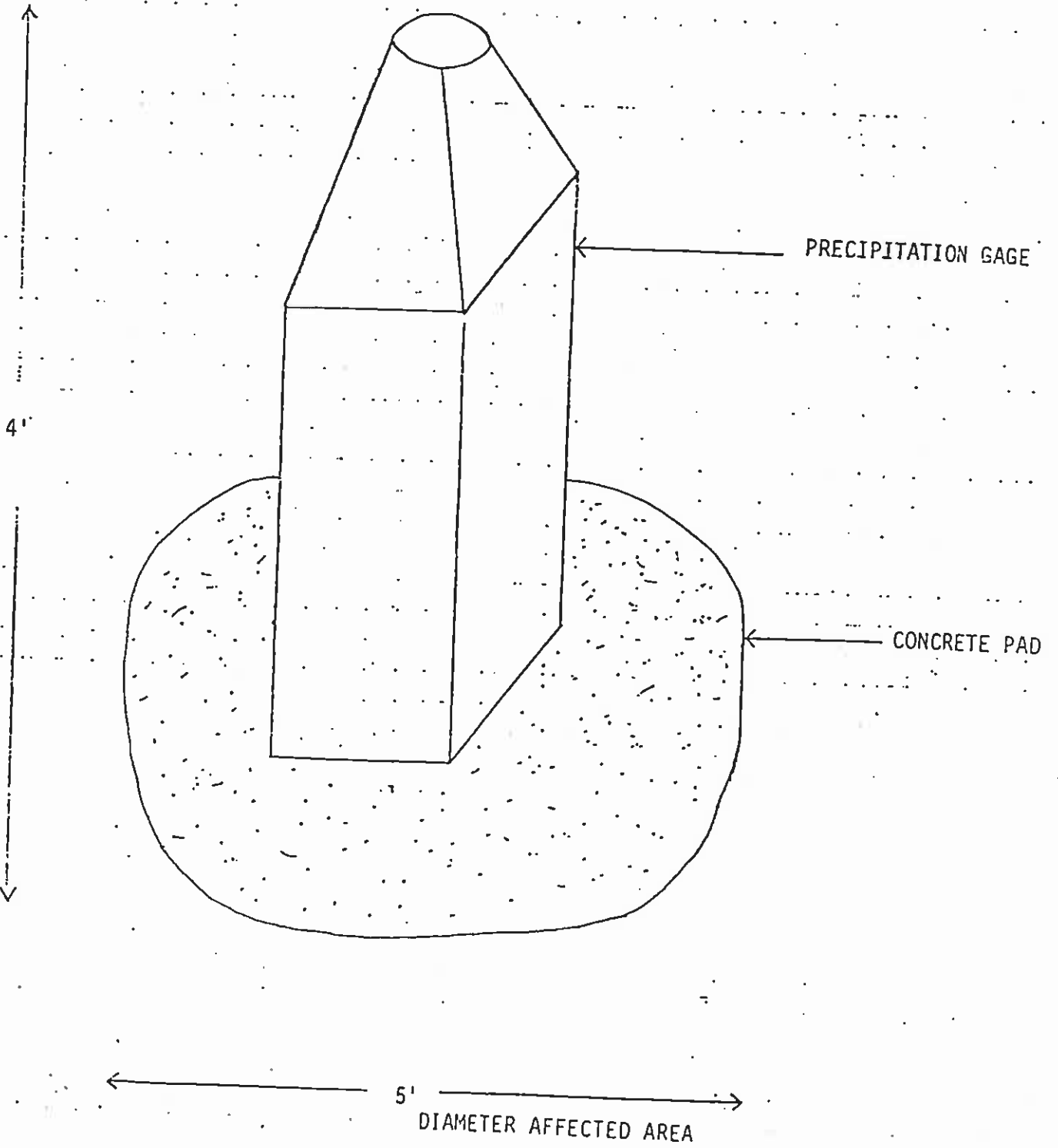
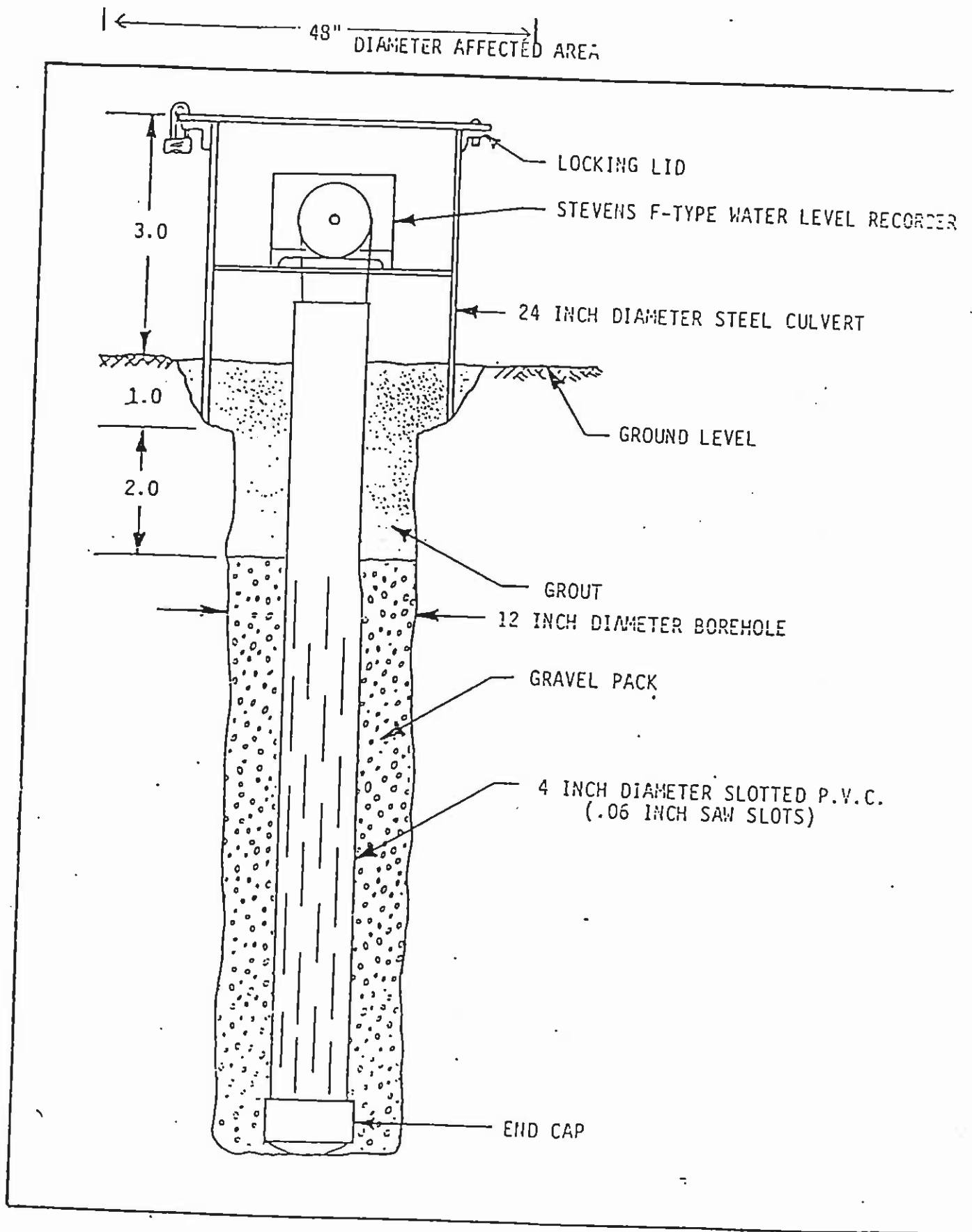


FIGURE 5.

PRECIPITATION GAGES #152 AND 154





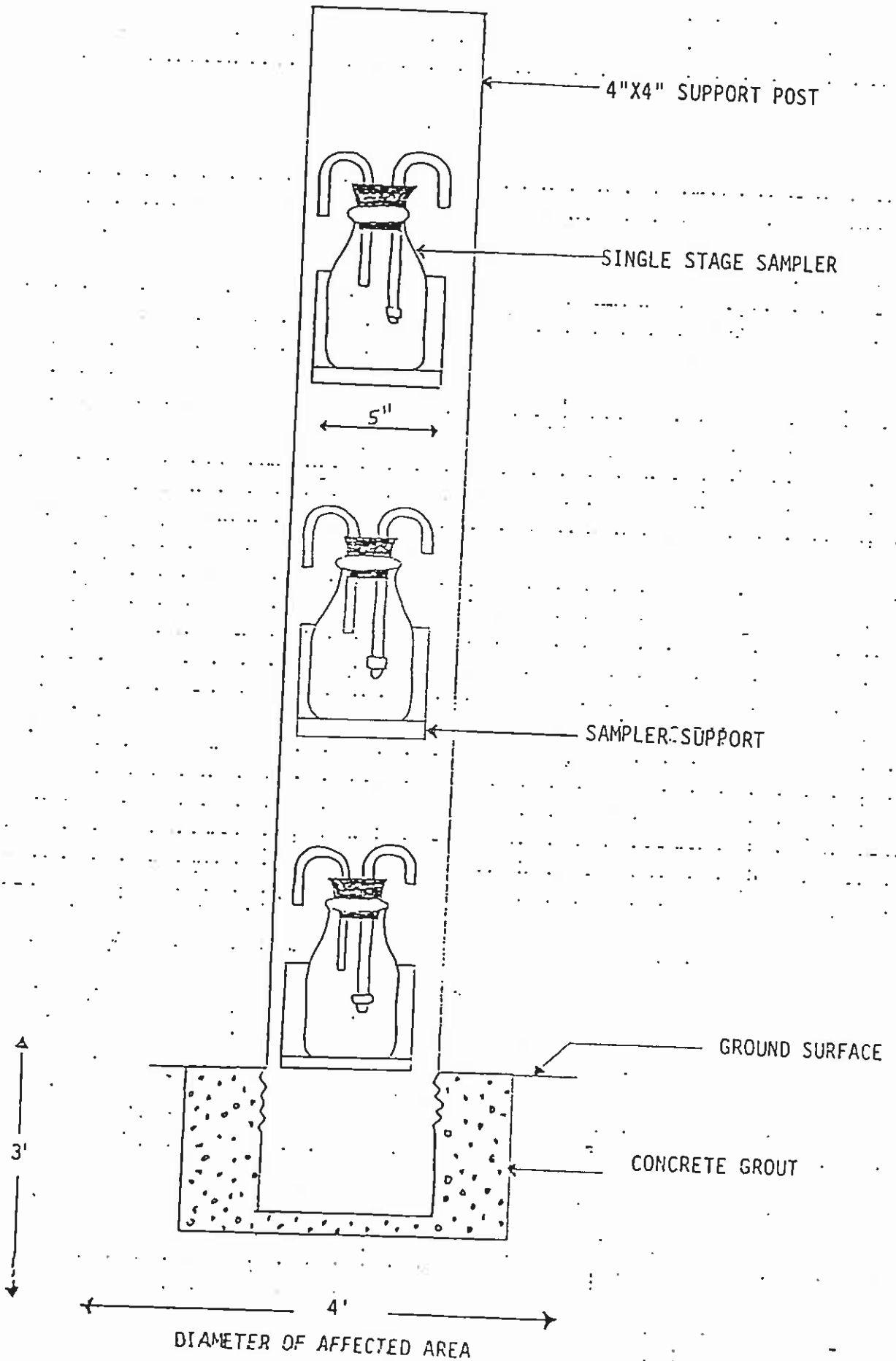
Typical Construction of 4.0 Inch Diameter Alluvial Piezometer with Continuous Water Level Recorder.

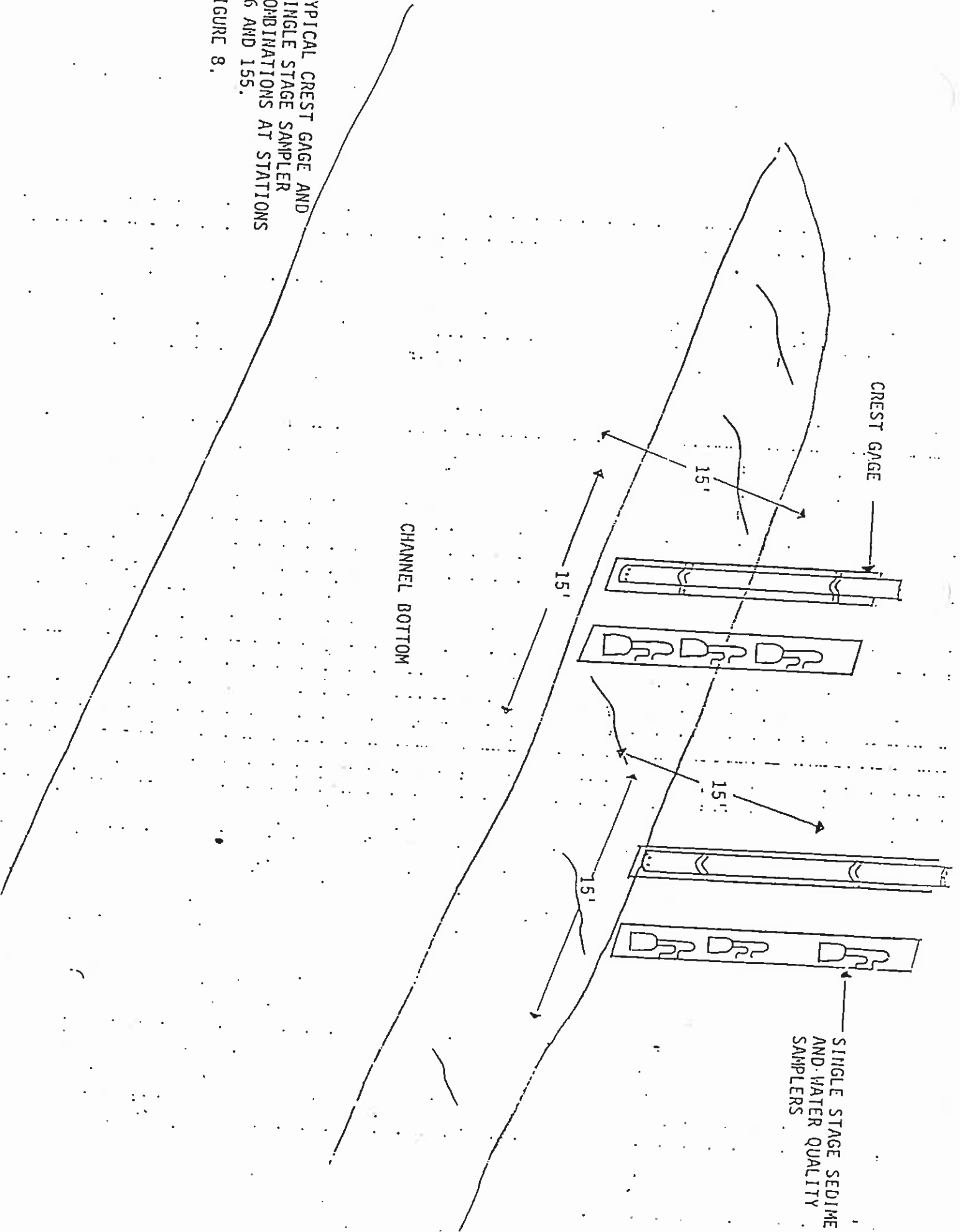
ALLUVIAL WELLS #31, 94, 95, 102 AND 108

FIGURE 6.

FIGURE 7

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





TYPICAL CREST GAGE AND
 SINGLE STAGE SAMPLER
 CONDITIONS AT STATIONS
 26 AND 155.
 FIGURE 8.

ATTACHMENT 5

CERTIFICATE OF LIABILITY INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

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

PRODUCER Willis of Tennessee, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191 877-945-7378		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Peabody Energy Corporation and Subsidiaries Attn: Ryan Brown 701 Market Street Suite 700 St. Louis, MO 63101-1826		INSURERS AFFORDING COVERAGE INSURER A: National Union Fire Insurance Company INSURER B: INSURER C: INSURER D: INSURER E:	NAIC# 19445-011

COVERAGES

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.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	GL4807243	11/1/2009	11/1/2010	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS GARAGE LIABILITY <input type="checkbox"/> ANY AUTO EXCESS / UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$	CA4806729	11/1/2009	11/1/2010	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$ EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under SPECIAL PROVISIONS below Y/N <input type="checkbox"/>				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

10-03-17-04



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.

CERTIFICATE HOLDER Office of Surface Mining Reclamation and Enforcements Western Region Attn: Dennis Winterringer 1999 Broadway, Suite 3320 Denver, CO 80202-3050	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL SEND BY MAIL MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT OF THIS CERTIFICATE WHICH MAY BE SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY WHICH MAY BE SUBJECT TO THE TERMS AND CONDITIONS OF THE POLICY AUTHORIZED REPRESENTATIVE
---	--

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.



ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE
10/26/2008

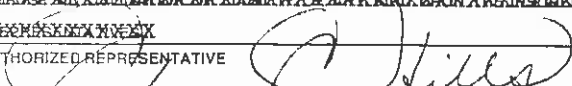
PRODUCER Willis North America, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191	877-945-7378	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
		INSURERS AFFORDING COVERAGE
		NAIC#
INSURED Peabody Energy Corporation and Subsidiaries Attn: Ryan Brown 701 Market Street Suite 700 St. Louis, MO 63101-1826		INSURER A National Union Fire Insurance Company INSURER B INSURER C INSURER D: INSURER E
		19445-011

COVERAGES

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.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	GL4807243	11/1/2008	11/1/2009	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
		08-11-03-11			
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	CA4806729	11/1/2008	11/1/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.I. EACH ACCIDENT \$ E.I. DISEASE - EA EMPLOYEE \$ E.I. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 Covers all operations at the Black Mesa-Kayenta Mine Complex for bodily injury and property damage, including damage from the use of explosives as a result of surface coal mining and reclamation operations.

CERTIFICATE HOLDER Office of Surface Mining Reclamation & Enforcement Attn: Dennis Winterringer P. O. Box 46667 Denver, CO 80201-6667	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL SEND BY MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BY MAIL WHOSE ADDRESS IS SHOWN ON THIS CERTIFICATE WHOSE ADDRESS IS SHOWN ON THIS CERTIFICATE AUTHORIZED REPRESENTATIVE 
--	--

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 alter the coverage afforded by the policies listed thereon.

MARSH 02-09-25-07 CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
CHI-000217684-03

PRODUCER
Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS 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.

COMPANIES AFFORDING COVERAGE

- COMPANY
A PACIFIC EMPLOYERS INSURANCE CO.
- COMPANY
B
- COMPANY
C
- COMPANY
D

GL/AL-02/03 G-02

INSURED
Peabody Western Coal Company
701 Market Street
Suite 700
St. Louis, MO 63101-1826

COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below. 0
THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> Broad Form Vendors <input checked="" type="checkbox"/> Coverage Included	HDOG20297475	10/01/02	10/01/03	GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 2,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000								
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	ISAH07969879	10/01/02	10/01/03	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$								
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$								
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				<table border="1"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>EL EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>EL DISEASE-POLICY LIMIT</td> <td>\$</td> </tr> <tr> <td>EL DISEASE-EACH EMPLOYEE</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	EL EACH ACCIDENT	\$	EL DISEASE-POLICY LIMIT	\$	EL DISEASE-EACH EMPLOYEE	\$
WC STATUTORY LIMITS	OTHER												
EL EACH ACCIDENT	\$												
EL DISEASE-POLICY LIMIT	\$												
EL DISEASE-EACH EMPLOYEE	\$												
	OTHER												

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
Covers all operations at the Black Mesa-Kayenta Mine Complex, including damage from surface coal mining operations and the use of explosives. See reverse and/or attached

CERTIFICATE HOLDER

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

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: Alfred A. Peterfeso

Alfred A. Peterfeso

MM1(3/02)

VALID AS OF: 09/19/02

ADDITIONAL INFORMATION

DATE (MM/DD/YY)

CHI-000217684-03 09/19/02

PRODUCER

Marsh USA Inc.
800 Market Street, Suite 2600
St. Louis, MO 63101-2500

COMPANIES AFFORDING COVERAGE

COMPANY

E

COMPANY

F

016862--GL/AL-02/03

G-02

INSURED

Peabody Western Coal Company
701 Market Street
Suite 700
St. Louis, MO 63101-1826

COMPANY

G

COMPANY

H

TEXT

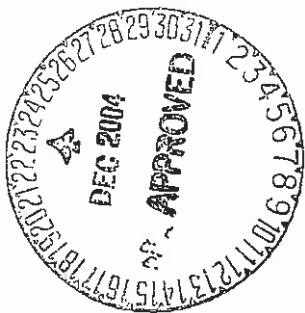
CANCELLATION: Should any of the aforementioned policies be cancelled or substantial changes be made to the policy before expiration date thereof, the insurance company will mail 30 days written notice to the certificate holder named herein.

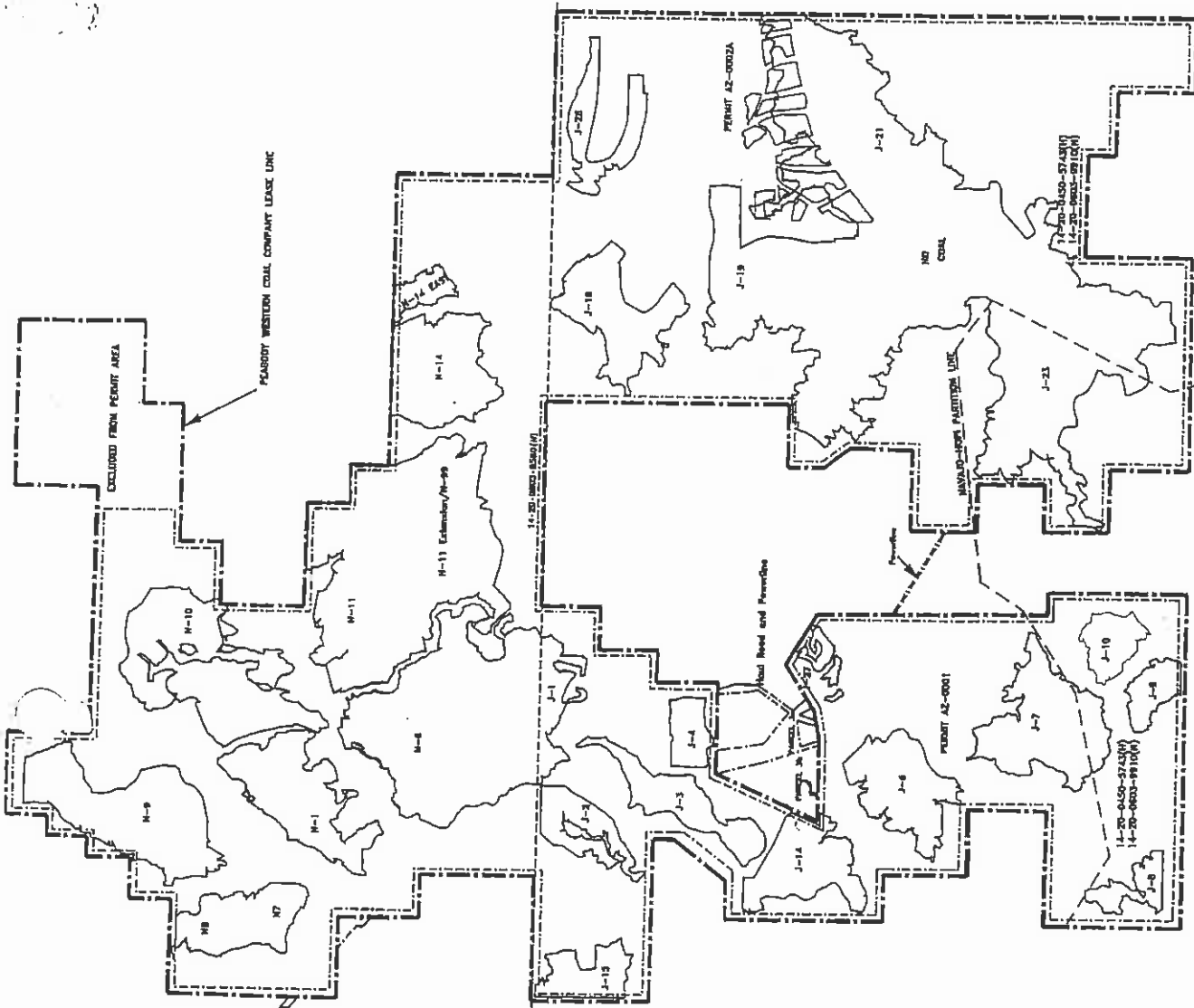
CERTIFICATE HOLDER

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





PROPOSED PERMIT BOUNDARIES/BLACK MESA LEASES
 PEABODY WESTERN COAL COMPANY

LEGEND

- PROPOSED PERMIT BOUNDARIES
- PRICE LEASE LINE
- JOINT USE AREA BOUNDARY
- FROM PARTITION AREA BOUNDARY

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;
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:



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°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;

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°55'53" 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;

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 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, 1,321.05 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 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°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°57'26" 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.

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 #2, 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";

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 141.58 feet to the True Point of Beginning of this description.

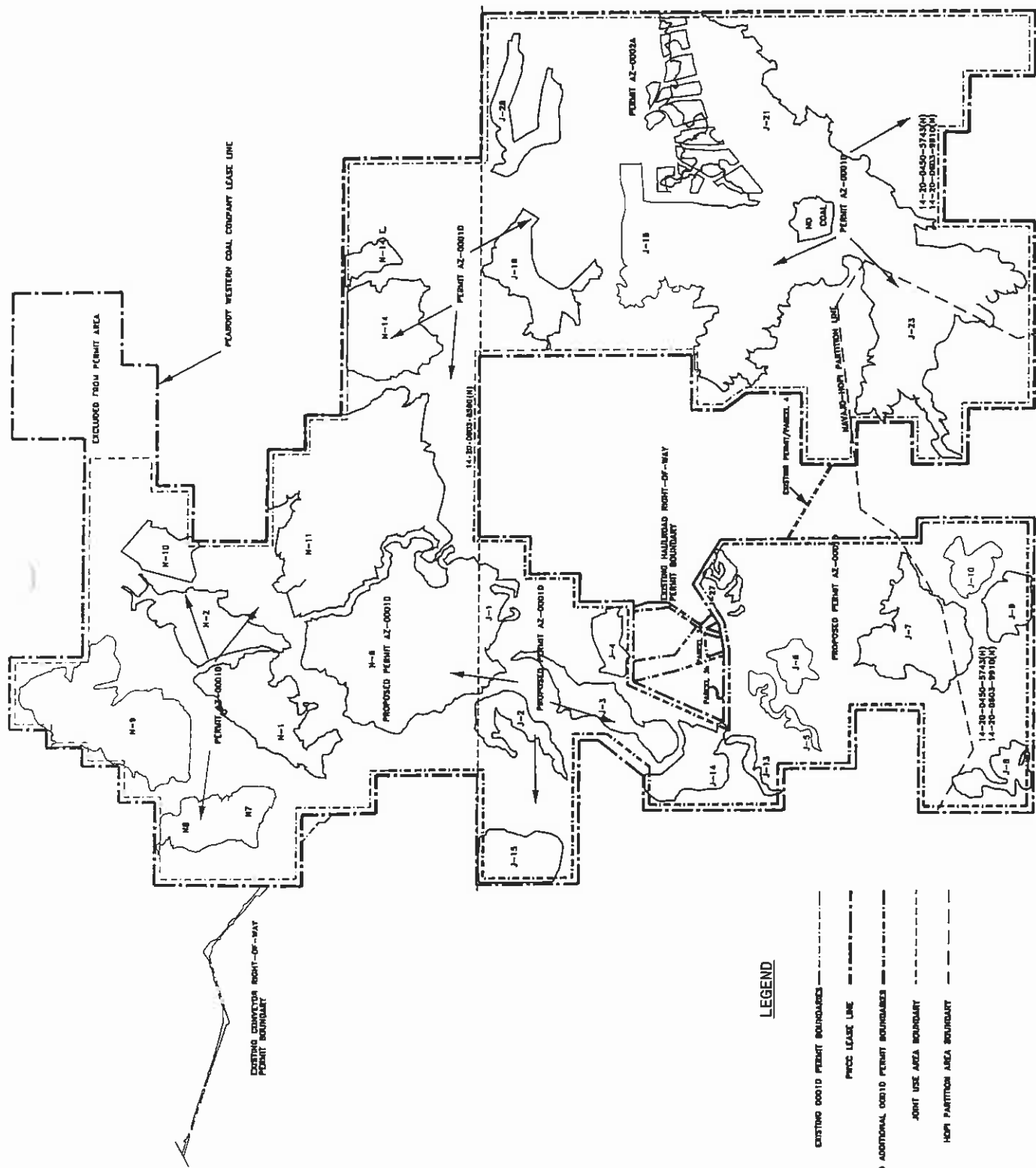
The above described parcel contains 4.5379 acres of land, more or less.

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
 PEABODY WESTERN COAL COMPANY
 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;
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
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.

Ramona Schumma
Notary Public

My commission expires:

9/27/97

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
APPLICATION FOR PERMIT TRANSFER

1. (a) Name, telephone number, and mailing address of current permittee (transferor):
Peabody Coal Company, 1300 South Yale, Flagstaff, Arizona 86001 (520) 774-5253
-
- (b) Location of mining operation (state/county): Arizona/Navajo
- (c) Permit number to be transferred: AZ-0001D
- (d) The total number of acres in the permit area and an estimate of the total number of acres affected by the operation through date of transfer.
- (e) Brief description of the proposed action requiring approval.
Transfer Permit AZ-0001D from Peabody Coal Company to Peabody Western Coal Company

Acres Date - Issued		Estimate of Affected Acres (As of 8/31/95)	
Original Permit	_____	Original Permit	_____
Approved Revisions	_____	Approved Revisions	_____
_____	_____	_____	_____
Total Acres	<u>42,657.2</u>	Total Acres	<u>9,753.0</u>

2. (a) Name, telephone number, and mailing address of transferee:
Peabody Western Coal Company, 1300 South Yale, Flagstaff, Arizona 86001 (520) 774-5253
-
- (b) If the transferee is a partnership, association or corporation, the names and addresses of all managers, partners and executives directly responsible for operations under Permit No. AZ-0001D
See Volume 1, Chapter 3, Attachment 1, Appendices A, B and C of Permit AZ-0001D.
- Name: _____ Address: _____
Title: _____ Phone No.: _____
- Name: _____ Address: _____
Title: _____ Phone No.: _____
- Name: _____ Address: _____
Title: _____ Phone No.: _____
- (c) Attach the legal, financial, compliance, and related information required by 30 CFR Part 778, including a certificate of insurance. See transmittal packets dated July 12, 1994, September 12, 1994, September 22, 1994 and October 10, 1995.
3. Name, telephone number, and address of the authorized representative of the transferee to whom any notices under the provisions of the Surface Mining Control and Reclamation Act, Office of Surface Mining Reclamation and Enforcement and Rules and Regulations adopted thereunder may be sent: Brian Dunfee, Senior Manager, Environmental Affairs, Peabody Western Coal Company, 1300 South Yale, Flagstaff, Arizona 86001 (520) 774-5253
-
4. The provisions of the transferred permit are severable, and if any provision of the permit, or the application of any provision of the permit, to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of the permit, shall not be affected thereby.
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 of Arizona)
)SS.
County of Coconino)

I W. Howard Carson ^{VICE} being duly sworn on my oath that I am the Transferor (or President if the Transferor is a corporation) for the foregoing permit transfer; that I have read the said application and fully know the 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 Transferor is in full compliance with the Surface Mining Control and Reclamation Act, the Rules and Regulations promulgated thereunder, and the terms and conditions of Mining Permit No. AZ-0001D. Approval of this permit transfer by the Office of Surface Mining Reclamation and Enforcement does not constitute a conclusion that the Transferor is in full compliance.

Dated this 10 day of October, 1995.

Name: W. Howard Carson

(corporate seal)

Title: Vice President, Peabody Coal Company

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

Witness my hand and official seal.

[Signature]
Notary Public

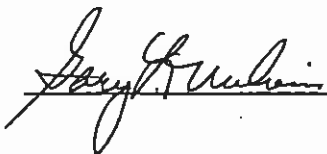
My Commission Expires: Jan. 13, 1998

FINAL SWORN STATEMENT OF TRANSFEREE

State of Arizona)
)SS.
 County of Coconino)

I Gary L. Melvin ^{vice} being duly sworn on my oath that I am the Transferee (or President If the Transferee Is a corporation) for the foregoing mining permit transfer; that I have read the said application and fully know the contents thereof; that I further agree to assume and be bound by the liability and all of the terms and conditions of the existing permit and any revisions, or renewals thereof, accept reclamation liabilities of the permit and shall conduct the surface coal mining and reclamation operations in full compliance with the Act and the regulatory program; 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 Transferee has the right and power by legal estate owned to mine from the land for which this permit transfer is desired; that Transferee has not forfeited, or is not involved in forfeiture proceedings for a bond posted for reclamation purposes; and that Peabody Coal Company has paid the reclamation fees for this and all coal mining operations under the jurisdiction of P.L. 95-87 as required by Title IV of that law; and by completion and submission of this application, hereby give consent to allow the Office of Surface Mining Reclamation and Enforcement to enter upon and have access to any and all lands covered by this permit and amendments thereto and to inspect and copy any records or documents, obtain or monitor any samples or sampling, for any activities associated with the operation and permit.

Dated this 10th day of October, 1995.

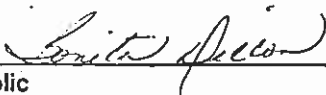
Name: 

(corporate seal)

Title: Vice President, Peabody Western Coal Company

The foregoing instrument was acknowledged before me by Gary L. Melvin this 10th day of October, 1995.

Witness my hand and official seal.


 Notary Public

My Commission Expires: Jan. 13, 1998

DEPARTMENT OF THE INTERIOR)
)SS.
OFFICE OF SURFACE MINING)
RECLAMATION AND ENFORCEMENT)

This is to certify that I have examined the foregoing application and do hereby grant the same subject to the following limitations and conditions.

1. This permit transfer grants only the right to affect the lands described in the permit.
2. The transferee has acquired a good and sufficient reclamation bond fully executed and signed. The bond shall be effective on the date of transfer.

APPROVED: _____
Chief, Program Support Division
Office of Surface Mining
Reclamation and Enforcement
Western Regional Coordinating Center

Effective Date: _____

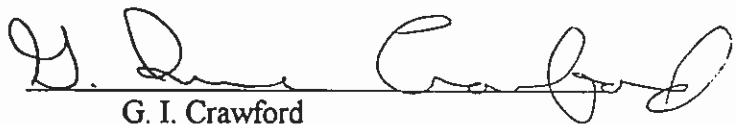
**CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY COAL COMPANY
ON APRIL 24, 1978**

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
W. H. Carson
H. D. Dahl
T. L. Bethel

D. R. Joest
K. M. Kendrigan
G. I. Crawford
T. R. Gallagher
J. A. Maher

Chairman
Vice President
Vice President
Vice President - Finance &
Administration & Treasurer
Secretary
Assistant Secretary
Assistant Secretary
Assistant Secretary
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

[SEAL]



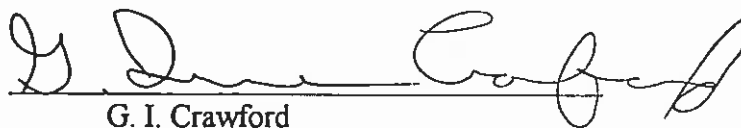
**CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994**

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 10th day of October, 1995.



G. I. Crawford
Assistant Secretary

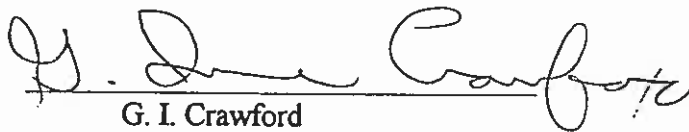
[Seal]

CERTIFICATE OF INCUMBENCY
Peabody Western Coal Company

I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been 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

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]

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 5,290.0 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 2,393.8 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

By: *Janice Fennell*
 Janice Fennell, Attorney-In-Fact

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 290.00 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 200.00 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: Janice Fennell
Janice 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, 1,992.99 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 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, 193.53 feet;

Seaboard Surety Company

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

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°01'59" 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 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: Jarvis Fernell
Jarvis Fernell, Attorney-In-Fact

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 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.

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, 1,321.05 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
By: Janice Fennell
Janice Fennell, Attorney-In-Fact
Revised 08/19/96

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, 920.83 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°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: Janice Fennell
Janice Fennell, Attorney-In-Fact

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°28'43" 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

By: Janice Fernell
Janice Fernell,
Attorney-In-Fact

April 21, 1997

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°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°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: 
Janice Fennell, Attorney-In-Fact

April 21, 1997

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

This parcel is described in Attachment 4 and contains 9.52 acres, more or less.

Seaboard Surety Company

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

Bond Number 259737

April 21, 1997

ATTACHMENT 2

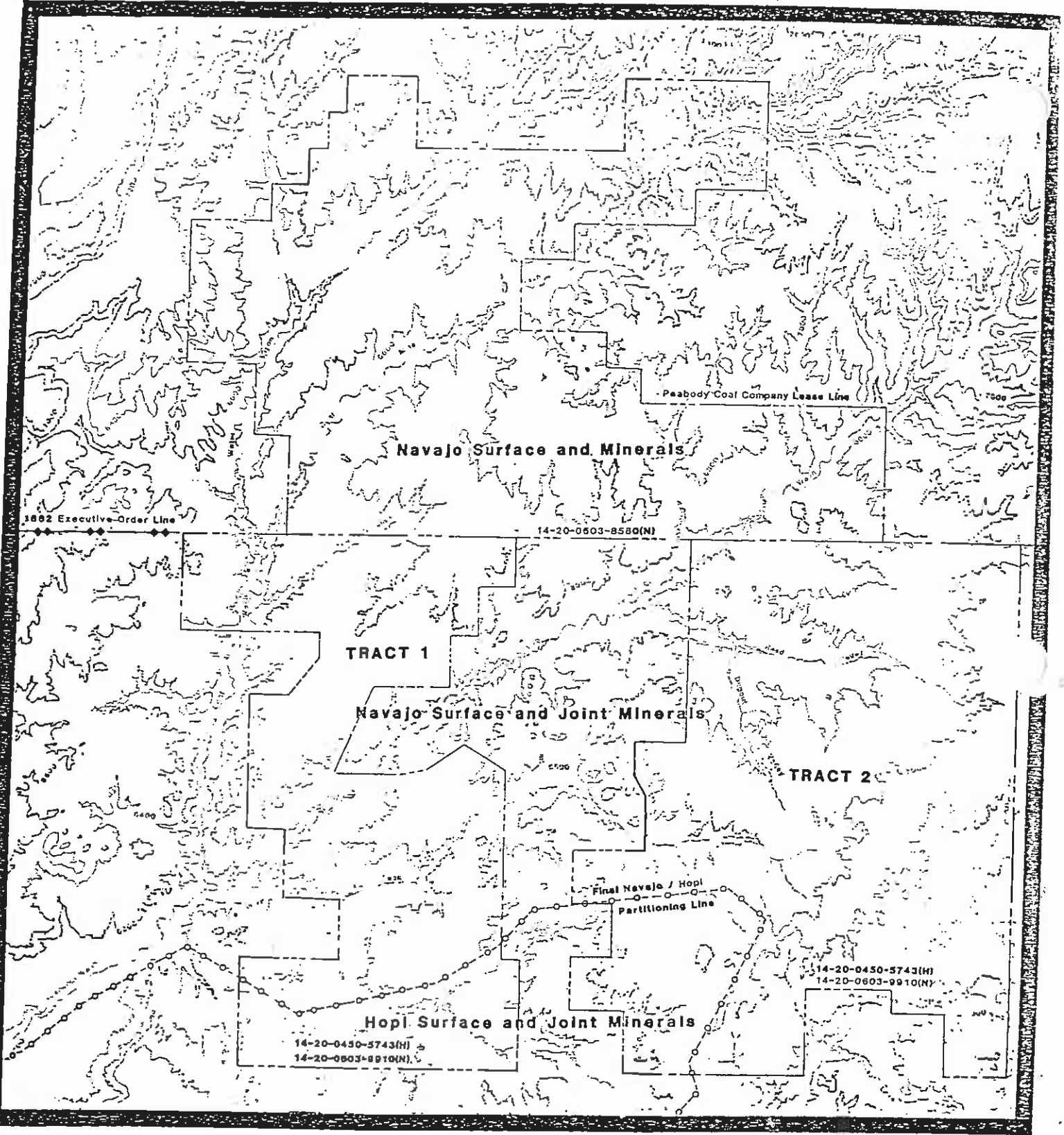
DESCRIPTION OF LEASED LANDS

Seaboard Surety Company

By: Janice Fennell

Janice Fennell, Attorney-In-Fact

April 21, 1997



**BLACK MESA LEASES
PEABODY COAL COMPANY**

Seaboard Surety Company

By Jarce Fennell
Jarce Fennell, Attorney-In-Fact

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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

Seaboard Surety Company

By: 
Janice Fernell, Attorney-In-Fact

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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: Janice Fennell
Janice Fennell, Attorney-In-Fact

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

Seaboard Surety Company

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

Certified Copy

SEABOARD SURETY COMPANY 2W-0360

No. 13250

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, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if 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-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:

ARTICLE VII, SECTION 1

"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 or 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 or a Resident Assistant Secretary, or (b) by an Attorney-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 if appropriate be affixed thereto by any such officer, Attorney-in-Fact or 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 day of April, 1995.



Attest:

(Seal)

Adelys M. Feller
Assistant Secretary

SEABOARD SURETY COMPANY,

By

Michael B. Keegan
Vice-President

STATE OF NEW JERSEY
COUNTY OF SOMERSET ss.

On this 5th day of April, 1995, before me personally appeared Michael B. Keegan, a Vice-President of SEABOARD SURETY COMPANY, with whom I am 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.



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

Belinda Faye Lee
Notary Public

C E R T I F I C A T E

I, 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 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 of SEABOARD SURETY 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 1, 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 if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

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



Sara M. Klement
Assistant Secretary

Verification of the authenticity of this Power of Attorney you may call, collect, 908-658-3500 and ask for the Power of Attorney clerk. Please refer to the Power of Attorney number, the above named individual.



License No. _____

RIDER

To be attached to and form part of Bond No. 1052253365

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: _____
- 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: _____
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. Spertak Attorney-in-Fact

Accepted: US Department of the Interior
OSMRE
Obligee

or Peabody Western Coal Company
Principal

By: _____

By: Walter D. [Signature]



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 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

Leon F. Hill, Jana L. Smith, Jennifer L. Sperlak, Scott Flons, and Ryan Blegen

of the City of Denver, State of Colorado, 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 24th day of April, 2009

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



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 24th day of April, 2009, 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 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, 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.



[Signature]
Marie C. Tetreault, Notary Public

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., 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 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 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, 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 28th day of February, 2009.

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

Kori M. Johanson
Kori M. Johanson, 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.



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: 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

By: Evelyn P. Green
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. 002525680

Attorney-In Fact No. 220251

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 Iowa, and that Fidelity and Guaranty Insurance Company 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

of the City of Franklin, State of Tennessee, 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 31st day of July, 2008

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



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this 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, 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, 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.



[Signature]
Marie C. Tetreault, 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 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]

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 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 OSMRE issued permit to Mine number AZ-0001D/AZ-0001 and
dated on JULY 6, 1995 and 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 amount of the bond is increased/~~decreased~~ by
THREE MILLION AND NO/100 ***** Dollars (\$ 3,000,000.00),
to a total sum of ELEVEN MILLION EIGHT HUNDRED THOUSAND AND NO/100 *****
Dollars (\$ 11,800,000.00), to cover the additional/~~reduced~~
cost of reclaiming all affected lands. It is further understood
and agreed that all other terms and conditions of this bond shall
remain unchanged.

Permit No. AZ-0001D/AZ-0001

Bond No. 348404

PRINCIPAL

Signed and executed this 20th day of AUGUST, 1997.

BY: W. Howard Carson
W. HOWARD CARSON

TITLE: PRESIDENT, PEABODY WESTERN COAL COMPANY (Corporate Seal)

State of ARIZONA)
County of COCONINO) SS.

The foregoing instrument was acknowledged before me by W. HOWARD CARSON this 20th day of AUGUST, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)

My Commission Expires: 1/2/98

SURETY

Signed and executed this 20th day of AUGUST, 1997.

SEABOARD SURETY COMPANY
BY: Janice Fennell

TITLE: JANICE FENNELL, ATTORNEY-IN-FACT (Corporate Seal)

State of TENNESSEE)
County of KNOX) SS.

The foregoing instrument was acknowledged before me by JANICE FENNELL, this 20th day of AUGUST, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)
ELIZABETH A. HARTZBERG

My Commission Expires: NOVEMBER 29, 1999

April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997

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°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 452.85 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
By: *[Signature]*
Jarface H. Fennell, Attorney-In-Fact

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, 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. Fernell
Janice H. Fernell, 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;

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:

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

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 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 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, 1,159.50 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

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

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 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
Janice 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°00'39" 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;

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford
By Janice H. Fennell
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 330.00 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;

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford
By: Janice H. Fennell
Janice 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 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.

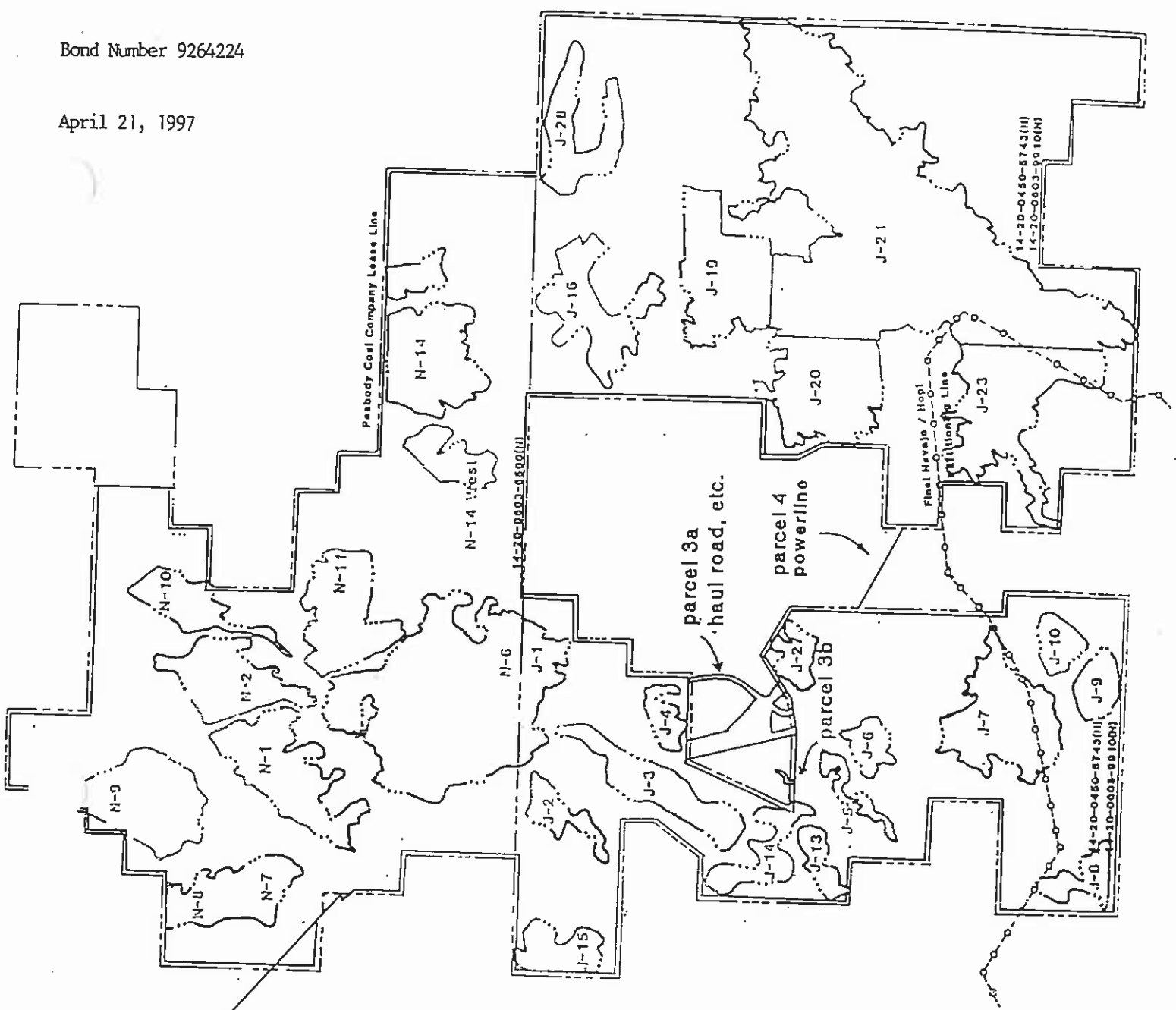
Beginning at a point 11,680.0 feet North and 43,033.5 feet East of U.S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument);
 Thence, North 90°0'0" East a distance of 1,206.5 feet to a point;
 Thence, North 0°0'0" East a distance of 5,280.0 feet 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 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: Janice H. Fennell
 Janice H. Fennell, Attorney-In-Fact
 Revised 09/25/96

April 21, 1997



rall loadout

parcel 2

conveyor

Peabody Coal Company Lease Line

parcel 3a
haul road, etc.

parcel 4
powerline

PERMIT BOUNDARIES

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

By: *Jane H. Fennell*
Jane H. Fennell, Attorney-In-Fact

Permit Boundary ———

April 21, 1997

Description of Life-of-Mine

Permit Area

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

Permit No. AZ-0001D/AZ-0001

Bond No. 9264224

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company
BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
Continental Casualty Insurance Company and National Fire Insurance Company of Hartford
BY: Janice H. Fennell

TITLE: Janice H. Fennell, Attorney-In-Fact (Corporate Seal)

State of Tennessee)
County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice H. Fennell, this 21st day of April, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999

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 Continental Casualty Insurance Company
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
Ninety Six and No/100 DOLLARS (\$ 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

Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and
dated on January 29, 1982 and 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
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.

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]

**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



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 NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature - In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

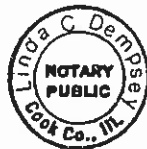
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power may are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 1st day of April, 1997.



John M. Littler Assistant Secretary.



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the law of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Janice H. Fennell, Richard G. Anderson, Richard C. Rose, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of _____ its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory Instruments of similar nature _____
- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

State of Illinois }
County of Cook } ss



[Signature]
M.C. Vonnahme Group Vice President.

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



[Signature]
Linda C. Dempsey Notary Public.
My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of the Article IX 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 hereunto subscribed my name and affixed the seal of the said Company this 21st day of April, 1997.



[Signature]
John M. Littler Assistant Secretary.

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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.

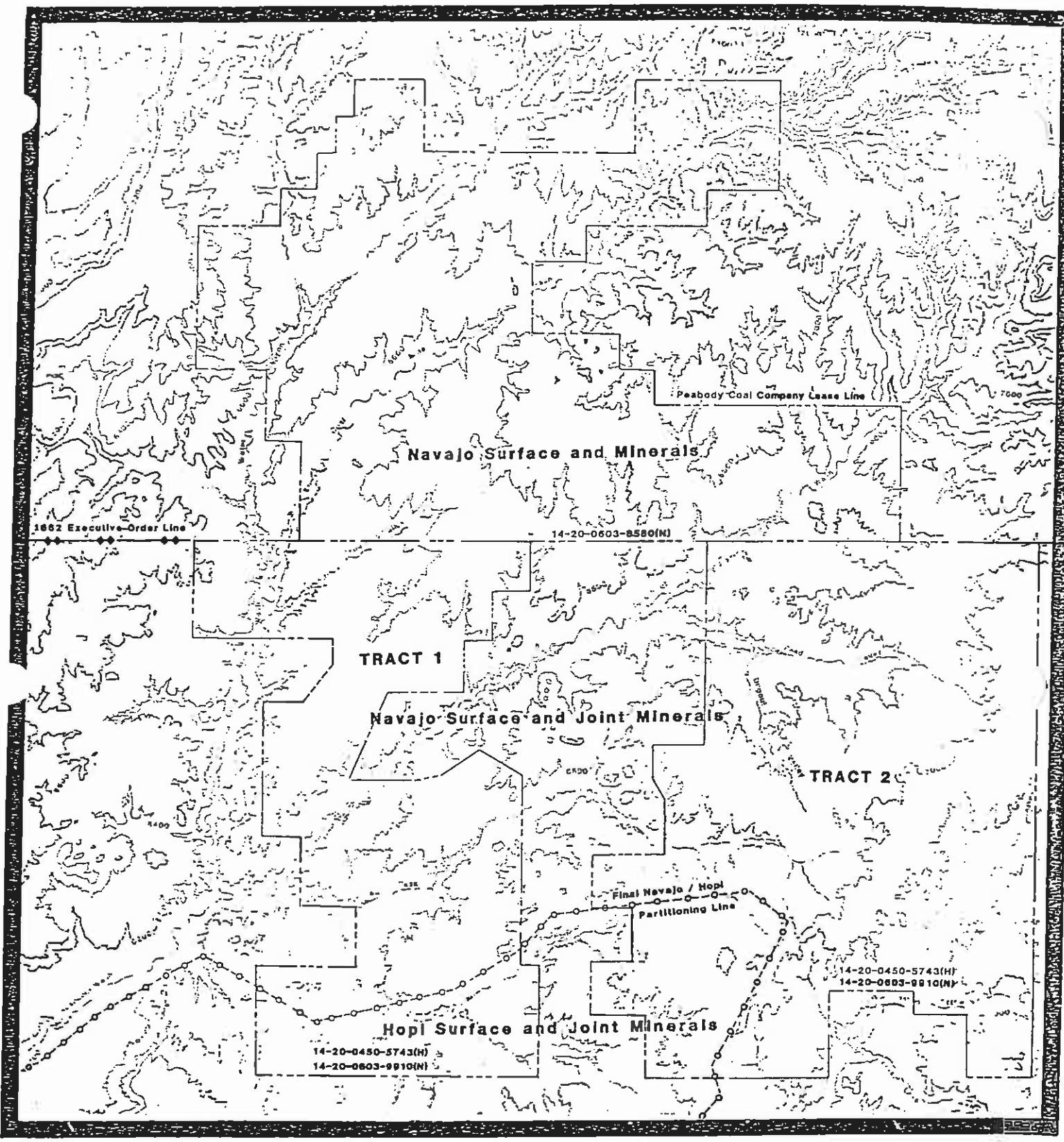
T37N R19E:

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



**BLACK MESA LEASES
PEABODY COAL COMPANY**

Continental Casualty Insurance Co
and National Fire Insurance Company of for

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

Bond Number 9264222

April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

Bond Number 9264222

April 21, 1997

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: Janice H. Fernell
Janice H. Fernell, 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 73°53'17" 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°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°51'41" 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";

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°51'58" 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 73°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 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
By: 
Janice H. Fennell, Attorney-In-Fact

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.

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

By: Janece H. Fennell
Janece H. Fennell, Attorney-in-Fact

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

Certified Copy

SEABOARD SURETY COMPANY

3A-8712

No. 13250

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY

POWER OF ATTORNEY

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

ARTICLE VII, SECTION 1

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 or 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 or a Resident Assistant Secretary, or (b) by an Attorney-in-Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice-President to make such signatures, or (c) by such other officers or representatives as the Board may from time to time determine. The seal of the Company shall if appropriate be affixed thereto by any such officer, Attorney-in-Fact or 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 day of April, 1995.



Attest

(Seal)

Michael L. B. Keegan
Assistant Secretary

SEABOARD SURETY COMPANY

By

Michael Bly
Vice-President

STATE OF NEW JERSEY
COUNTY OF SOMERSET

On this 5th day of April, 1995,

Michael L. B. Keegan

before me personally appeared a Vice-President of SEABOARD SURETY COMPANY,

with whom I am 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.



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

Belinda Faye Lee
Notary Public

C E R T I F I C A T E

I, 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 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 of SEABOARD SURETY 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 1, 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 if such seal and such signature had been manually affixed and made, hereby authorized and approved.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company to these presents, this 20th day of August, 1997.



Sara K. Klement
Assistant Secretary

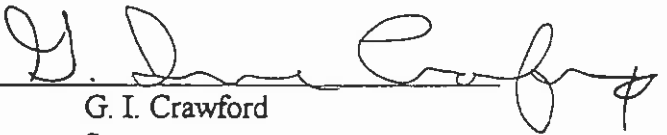
Form 957 (Rev. 7/84)

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
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 OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and
dated on July 6, 1995 ^{July 6, 1995} and 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 e
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.

Permit No. AZ-0001D/AZ-0001

Bond No. 348404

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company

BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
Seaboard Surety Company

BY: Janice Fennell

TITLE: Janice Fennell, Attorney-In-Fact

(Corporate Seal)

State of Tennessee)

County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice Fennell
this 21st day of April, 1997.

Witness my hand and official seal. Elizabeth A. Hartzberg
(Notary Public or other authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999

Bond Number 348404

April 21, 1997

Description of Life-of-Mine

Permit Area

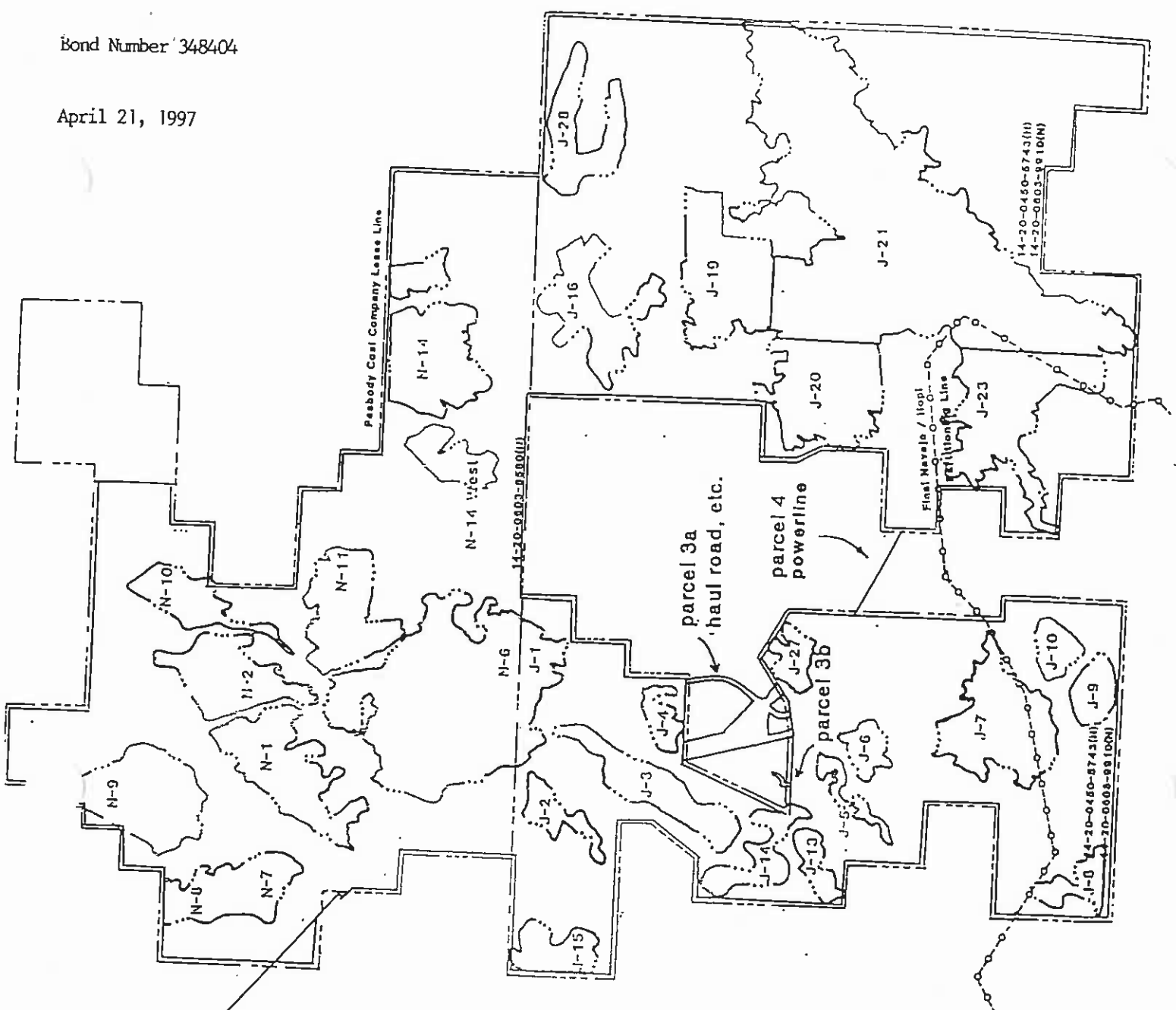
Seaboard Surety Company

By: Janice Fennell

Janice Fennell, Attorney-In-Fact

Revised 09/25/96

April 21, 1997



rail loadout

parcel 2

conveyor

Peabody Coal Company Lease Line

parcel 3a
haul road, etc.

parcel 4
powerline

parcel 3b

Flat Mavala / Hopi
Relinquishing Line

Permit Boundary

PERMIT BOUNDARIES

Seaboard Surety Company
 By: *Janice Fennell*
 Janice 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 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 43,333.5 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

By: Janice Fennell

Janice 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. 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: Janice Fennell
Janice 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;

Seaboard Surety Company

By: Janice Fennell

Janice Fennell, Attorney-In-Fact

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 S 23°41'41" E, 486.36 feet;
Thence S 49°52'40" E, 1,306.12 feet;

Seaboard Surety Company

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

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 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 32: 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" S, 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.

Seaboard Surety Company
 By: Janice Fernell
 Janice Fernell, Attorney-In-Fact

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

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 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: Janice Fennell
Janice Fennell, Attorney-In-Fact

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;

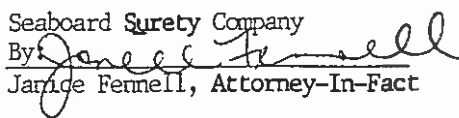
Thence S 81°36'55" W, 1,758.19 feet;

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.

Seaboard Surety Company

By 
Janice Fennell, Attorney-In-Fact

April 21, 1997

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°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°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: 
Janice Fennell, Attorney-In-Fact

April 21, 1997

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

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

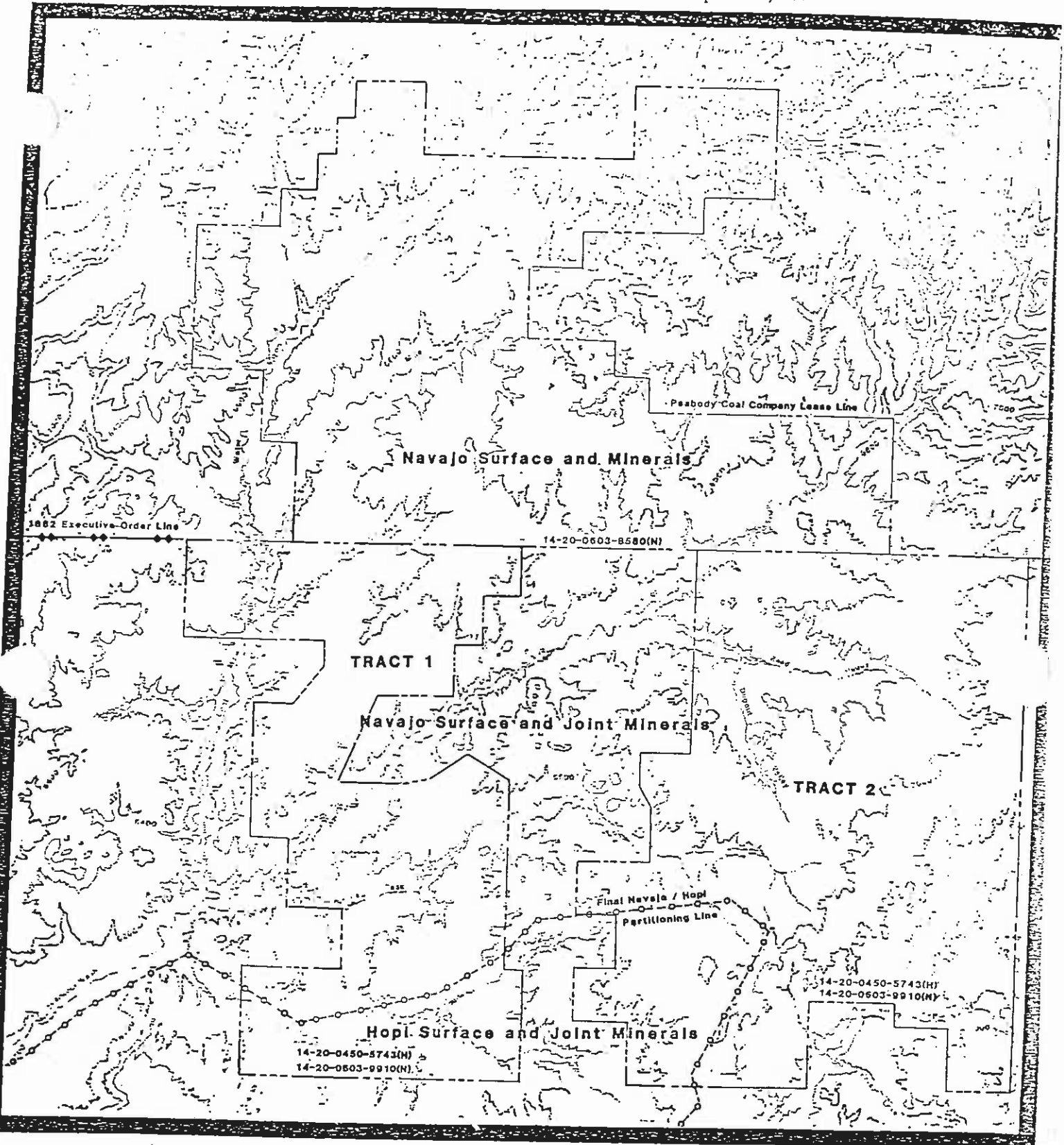
Seaboard Surety Company
By: Janice Fennell
Janice Fennell, Attorney-In-Fact

April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

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



**BLACK MESA LEASES
PEABODY COAL COMPANY**

Seaboard Surety Company
By: *Jarce Fennell*
Jarce Fennell, Attorney-In-F:

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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

Seaboard Surety Company

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

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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: Janice Fennell
Janice Fennell, Attorney-In-Fact

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

Seaboard Surety Company

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

Certified Copy

SEABOARD SURETY COMPANY 2W-0358

No. 13250

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY

POWER OF ATTORNEY

I, **VOW ALL MEN BY THESE PRESENTS:** That SEABOARD SURETY COMPANY, a corporation of the State of New York, do hereby constitute and appoint 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 if 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-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.

ARTICLE VII, SECTION 1

"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 or 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 or a Resident Assistant Secretary; or (b) by an Attorney-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 if appropriate be affixed thereto by any such officer, Attorney-in-Fact or 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 day of April, 1995.



Attest:

(Seal)

Adelyn M. Fuller
Assistant Secretary

SEABOARD SURETY COMPANY,

By

Michael B. Keegan
Vice-President

STATE OF NEW JERSEY ss.
COUNTY OF SOMERSET

On this 5th day of April, 1995, before me personally appeared Michael B. Keegan, a Vice-President of SEABOARD SURETY COMPANY,

with whom I am 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.

BELINDA FAYE LEE

NOTARY PUBLIC OF NEW JERSEY

My Commission Expires Sept. 9, 1998

Belinda Faye Lee
Notary Public

CERTIFICATE

I, 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 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 of SEABOARD SURETY 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 1, 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 if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

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



Sara K. Keenan
Assistant Secretary

Form 957 (Rev. 7/84)


**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. 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
AS PRINCIPAL, in the sum of Twenty Eight Million Three Hundred Four Hartford
DOLLARS (\$ 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.

Thousand One Hundred Eighty Eight and No/100

Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and
dated on January 20, 1982 and 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 ab...e
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.

Permit No. AZ-0001D/AZ-0001

Bond No. 9264222

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company

BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. Erin Della
(Notary Public or other authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

BY: Janice H. Fernell
Janice H. Fernell

TITLE: Attorney-In-Fact (Corporate Seal)

State of Tennessee)

County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice H. Fernell, this 21st day of April, 1997.

Witness my hand and official seal. Elizabeth A. Hartzberg
(Notary Public or other authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999

Bond Number 9264222

April 21, 1997

Description of Life-of-Mine

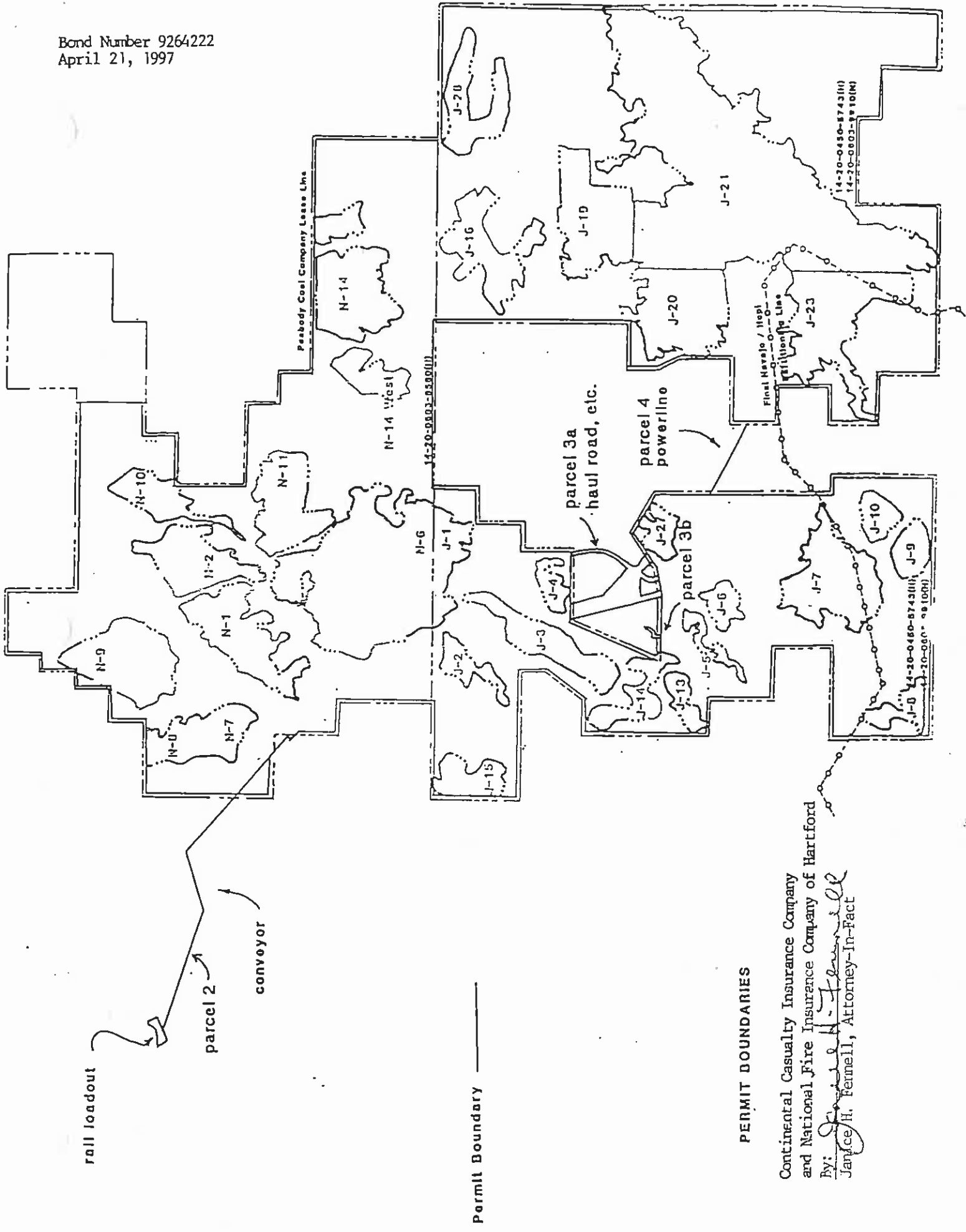
Permit Area

Continental Casualty Insurance Company
and National Fire Insurance Company

of Hartford

By: Janice H. Fennell

Janice H. Fennell, Attorney-In-Fact



PERMIT BOUNDARIES

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

By: *Jamce H. Fennell*
Jamce 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 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: Jarice H. Fennell
Jarice H. Fennell, Attorney-In-Fact

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
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
By: Janice H. Fennell
Janice 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;

Continental Casualty Insurance Company and
National Fire Insurance Company of Hartford

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

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 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*
Janice H. Fennell, Attorney-In-Fact

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 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 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, 1,321.05 feet;
Thence S 73°37'52" E, 409.71 feet;
Thence S 72°56'11" E, 1,159.50 feet;
Thence S 01°05'15" 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°45'06" 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: Janice H. Fennell
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;

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.

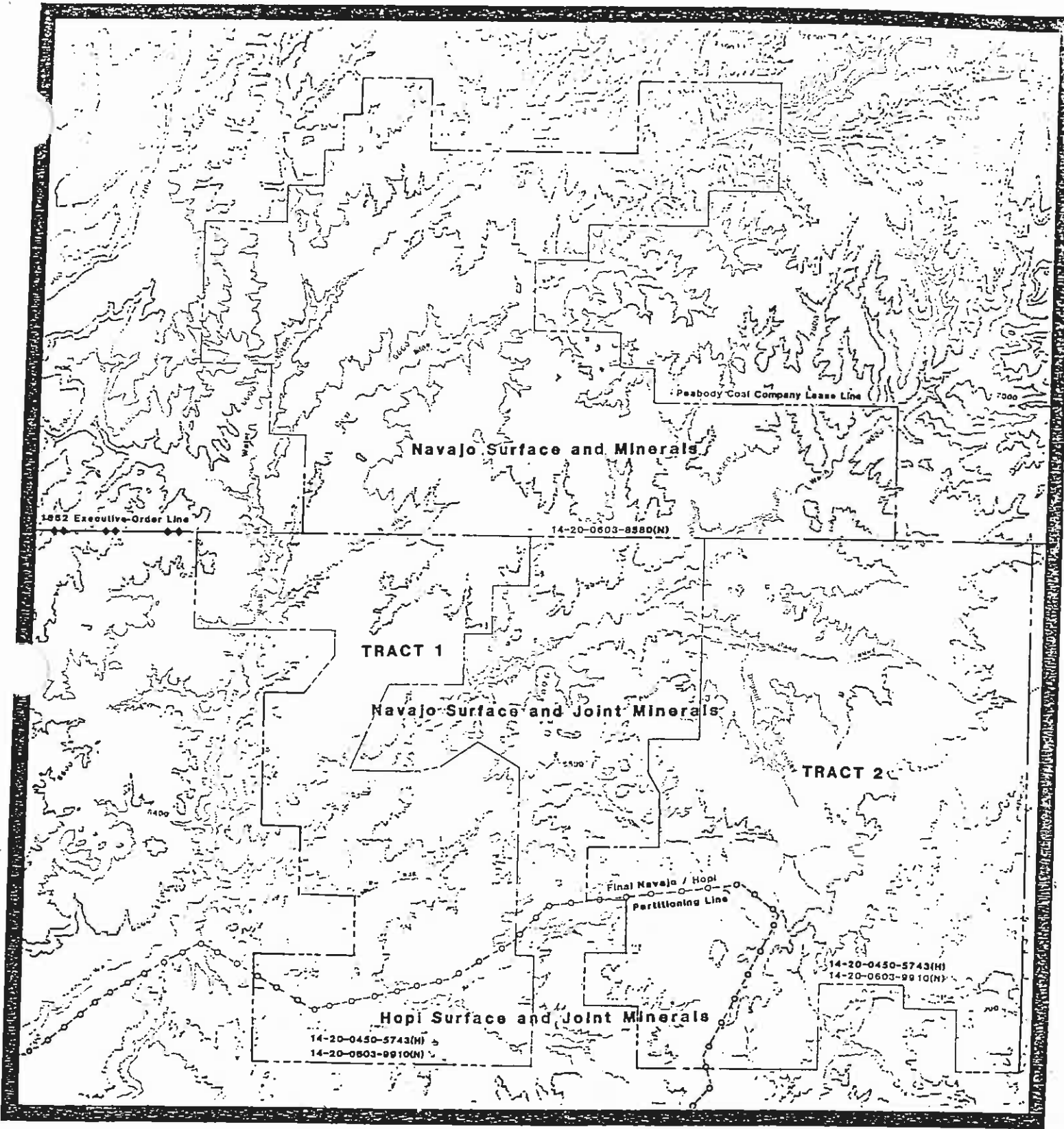
Parcel No. 3: Coal Haulage Road, Utility, Pond, Maintenance Road, and Monitoring Access
Road Facilities Right-of-Way Description

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:

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



**BLACK MESA LEASES
PEABODY COAL COMPANY**

Continental Casualty Insurance
Company and National Fire Insurance
Company of Hartford

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

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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: Janice H. Fennell
Janice H. Fennell, Attorney-In-Fact

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

By: Jarice H. Fernell
Jarice H. Fernell, Attorney-In-Fact



For All the Commitments You Make®

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Janice H. Fennell, Richard G. Anderson, Richard C. Rose, Tracy Tucker, Individually of Knoxville, Tennessee, Douglas L. Ball, Individually of Daniels, West Virginia

of _____
its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature _____
- In Unlimited Amounts - _____

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Group Vice President, and its corporate seal to be hereto affixed this 6th day of December, 1994.

State of Illinois }
County of Cook } ss



[Signature]
CONTINENTAL CASUALTY COMPANY
M.C. Vonnahme Group Vice President.

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



[Signature]
Linda C. Dempsey Notary Public.
My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of the Article IX 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 hereunto subscribed my name and affixed the seal of the Company this 21st day of April, 1997.



[Signature]
John M. Littler Assistant Secretary.



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 NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature - In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 21st day of April, 1997.



John M. Littler Assistant Secretary.

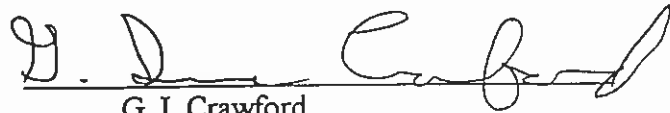
**CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994**

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 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. 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
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 July 6, 1995, and renewals and revisions numbered and
dated January 29, 1982, 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.

Permit No. AZ-0001D/AZ-0001

Bond No. 9264225

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company
BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. Janita Dillon
(Notary Public or other
authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
National Fire Insurance Company of Hartford
BY: Janice H. Fennell

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

(Corporate Seal)

State of Tennessee)

County of Knox)

SS.

The foregoing instrument was acknowledged before me by Janice H. Fennell
this 21st day of April, 1997.

Witness my hand and official seal. Elizabeth A. Hartzberg
(Notary Public or other
authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999



For All the Commitments You Make®

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Janice H. Fennell, Richard G. Anderson, Richard C. Rose, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory Instruments of similar nature

- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

State of Illinois } ss
County of Cook }



[Signature] CONTINENTAL CASUALTY COMPANY
M.C. Vonnahme Group Vice President.

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



[Signature] Linda C. Dempsey Notary Public.
My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of the Article IX 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 hereunto subscribed my name and affixed the seal of the said Company this 21st day of April, 1997.



[Signature] John M. Littler Assistant Secretary.



For All the Commitments You Make

Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature - In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

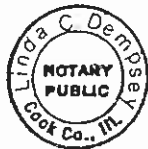
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 21st day of April, 1997.



John M. Littler 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 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. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond
No. 9264224 written by Continental Casualty Insurance Company
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

Ninety Six and No/100 DOLLARS (\$ 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

Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and
dated on January 29, 1982 and 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 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.

Permit No. AZ-0001D/AZ-0001

Bond No. 9264224

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company
BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

BY: Janice H. Fernell

TITLE: Janice H. Fernell, Attorney-In-Fact (Corporate Seal)

State of Tennessee)
County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice H. Fernell, this 21st day of April, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999

April 21, 1997

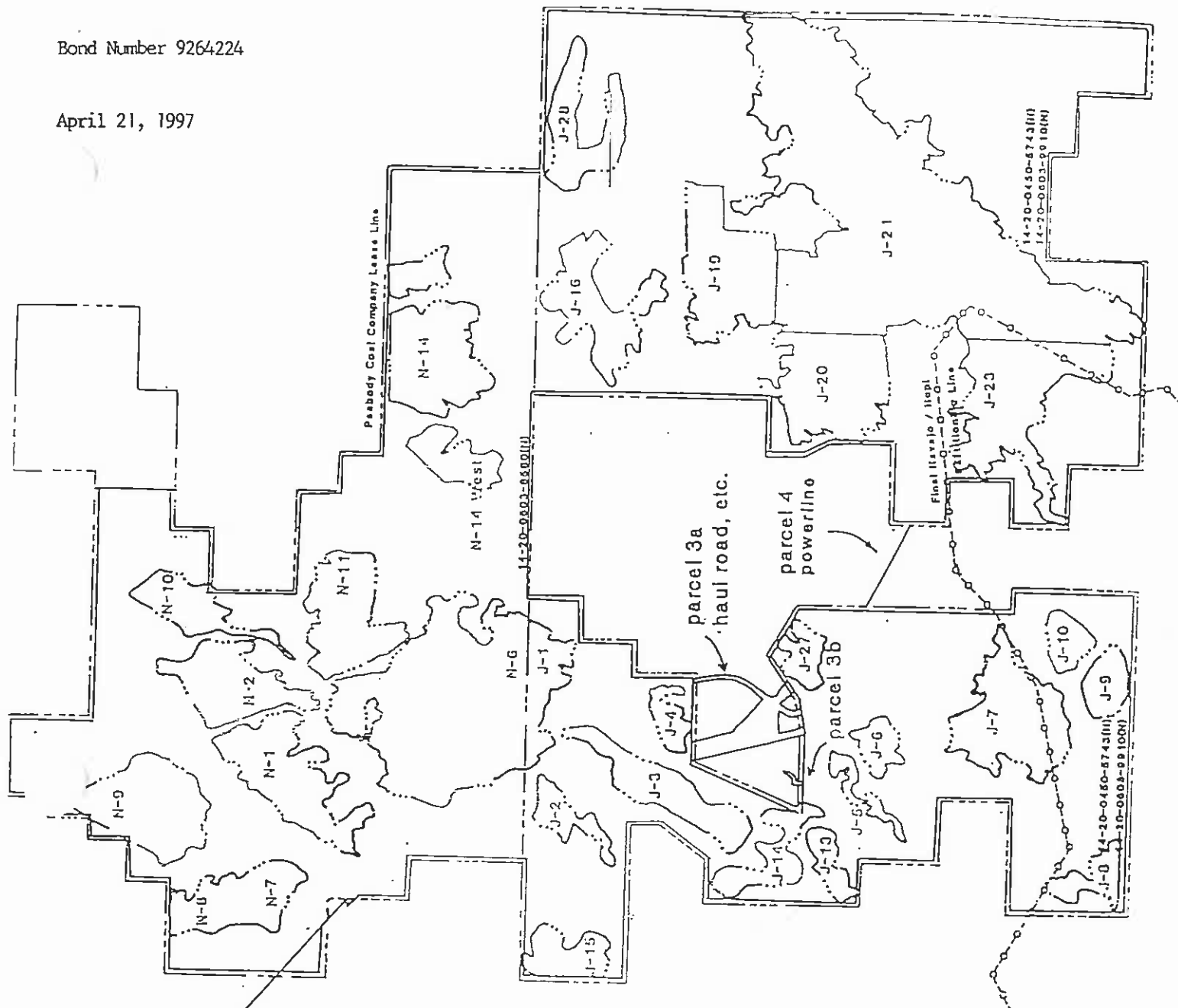
Description of Life-of-Mine

Permit Area

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997



1 Permit Boundary ———

PERMIT BOUNDARIES

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

By: *Janice H. Fennell*
Janice 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 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 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: Janice H. Fennell
Janice H. 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°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 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;

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford
By: Janice H. Fennell
Janice 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°45'52" 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°00'39" 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;

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford
By Janice H. Fennell
Janice H. Fennell, Attorney-in-Fact

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°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°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
 Janice H. Fennell, Attorney-In-Fact

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 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, 1,630.19 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.

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, 1,321.05 feet;
 Thence S 73°37'52" E, 409.71 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, 132.29 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.

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

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

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

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°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 Hartford

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

April 21, 1997

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°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 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
By: *Janice H. Fennell*
Janice H. Fennell, Attorney-in-Fact

Bond Number 9264224
April 21, 1997

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

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

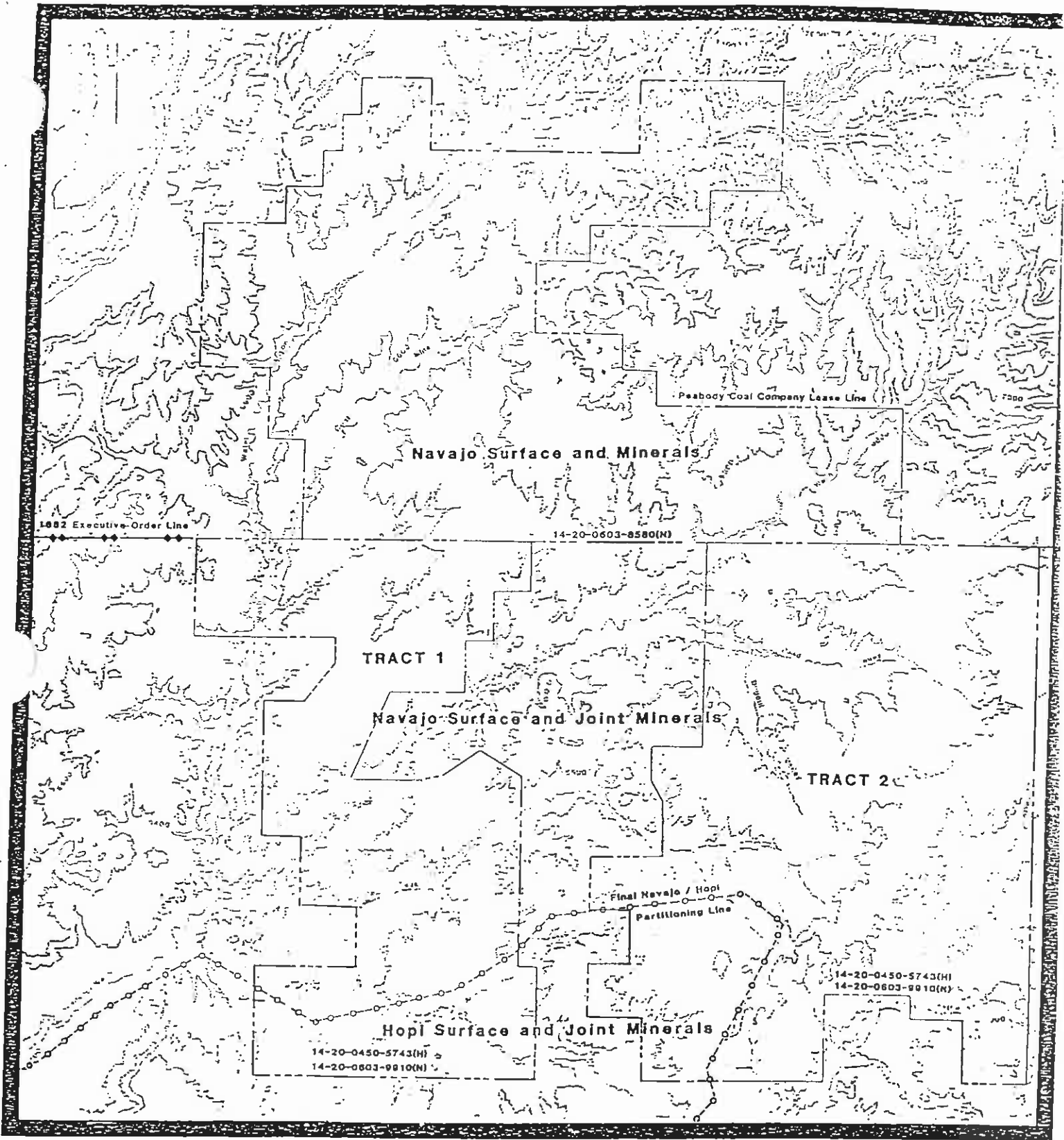
Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford
By: Janece H. Fennell
Janece H. Fennell, Attorney-In-Fact

April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

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



**BLACK MESA LEASES
PEABODY COAL COMPANY**

Continental Casualty Insurance
Company and National Fire Insurance
Company of Hartford
By: *Janice H. Fennell*
Janice H. Fennell, Attorney-In-Fac

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft.,
 thence South 2640.0 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 R19E:

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.

T36N R19E:

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

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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

Continental Casualty Insurance Company
and National Fire Insurance Company of Hartford

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



For All the Commitments You Make®

AN ILLINOIS CORPORATION

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That CONTINENTAL CASUALTY COMPANY, a corporation duly organized and existing under the laws of the State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Janice H. Fennell, Richard G. Anderson, Richard C. Rose, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind CONTINENTAL CASUALTY COMPANY thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of CONTINENTAL CASUALTY COMPANY and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

"Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

State of Illinois } ss
County of Cook }



Signature of M.C. Vonnahme, Group Vice President

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of CONTINENTAL CASUALTY COMPANY, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Signature of Linda C. Dempsey, Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of CONTINENTAL CASUALTY COMPANY, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 3 of the Article IX 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 hereunto subscribed my name and affixed the seal of the said Company this 21st day of April, 1997.



Signature of John M. Littler, Assistant Secretary



For All the Commitments You Make™

Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature - In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile by certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

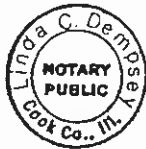
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 21st day of April, 1997.



John M. Littler 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 21st day of April, 1997.


G. I. Crawford
Secretary

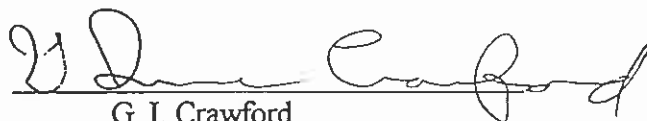
[Seal]

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. 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
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 July 6, 1985, 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.

Permit No. AZ-0001D/AZ-0001

Bond No. 9264225

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company
BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. Janice H. Fennell
(Notary Public or other
authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
National Fire Insurance Company of Hartford
BY: Janice H. Fennell

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

(Corporate Seal)

State of Tennessee)

County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice H. Fennell
this 21st day of April, 1997.

Witness my hand and official seal. Elizabeth A. Hartzberg
(Notary Public or other
authorized officer)
Elizabeth A. Hartzberg

My Commission Expires: November 29, 1999

Bond Number 9264225

April 21, 1997

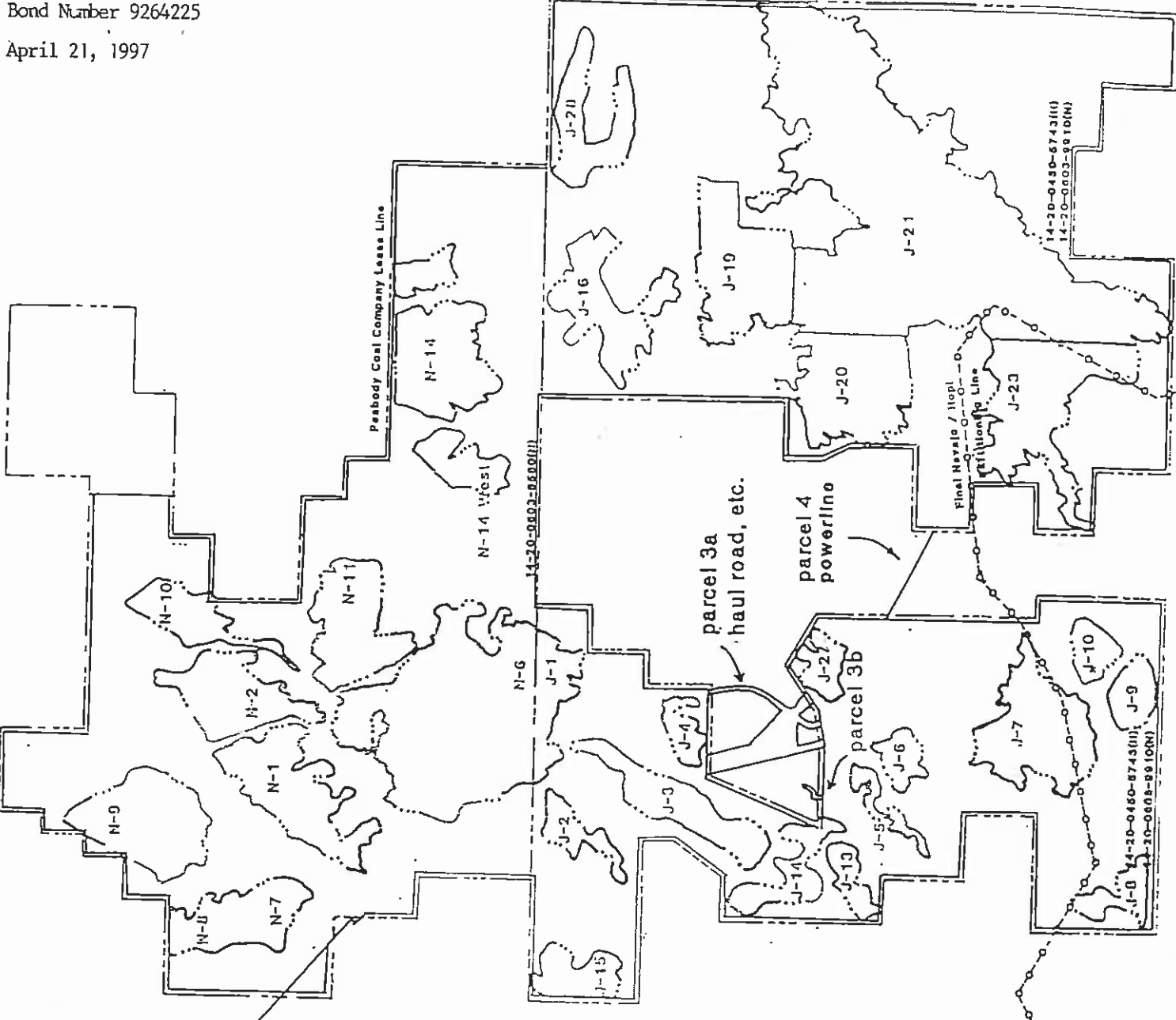
Description of Life-of-Mine

Permit Area

National Fire Insurance Company of Hartford

By: Janice H. Fennell

Janice H. Fennell, Attorney-In-Fact



rail loadout

parcel 2

conveyor

parcel 3a
haul road, etc.

parcel 4
powerline

parcel 3b

Peabody Coal Company Lease Line

PERMIT BOUNDARIES

National Fire-Insurance Company of Hartford
By: Janelle H. Fenell
Janice H. Fenell, Attorney-In-Fact

Permit Boundary ———

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 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
 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 $53^{\circ}38'32''$ 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 $62^{\circ}11'$ 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 $62^{\circ}11'$ West along the Southeasterly leaseline of a rail loading site a distance of 991.56 feet to a point;

Thence, North $27^{\circ}49'$ West a distance of 390.00 feet to a point;

Thence, South $62^{\circ}11'$ West a distance of 50.00 feet to a point on the Southwesterly leaseline of the aforementioned rail loading site;

Thence, North $27^{\circ}49'$ West along said leaseline a distance of 485.00 feet to a point;

Thence, North $62^{\circ}11'$ East a distance of 280.00 feet to a point;

Thence, North $86^{\circ}42'38''$ East a distance of 1,144.11 feet to a point;

Thence, South $27^{\circ}49'$ East a distance of 40.00 feet to a point on a curve;

Thence, along a curve to the left, whose chord bears North $22^{\circ}11'$ East, whose radius is 770.00 feet and whose central angle is $54^{\circ}04'17''$, a distance of 726.67 feet to a point;

Thence, North $62^{\circ}11'$ East a distance of 230.00 feet to a point on the Northeasterly leaseline of the aforementioned rail loading site;

Thence, South $27^{\circ}49'$ East along said leaseline a distance of 200.00 feet to the Point of Beginning.

The four sub-parcels within the overlaid 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 $71^{\circ}00'38''$ E, 12,366.27 feet;

National Fire Insurance Company of Hartford
By: Janice H. Fennell
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.

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 49°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;

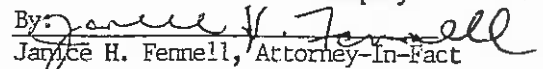
Thence N 56°18'04" W, 198.53 feet;

National Fire Insurance Company of Hartford
By: Janice H. Farnell
Janice H. Farnell, Attorney-in-Fact

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 S 23°41'41" E, 486.36 feet;
Thence S 49°52'40" E, 1,306.12 feet;

National Fire Insurance Company of Hartford

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

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.

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;

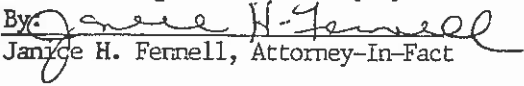
Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

Thence N 61°41'11" E, 156.59 feet;
Thence S 73°01'26" E, 1,321.05 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 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

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;

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:

National Fire Insurance Company of Hartford
By: *Janice H. Fennell*
Janice H. Fennell, Attorney-In-Fact

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

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

April 21, 1997

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°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°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 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.

National Fire Insurance Company of Hartford
By: Janice M. Fennell
Janice M. 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: Janice H. Fennell
Janice H. Fennell, Attorney-In-Fact

April 21, 1997

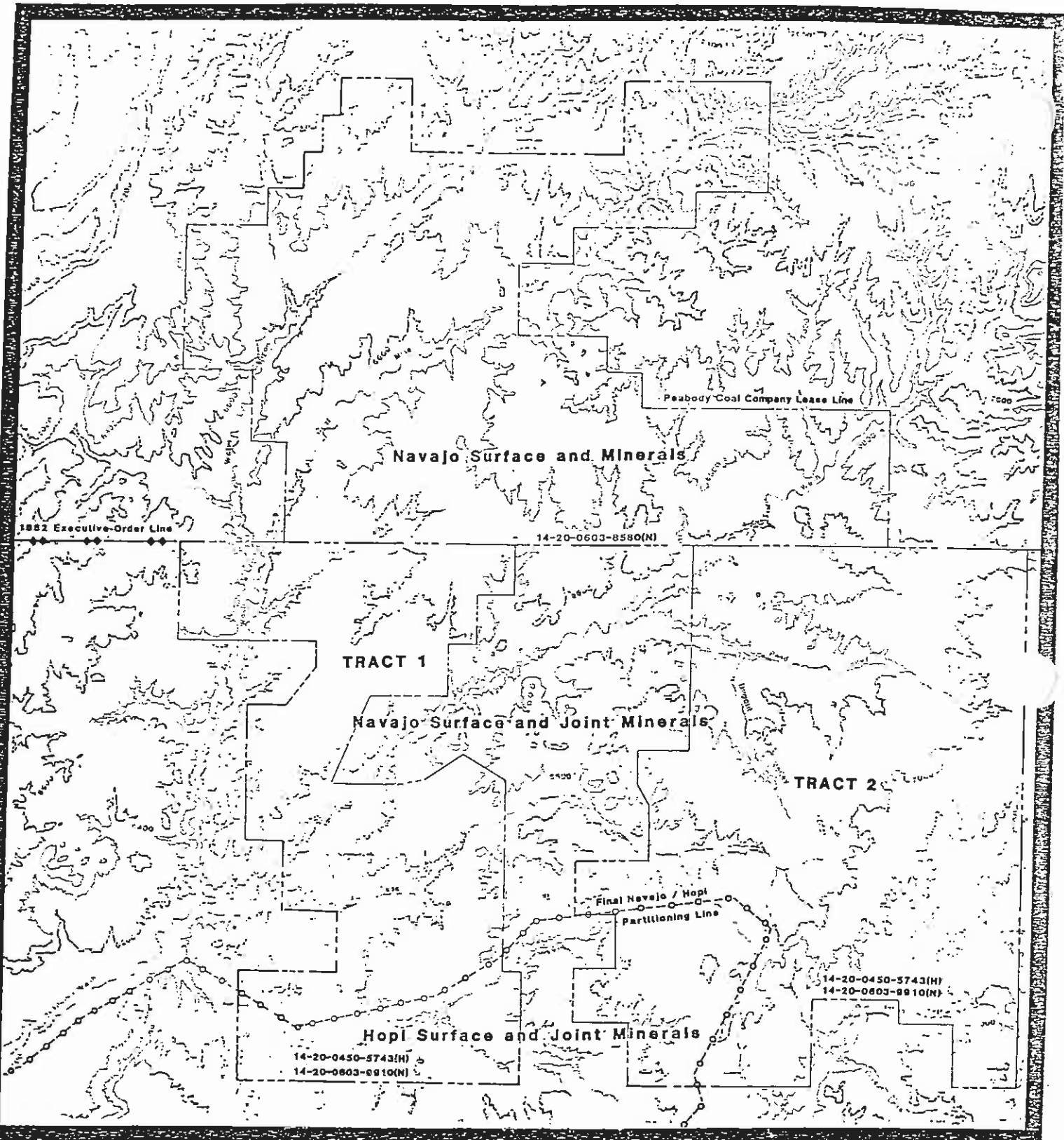
ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

National Fire Insurance Company of Hartford

By: Janice H. Fennell

Janice H. Fennell, Attorney-In-Fact



**BLACK MESA LEASES
PEABODY COAL COMPANY**

National Fire Insurance Company of Hartford
 By: Janice H. Fennell
 Janice H. Fennell, Attorney-In-Fact

April 21, 1997

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft.,
 thence South 2640.0 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 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.

T36N 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
 Janice H. Fennell, Attorney-In-Fact

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

National Fire Insurance Company of Hartford

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

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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: *Jarvis H. Fennell*
Jarvis 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 NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature - In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this 21st day of April, 1997.



John M. Littler Assistant Secretary.

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").

W I T N E S S E T H:

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

PWCC.

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.

Executed as of the date and year first set forth above.

ATTEST:

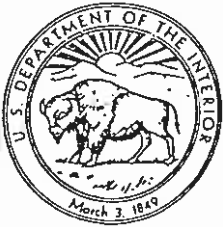
PEABODY COAL COMPANY

G. Duane Crawford By: W. Howard Carter
Vice-President

ATTEST:

PEABODY WESTERN COAL COMPANY

G. Duane Crawford By: James J. McLesie
Vice President



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

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").

W I T N E S S E T H:

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:

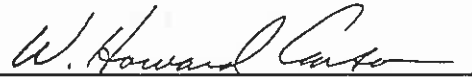
1. **Assignment of Lease.** Peabody Coal hereby transfers, conveys, assigns sets-over and delivers unto Peabody Western all of its right, title and interest in and to the Lease and any and all other agreements, amendments, documents and instruments made at any time in connection with or relating to the 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

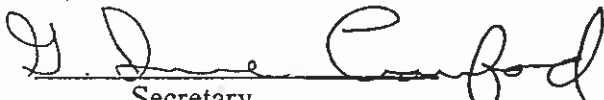
ATTEST:

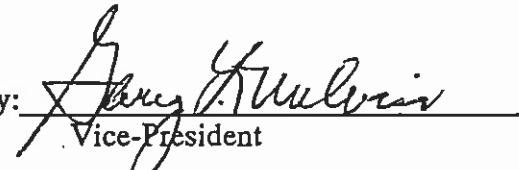

Assistant Secretary

By: 
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:


Secretary

By: 
Vice-President

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

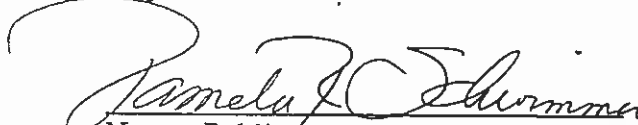
My Commission expires:

 9/27/97

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.


Notary Public

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").

W I T N E S S E T H:

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:

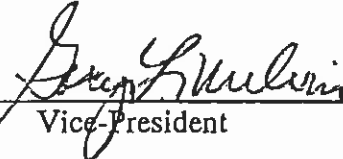

Assistant Secretary

By: 
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:

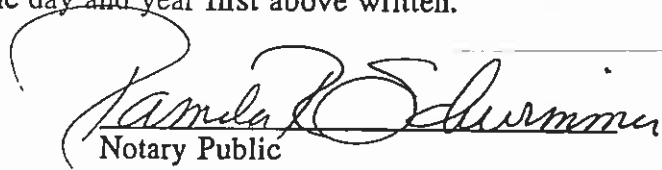

Secretary

By: 
Vice-President

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.

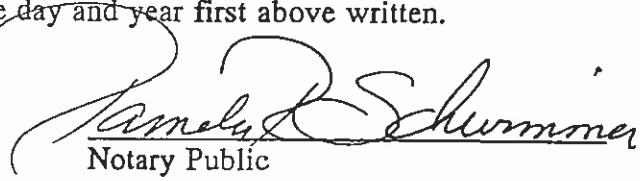

Notary Public

My Commission expires:
 9/27/97

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.


Notary 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.

W I T N E S E T H:

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:

G. Dineen
Assistant Secretary

By: W. Howard
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:

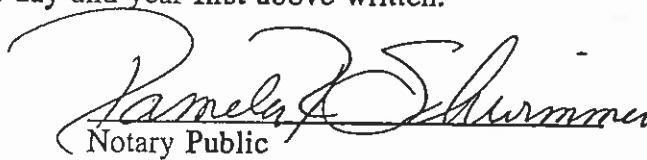
G. Dineen
Secretary

By: James
Vice-President

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

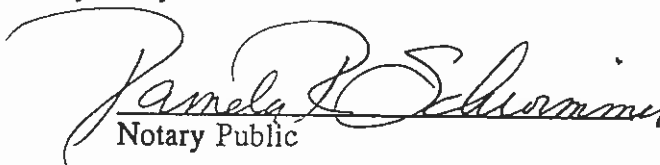
My Commission expires:

9/27/97

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.


Notary Public

My Commission expires:

9/27/97

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

By: Evelyn P. Green
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. 220251

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

of the City of Franklin, State of Tennessee, 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 31st day of July, 2008

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



State of Connecticut
City of Hartford ss.

By: [Signature]
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 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, 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.



[Signature]
Marie C. Tetreault, Notary Public

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., 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 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 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, 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.

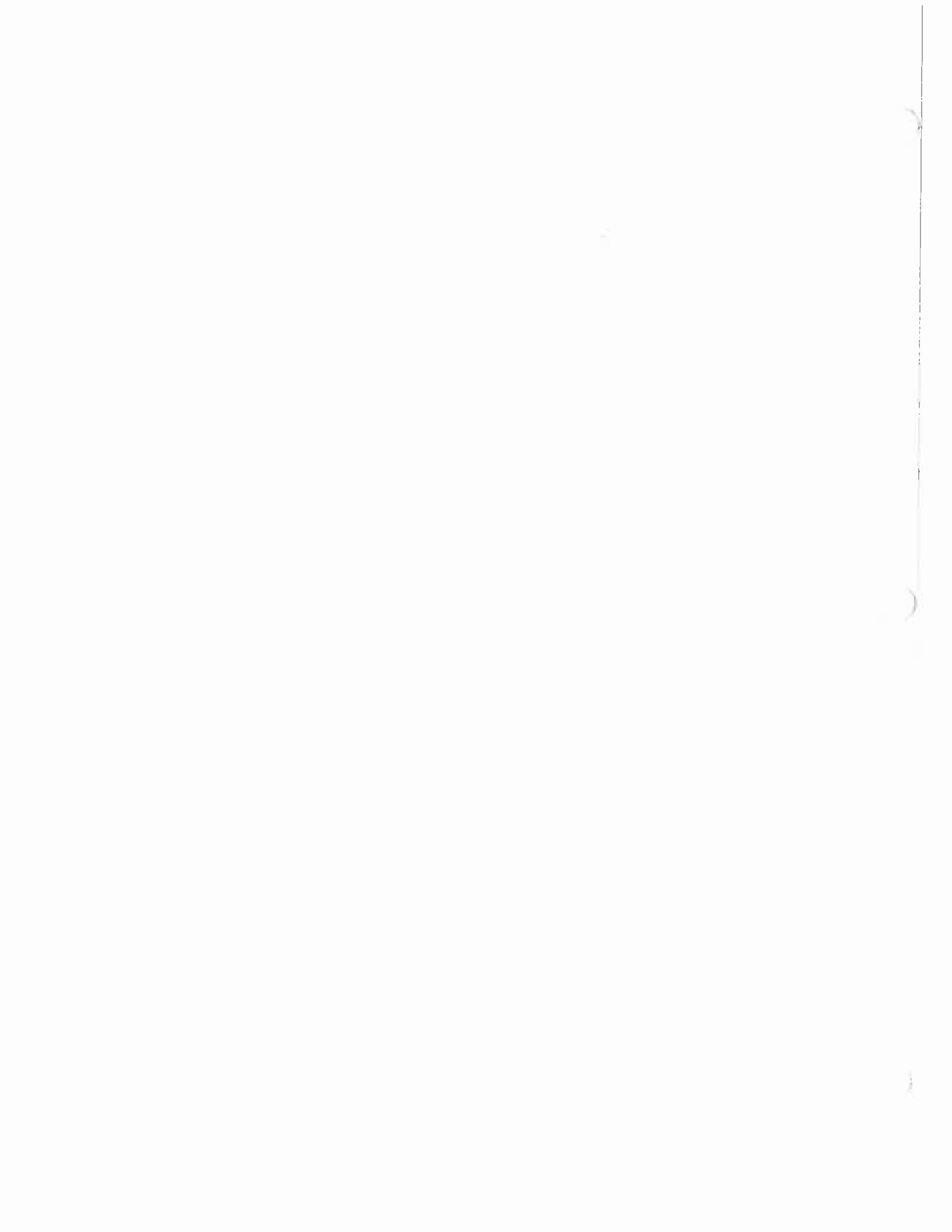
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 28th day of February, 20 09.

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

Kori M. Johanson
Kori M. Johanson, 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.





License No. _____

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 Oblige.

It is agreed that:

1. 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 _____:

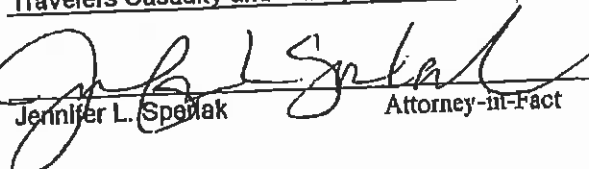
from: _____
to: _____

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

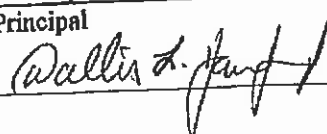
Travelers Casualty and Surety Company of America

By: 
Jennifer L. Spallak Attorney-in-Fact

Accepted: US Department of the Interior
OSMRE
Obligee

or Peabody Western Coal Company
Principal

By: _____

By: 



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. 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 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

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

of the City of Denver, State of Colorado, 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 24th day of April, 2009.

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



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 24th day of April, 2009, 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 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, 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.



[Signature]
Marie C. Tetreault, Notary Public



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 Surety Company Bond No. 259737
written by * PEABODY WESTERN COAL COMPANY AS SURETY, on behalf of
AS PRINCIPAL, in the sum
of TWENTY FOUR MILLION NINE HUNDRED EIGHTY NINE THOUSAND EIGHT HUNDRED THIRTY SIX AND NO/100*****
DOLLARS (\$ 24,989,836.00), in favor of the United States Office of Surface Mining
Reclamation and Enforcement (OSM) and executed 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
AND JUNE 6, 2000

Whereas, the OSM issued Permit to Mine No. AZ-0001D/AZ-0001 and dated on JULY 6, 1995
AND JANUARY 29, 1982, and Permit 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 amount of the bond is (increased/decreased)
by TWO MILLION TWO HUNDRED THIRTY THOUSAND TWO HUNDRED DOLLARS (\$ 2,230,000.00),
to a total sum of TWENTY SEVEN MILLION TWO HUNDRED THIRTY SIX THOUSAND EIGHT HUNDRED THIRTY SIX AND NO/100***
Dollars (\$ 27,219,836.00 **) to cover the (additional/reduced) cost of reclaiming
all affected lands.

** SEABOARD SURETY COMPANY ASSUMES TWENTY FIVE PERCENT (25%) OF THE LIABILITY WHICH EQUALS \$6,804,959.00
AND
ST. PAUL FIRE AND MARINE INSURANCE COMPANY ASSUMES 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 2ND day of FEBRUARY, 2001
BY: Steven F. Schaab (Affix Seal)

TITLE: V.P.

State of Missouri)
City St. Louis) SS.
County of St. Louis)

TERI S. GRAFF
Notary Public Notary Seal
STATE OF MISSOURI
City of St. Louis
My Commission Expires August 26, 2003

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me by Steven F. Schaab
this 2ND day of FEBRUARY, 2001

Witness my hand and official seal. Teri S. Graff
(Notary Public or other authorized officer)
My Commission Expires: August 26, 2003

SEABOARD SURETY COMPANY AND ST. PAUL FIRE AND MARINE INSURANCE COMPANY

SURETY

Signed and executed this 2ND day of FEBRUARY, 2001
BY: Tina Marie Foster (Affix Seal)

TITLE: TINA MARIE FOSTER, ATTORNEY-IN-FACT

State of TENNESSEE)
County of KNOX) SS.

The foregoing instrument was acknowledged before me by TINA MARIE FOSTER, ATTORNEY-IN-FACT
this 2ND day of FEBRUARY, 2001

Witness my hand and official seal. Rebecca Sheehan REBECCA SHEEHAN
(Notary Public or other authorized officer)
My Commission Expires: JUNE 25, 2001

Permit No. AZ-0001D
AZ-0001

Bond No. 259737

¹Where 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.

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, Samuel Franklin Robinson and Donald Bruce Wake

Knoxville Tennessee

of the City of _____, State _____, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and sealed this 20th day of November 2000

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.



John F. Phinney
JOHN F. PHINNEY, Vice President

Thomas E. Huijbregtse
THOMAS E. HUIJBREGTSE, Assistant Secretary

State of Maryland
City of Baltimore

On this 20th day of November 2000, before me, the undersigned officer, personally appeared John F. Phinney and Thomas E. Huijbregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, 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.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 13th day of July, 2002.



Rebecca Easley-Onokala

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.



Thomas E. Huibregtse
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.


THIS POWER OF ATTORNEY IS VALID WITHOUT THE NEED FOR A BOND

**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

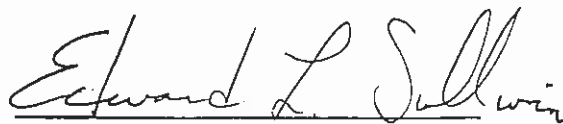
I, Edward L. Sullivan, as Secretary of Peabody Western Coal Company (the "Company"), a Delaware corporation, do hereby certify that the following is a true and accurate copy of the resolution passed by the Board of Directors of the Company on January 4, 1994, and that such resolution has not been rescinded.

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

[SEAL]

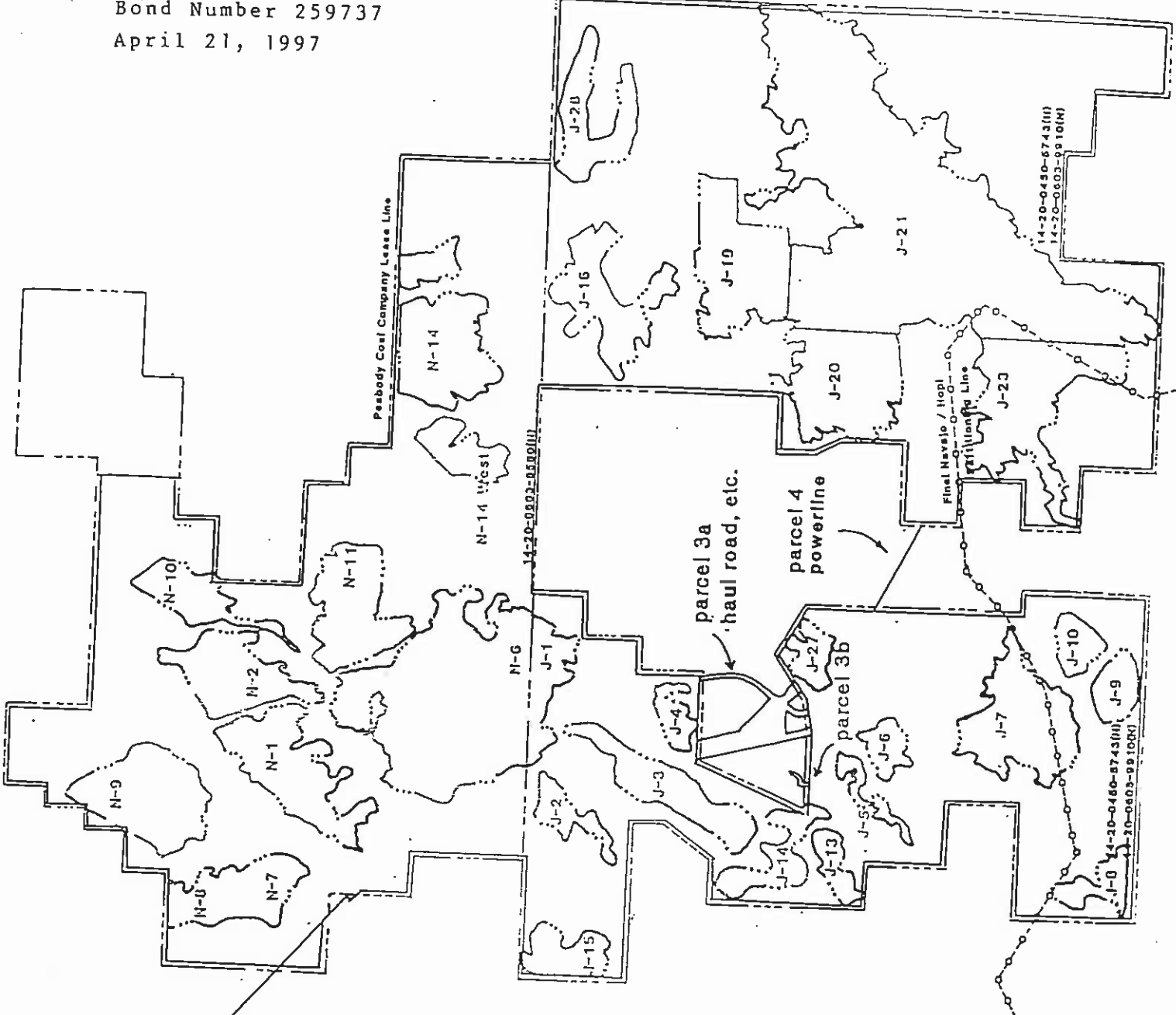
Bond Number 259737
April 21, 1997

Description of Life-of-Mine

Permit Area

Seaboard Surety Company

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



Permit Boundary ———

PERMIT BOUNDARIES

Seaboard Surety Company
By: *[Signature]*
Janice 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 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 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

By: 
Janice Fernell, 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. 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: 
Janice 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, 1,982.99 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;

Seaboard Surety Company

By: 
Janice Fernell, Attorney-In-Fact

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°01'59" 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 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: Jarvis Fenell
Jarvis Fenell, Attorney-In-Faci

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 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.

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, 1,321.05 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
By: Janice Fennell
Janice Fennell, Attorney-In-Fact
Revised 08/19/96

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, 920.53 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°19'50" W, 1,627.27 feet to the Point of Beginning.

Being 6.31 acrs(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: Janice Fennell
Janice Fennell, Attorney-In-Fact

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°28'43" 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
By: Janice Fennell
Janice Fennell,
Attorney-In-Fact

April 21, 1997

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°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°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: 
Janice Fennell, Attorney-In-Fact

April 21, 1997

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

By: Janice Fennell

Janice Fennell, Attorney-In-Fact

Bond Number 259737

April 21, 1997

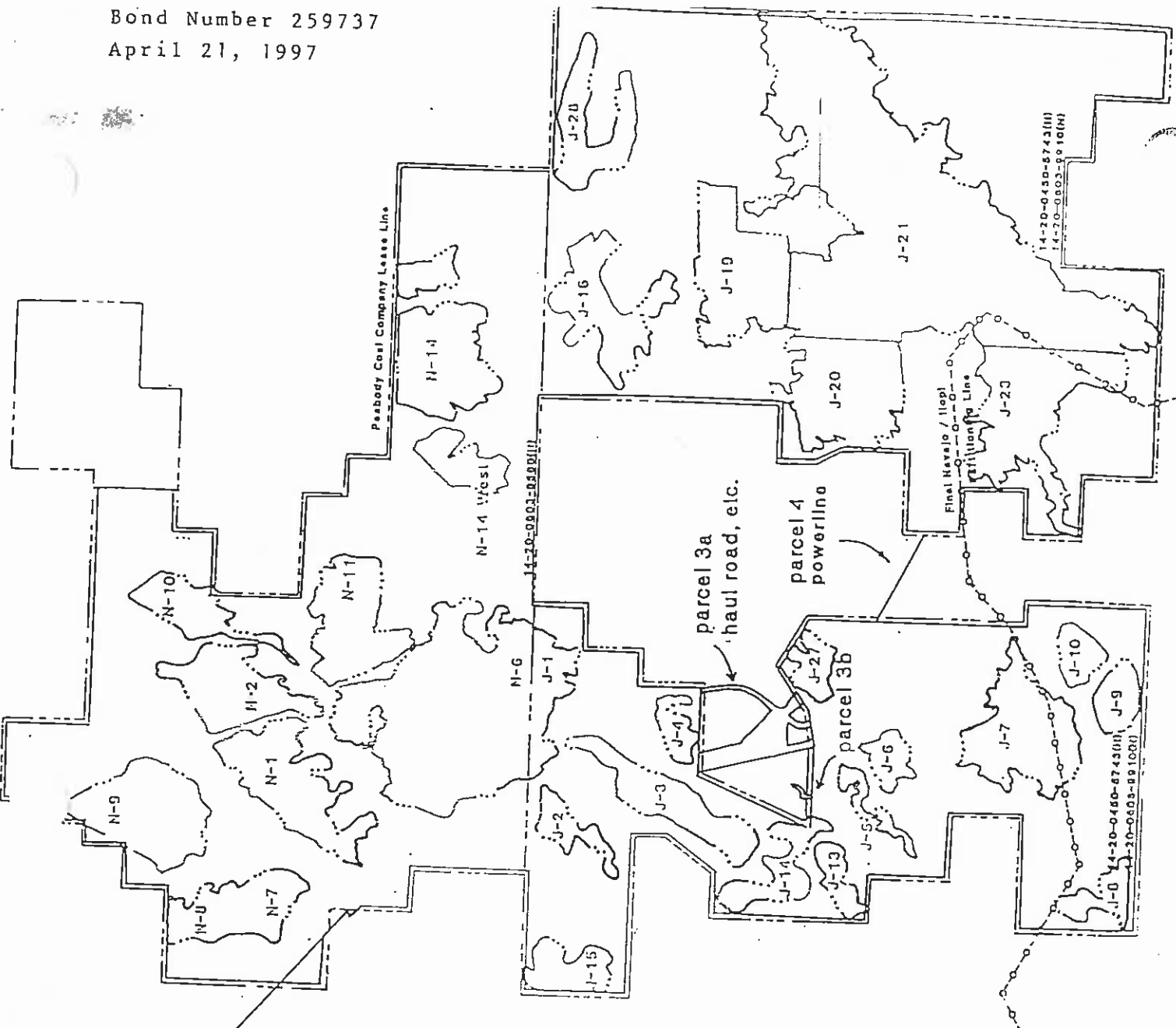
Description of Life-of-Mine

Permit Area

Seaboard Surety Company

By: Janice Fennell

Janice Fennell, Attorney-In-Fact



rail loadout

parcel 2

conveyor

parcel 3a
haul road, etc.

parcel 4
powerline

parcel 3b

Permit Boundary

PERMIT BOUNDARIES

Seaboard Surety Company

By: *[Signature]*
Janice Fennell, Attorney-In-Fact

United States Department of the Interior
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT
WESTERN REGIONAL COORDINATING CENTER

SURETY BOND

CPM
Bond No. 8940860

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

PEABODY WESTERN COAL COMPANY

(Name of Corporation - Permittee)

P.O. Box 650, Highway 160 North Kayenta Arizona USA 86033
(Street Address) (City) (State) (ZIP)

a corporation organized and existing under the laws of the State of DELAWARE,
as Principal and Zurich American Insurance Company

(Name and Address of Surety Company)

Zurich American Insurance Company organized and existing under the laws of the State of NEW YORK, and licensed to do business in the State of ARIZONA, 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 FORTY-SIX MILLION DOLLARS AND NO /100 DOLLARS (\$46,000,000.00), 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. AZ-0001D, 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

1

Bond No. 8940860

All north of the Gila Base and east of the Salt River Meridian.

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 FIVE 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 Official¹

Title: _____
Attorney-in-Fact¹

ACKNOWLEDGEMENT OF CORPORATE PERMITTEE

On this _____ Day of _____, 20____, before me, a Notary Public in and for the County of _____, in the State of _____, appeared _____ personally known to me to be the person whose name is subscribed to the forgoing instrument and who, being by me duly sworn, did say that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

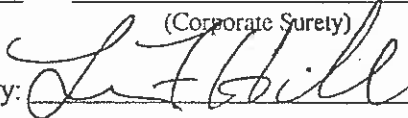
My Commission Expires: _____
(Notary Public in aforesaid County and State)

SURETY

Date: December 19, 2008

Zurich American Insurance Company
(Corporate Surety)

(Affix Seal)

By: 

Title: Leon F. Hill
(Attorney-in-fact¹)

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.

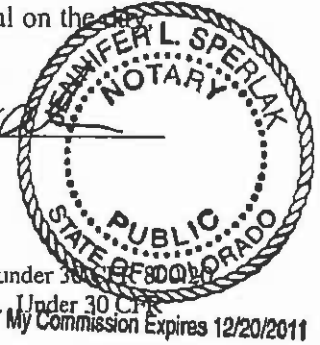
NOTE: If applicable, include the name, address, and phone number of the Agent representing the Surety Company.

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of December, 20 08, before me, a Notary Public in and for the County of Denver, in the State of Colorado, appeared Leon F. Hill to me personally known, who being by me duly sworn, did say that he/she is Attorney-in-Fact of Zurich American Insurance Company, the corporate surety named in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board 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 hereunto set my hand and official seal on the 19th day of December, 2008 month, and year aforesaid.

My Commission Expires: 12/20/2011
(Notary Public in aforesaid 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 800.16 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. My Commission Expires 12/20/2011

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 of attorney and all bonds and undertakings, recognizances or other written obligations in the nature thereof, and to bind ZURICH AMERICAN INSURANCE COMPANY thereby, and all of the acts of said Attorney[s]-in-Fact pursuant to these presents are hereby ratified and confirmed. This Power of Attorney is made and executed pursuant to and by the authority of the following By-Law 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 attested by a Secretary or an Assistant Secretary may appoint any person Attorney-In-Fact with authority to execute surety bonds on behalf of the Company and other formal underwriting contracts in reference thereto and reinsurance agreements relating to individual policies and bonds of all kinds and attach the corporate seal. Any such officers may revoke the powers granted to any Attorney-In-Fact."

This Power of Attorney is signed and sealed by facsimile 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, 1998

"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, sealed 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

Gregory E. Murray

Frank E. Martin Jr.

STATE OF MARYLAND }
CITY OF BALTIMORE }

SS:

Gregory E. Murray

Secretary

By:

Frank E. Martin Jr.

Vice President

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 Seal the day and year first above.



Maria D. Alamb

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

Eric D. Barnes

Eric D. Barnes

Secretary



the 19th day of December, 2008

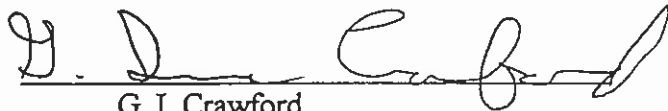
**CERTIFIED COPY OF A RESOLUTION
DULY ADOPTED BY THE BOARD OF DIRECTORS OF
PEABODY WESTERN COAL COMPANY
ON JANUARY 4, 1994**

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. AZ-0001D/AZ-0001

To be attached 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
AS PRINCIPAL, in the sum of Five Million Nine Hundred Thirty Nine Thousand Seven
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.

Hundred Forty Four
and No/100

Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and
dated on July 6, 1995 and 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.

Permit No. AZ-0001D/ AZ-0001

Bond No. 9264241

PRINCIPAL

Signed and executed this 21st day of April, 1997.
Peabody Western Coal Company
BY: W. Howard Carson

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, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)

My Commission Expires: 1/13/98

SURETY

Signed and executed this 21st day of April, 1997.
National Fire Insurance Company of Hartford
BY: Janice H. Fennell

TITLE: Janice H. Fennell, Attorney-In-Fact (Corporate Seal)

State of Tennessee)
County of Knox) SS.

The foregoing instrument was acknowledged before me by Janice H. Fennell, this 21st day of April, 1997.

Witness my hand and official seal. [Signature]
(Notary Public or other authorized officer)
Elizabeth A. Hartzberg

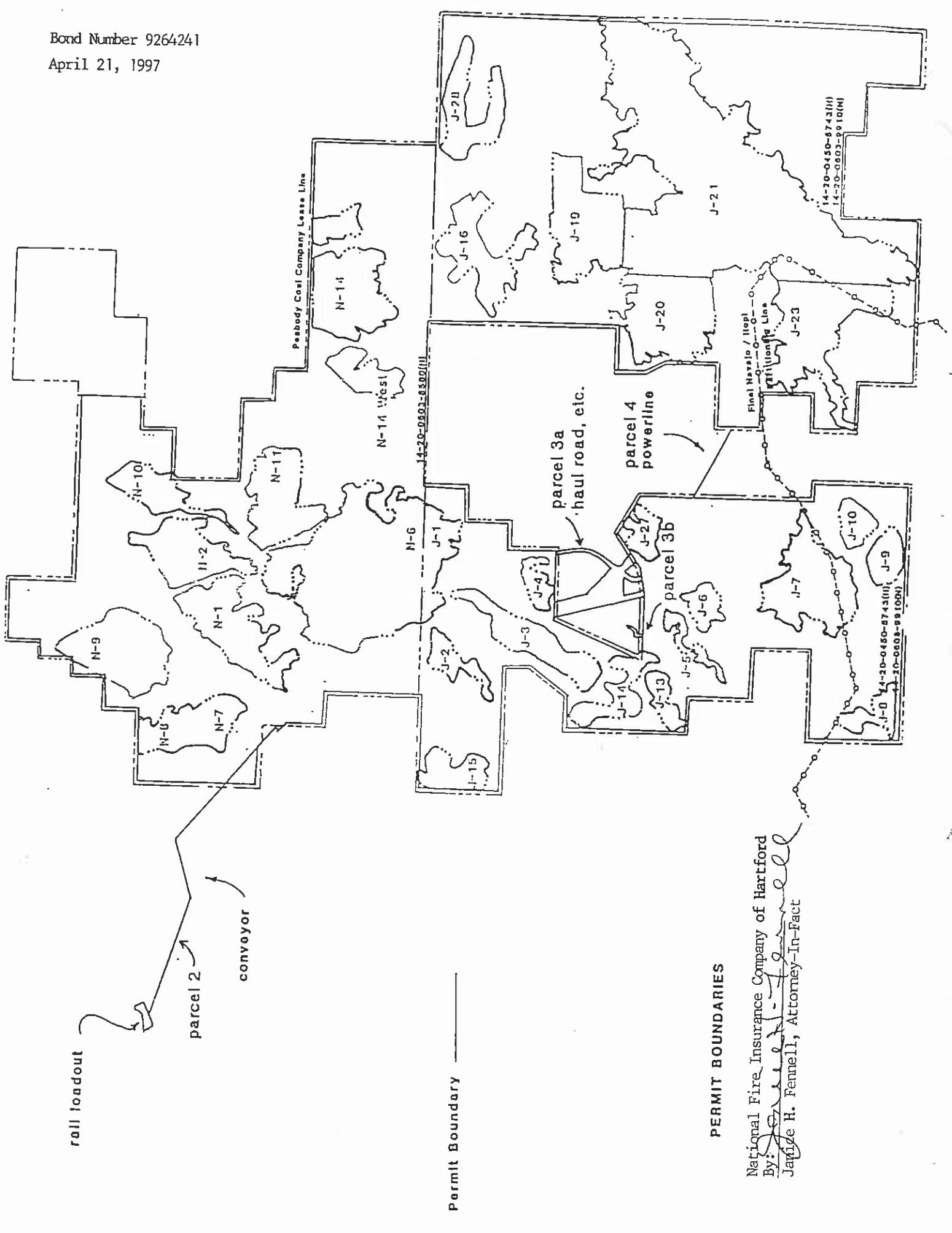
My Commission Expires: November 29, 1999

April 21, 1997

Description of Life-of-Mine

Permit Area

National Fire Insurance Company of Hartford
By: Janece H. Fennell
Janece H. Fennell, Attorney-In-Fact



Permit Boundary ———

PERMIT BOUNDARIES

National Fire Insurance Company of Hartford
 By: *Jay H. Fennell*
 Jay 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 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 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
 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: 
Janice 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, 199.53 feet;

National Fire Insurance Company of Hartford
By: Janice H. Fernell
Janice H. Fernell, Attorney-In-Fact

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 S 23°41'41" E, 486.36 feet;
Thence S 49°52'40" E, 1,306.12 feet;

National Fire Insurance Company of Hartford
By: Janice H. Fennell
Janice H. Fennell, Attorney-In-Fact

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 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 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, 1,321.05 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 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

National Fire Insurance Company of Hartford
By: *Janice H. Fennell*
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;

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:

National Fire Insurance Company of Hartford
By: Janice H. Fennell
Janice H. Fennell, Attorney-In-Fact

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
By: Janece H. Fennell
Janece 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 19 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 (2C):

- 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";
- 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.

National Fire Insurance Company of Hartford
 By: *Janice H. Fennell*
 Janice H. Fennell, Attorney-In-Fact

April 21, 1997

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

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

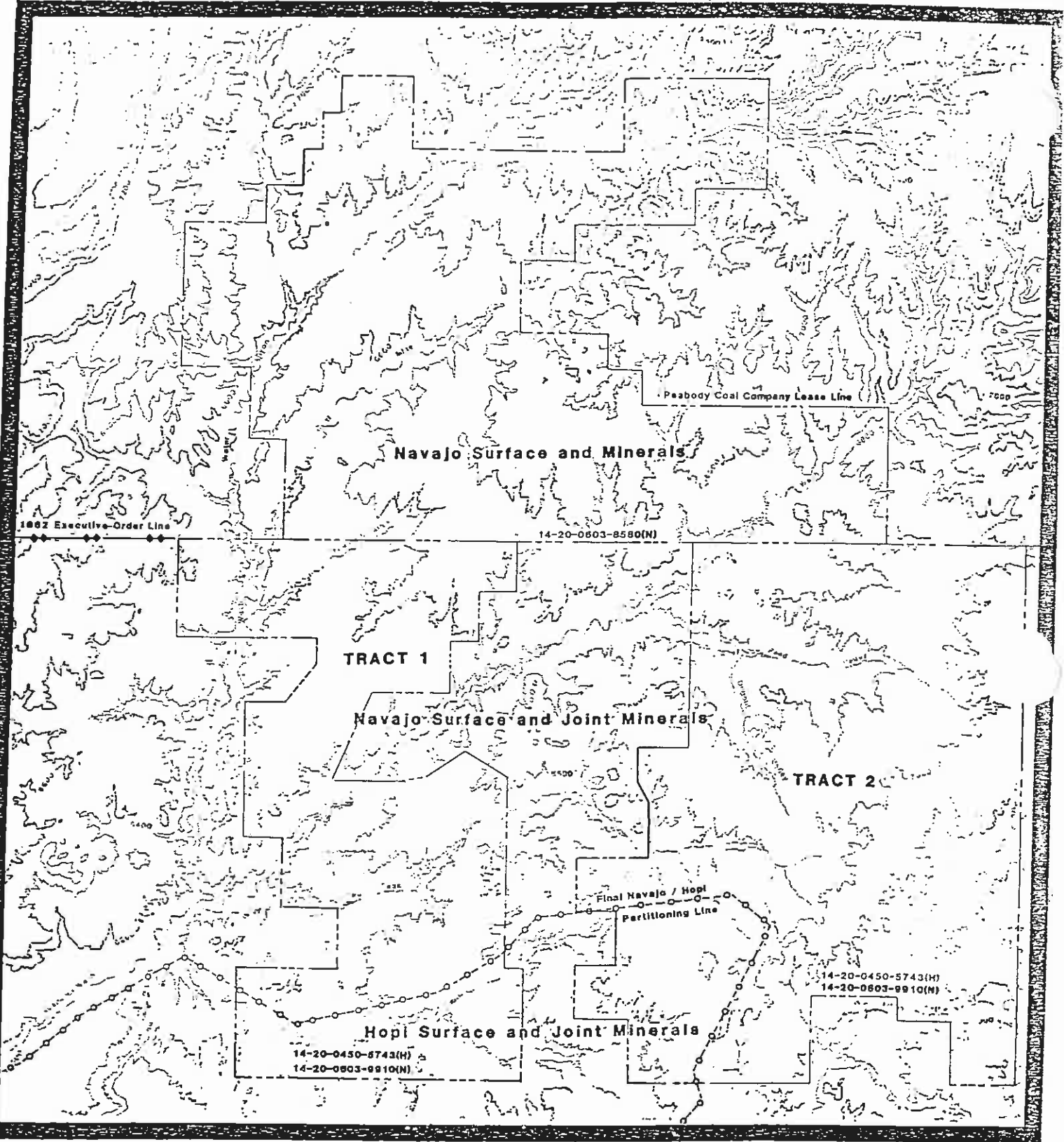
National Fire Insurance Company of Hartford
By: Janice H. Fennell
Janice H. Fennell, Attorney-In-Fact

April 21, 1997

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS

National Fire Insurance Company of Hartford
By: Janice H. Fernell
Janice H. Fernell, Attorney-In-Fact



**BLACK MESA LEASES
PEABODY COAL COMPANY**

National Fire Insurance
Company of Hartford
By: *Jane H. Fennell*
Jane H. Fennell,
Attorney-In-Fact

Beginning 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 North 2640.0 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 West 3960.0 ft., thence South 5280.0 ft., thence East 6,600.0 ft., thence South 2640.0 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 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.

T36N 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: Janece H. Fernell
Janece H. Fernell, Attorney-In-Fact

April 21, 1997

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 37°49' 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. 36 N., R. 18 E.

26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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

National Fire Insurance Company of Hartford

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

April 21, 1997

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 west 3,000.00'; thence north 4,000.00'; thence east 5,200.00'; 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:

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: Janice H. Fernell
Janice H. Fernell, Attorney-In-Fact



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 NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, a corporation duly organized and existing under the laws of the State of Connecticut, and having its general administrative office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Frank A. Word, Jr., Richard G. Anderson, Richard C. Rose,

Janice H. Fennell, Tracy Tucker, Individually of Knoxville, Tennessee

Douglas L. Ball, Individually of Daniels, West Virginia

of its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of NATIONAL FIRE INSURANCE COMPANY OF HARTFORD and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following Resolution duly adopted on February 17, 1993 by the Board of Directors of the Company.

RESOLVED: That the Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President of the Corporation may, from time to time, appoint, by written certificates, Attorneys-in-Fact to act in behalf of the Corporation in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such Attorney-in-Fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Corporation by their signature and execution of any such instrument and to attach the seal of the Corporation thereto. The President, an Executive Vice President, any Senior or Group Vice President or the Board of Directors may at any time revoke all power and authority previously given to any Attorney-in-Fact.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17th day of February, 1993.

RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Corporation may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993, and the signature of a Secretary or an Assistant Secretary and the seal of the Corporation may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Corporation. Any such power so executed and sealed and certified by certificate so executed and sealed, shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Corporation.

In Witness Whereof, the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

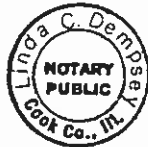
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



M.C. Vonnahme Group Vice President.

State of Illinois, County of Cook, ss:

On this 6th day of December, 1994, before me personally came M.C. Vonnahme, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Darien, State of Illinois; that he is a Group Vice President of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, the corporation described in and which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey Notary Public. My Commission Expires October 19, 1998

CERTIFICATE

I, John M. Littler, Assistant Secretary of the NATIONAL FIRE INSURANCE COMPANY OF HARTFORD, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the Resolutions of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed by name and affixed the seal of the said Company this

21st day of April, 1997.



John M. Littler 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 21st day of April, 1997.



G. I. Crawford
Secretary

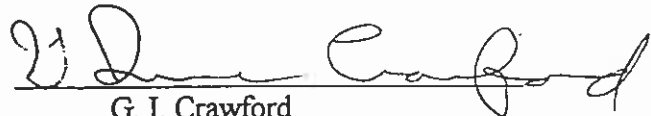
[Seal]

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]

All north of the Gila Base and east of the Salt River Meridian.

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 FIVE 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 By: _____
Corporate Official¹

Title: _____
Attorney-in-Fact¹

ACKNOWLEDGEMENT OF CORPORATE PERMITTEE

On this _____ Day of _____, 20____, before me, a Notary Public in and for the County of _____, in the State of _____, appeared _____ personally known to me to be the person whose name is subscribed to the forgoing instrument and who, being by me duly sworn, did say that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____
(Notary Public in aforesaid County and State)

SURETY

Date: December 19, 2008 Federal Insurance Company
(Corporate Surety)

(Affix Seal) By: *Leon F. Hill*

Title: Leon F. Hill
(Attorney-in-fact¹)

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.

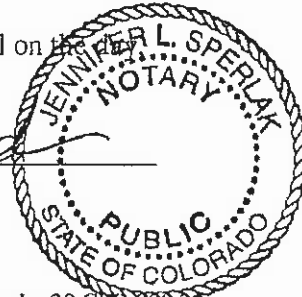
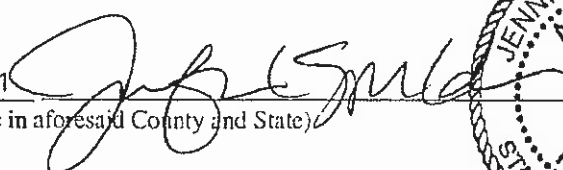
NOTE: If applicable, include the name, address, and phone number of the Agent representing the Surety Company.

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of December, 2008, before me, a Notary Public in and for the County of Denver, in the State of Colorado, appeared Leon F. Hill to me personally known, who being by me duly sworn, did say that he/she is Attorney-in-Fact, Federal Insurance Company, the corporate surety named in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board 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 hereunto set my hand and official seal on the _____ month, and year aforesaid.

My Commission Expires: 12/20/2011
(Notary Public in aforesaid 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 30 CFR 842.16, the information collected is a matter of public record. My Commission Expires 12/20/2011

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**

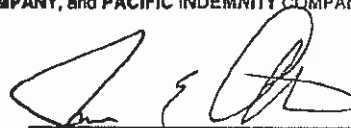
**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Ryan Biegen, Leon F. Hill, Scott Rons and Jennifer L. Sperlak of Denver, Colorado-----

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 consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness 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.


Kenneth C. Wendel, Assistant Secretary


James E. Altman, Vice President


STATE OF NEW JERSEY
County of Somerset ss.

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. Altman, subscribed to said Power of Attorney is in the genuine handwriting of James E. Altman, and was thereto subscribed by authority of said By- Laws and in deponent's presence.

Notarial Seal



**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 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 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 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 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 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 surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, 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




Kenneth C. Wendel, Assistant 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)

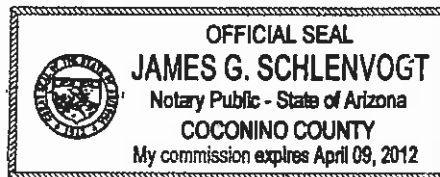
The foregoing instrument was acknowledged before me this 18th day of June, 2010, by Bradley G. Brown, President of Peabody Western Coal Company, a Delaware Corporation, on behalf of the corporation.



Notary Public

My Commission Expires:

April 9, 2012



All north of the Gila Base and east of the Salt River Meridian.

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 **FIVE** 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 December 19, 2008

Peabody Western Coal Company
(Corporation/Permittee)

Affix Seal

By: _____
Corporate Official¹

Title: _____
Attorney-in-Fact¹

ACKNOWLEDGEMENT OF CORPORATE PERMITTEE

On this _____ Day of _____, 20____, before me, a Notary Public in and for the County of _____, in the State of _____, appeared _____ personally known to me to be the person whose name is subscribed to the forgoing instrument and who, being by me duly sworn, did say that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

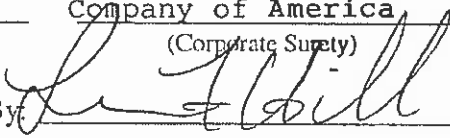
My Commission Expires: _____
(Notary Public in aforesaid County and State)

SURETY

Date: December 19, 2008

Travelers Casualty and Surety Company of America
(Corporate Surety)

(Affix Seal)

By: 

Title: Leon F. Hill
(Attorney-in-fact¹)

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.

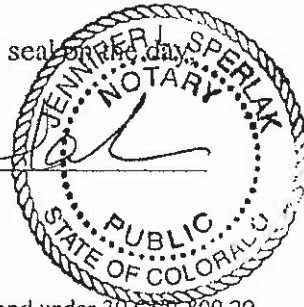
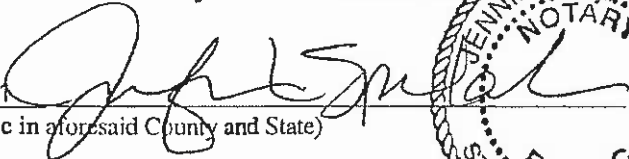
NOTE: If applicable, include the name, address, and phone number of the Agent representing the Surety Company.

ACKNOWLEDGEMENT OF CORPORATE SURETY

On this 19th Day of December, 2008, before me, a Notary Public in and for the County of Denver, in the State of Colorado, appeared Leon F. Hill to me personally known, who being by me duly sworn, did say that he/she is Attorney-In-Fact of Travelers Casualty and Surety Company of America, the corporate surety named in and which executed the within instrument, and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board 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 hereunto set my hand and official seal on this 19th day of December, 2008, month, and year aforesaid.

My Commission Expires: 12/20/2011
(Notary Public in aforesaid 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 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



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. 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 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. Sperlak, Scott Rons, and Ryan Blegen

of the City of Denver, State of Colorado, 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.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 30th day of October, 2008

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



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this 30th day of October, 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 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, 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.



[Signature]
Marie C. Tetreault, Notary Public

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., 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 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 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, 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, 20 08


Kori M. Johanson, 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;
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 32-26.

3. Locations of where copies of the application are available for public review and/or inspection are:

Peabody Western Coal Company
1300 South Yale
Flagstaff, 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.
Tommy Arviso Jr.
Editor

STATE OF ARIZONA:)
 :)
COUNTY OF APACHE:)

SUBSCRIBED AND SWORN TO before me this 11th
day of April, 1995.

Ellen M. Denver
Notary Public

My Commission Expires:
8-11-98

Thursday, April 6, 1995

Navajo Times

Legal Notices

Mail to: Box 310 • Window Rock, AZ 86515 or Call (602) 871-6642

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 in 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, Old Clubhouse Building #3, Window Rock, AZ 86515.

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 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 } ss.

.....Joan Rivera.....being 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.....
consecutive weeks the last publication being in the issue dated the
.....9th.....day of.....April....., 1995

Joan Rivera

Subscribed and sworn to before me this

17 day of April, 1995

Sheila Gibson

Notary Public

My Commission expires.....10-14-97.....



Legal No. 7065
PUBLIC NOTICE

Puruant 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.

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 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 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 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,

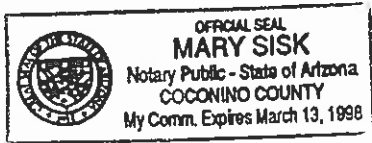
depose and say that I am Publisher of the *Lake Powell Chronicle*, a weekly newspaper of general circulation and published every Wednesday, at Page, Coconino County, Arizona. The notice attached hereto is a true copy of said notice and was published in the regular and entire issue of every number of 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 March 22, 1995, and the last on April 12, 1995.



Subscribed and sworn to before me _____

Mary Sisk, Notary Public



**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:

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, R19 E
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

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

Forest Lake Chapter House
P.O. Box 444
Pinon, AZ 86510
Dan Y. Begay, President

Office of Surface Mining
Albuquerque Field Office
505 Marquette N, Suite 1200
Albuquerque, NM 87102

Bureau of Indian Affairs
3rd and Hill 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/SC representative here 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.

To be Published in the Lake Powell Chronicle March 22, 29, April 5, 12, 1995.
Legal No. 0679

Affidavit of Publication

STATE OF NEW MEXICO)
) SS
COUNTY OF MCKINLEY

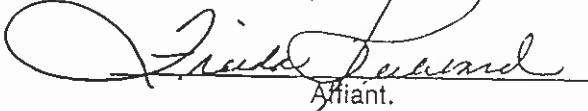
HUBBARD, FREIDA being duly sworn upon oath, deposes and says:

As LEGAL CLERK of The Independent, a newspaper published in and having a general circulation in McKinley County, New Mexico and in the City of Gallup, New Mexico and having a general circulation in Cibola County, New Mexico and in the City of Grants, New Mexico and having a general circulation in Apache County, Arizona and in the City of St. Johns and in the City of Window Rock, Arizona therein: that this affiant makes this affidavit based upon personal knowledge of the facts herein sworn to. That the publication, a copy of which is hereto attached was published in said newspaper during the period and time of publication and said notice was published in the newspaper proper, and not in a supplement thereof,

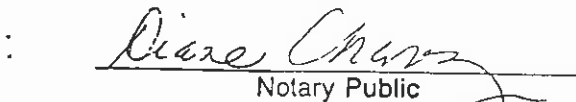
for FOUR TIMES, the first publication being on the 16TH day of MARCH, 19 95 the second publication being on the 23RD day of MARCH, 19 95 the third publication on the 30TH day of MARCH, 19 95.

and the last publication being on the 6TH day of APRIL, 19 95.

That such newspaper, in which such notice or advertisement was published, is now and has been at all times material hereto, duly qualified for such purpose, and to publish legal notices and advertisements within the meaning of Chapter 12, of the statutes of the State of New Mexico, 1941 compilation.


Affiant.

Sworn and subscribed to before me this 4TH day of MAY, A.D., 19 95.


Notary Public

My commission expires

JUNE 22, 1997

LEGAL NOTICE

Kayenta Navajo County
Arizona

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

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:

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 with the protected 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

Section 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
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

TYPE OF DOCUMENT: Public Notice

AUTHORIZED SIGNATURE

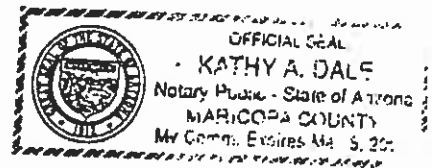
Kathleen Timms

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 15th DAY OF

May, 2000

NOTARY SIGNATURE:

Kathy A. Dale



IT IS NOT NECESSARY TO ATTACH A CLIP OF THE PUBLISHED NOTICE.

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:

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 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, 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 p.m., May 15, 2000, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavene
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-5733
(303) 844-1400, x1496
email: kayentaminerenewal@osmre.gov

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:

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 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, Yuca 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, 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

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
Amos 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: kayentaminer renewal@osmre.gov.

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:

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

AFFIDAVIT OF PUBLICATION

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, 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

- 1) 2/13/02
- 2) 2/20/02
- 3) 2/27/02
- 4) 3/06/02

THE NAME OF THE ADVERTISER: Peabody Western Coal Company

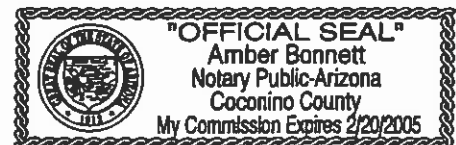
FILE NUMBER:

TYPE OF DOCUMENT: Public Notice

AUTHORIZED SIGNATURE Mildred Hillesheim

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 14 DAY OF March, 2002.

NOTARY SIGNATURE: Amber Bonnett



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 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;
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	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
Denver, CO 80202-5733
(303) 844-1400, x1496
email: ggavette@osmre.gov


AFFIDAVIT OF PUBLICATION

I, Duane A. Beyal, Managing Editor of the Navajo Times, a legal newspaper published weekly at Window Rock, Navajo Nation, Arizona, do hereby swear that a legal notice:

Public Notice - Peabody Western Coal Company has filed an updated mine plan proposal, that includes the J23 mining area with OSM, WRCC

was published in said Navajo Times on the following date(s):

February 7, February 14, February 21, February 28, 2002.
and that said notice is attached to this Affidavit and is a true and exact copy of said notice as published.



Duane A. Beyal
Managing Editor

STATE OF ARIZONA :)
 :)

COUNTY OF APACHE :)

SUBSCRIBED AND SWORN TO before me this

18th day of March, 2002.

Emily C. Freeland

Notary Public

My Commission Expires:



Notary Public State of Arizona
Apache County
Emily C Freeland
Expires November 22, 2005

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 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, 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 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.

To be Published In The NAVAJO TIMES February 7, 14, 21, 28, 2002.

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 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;

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

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
Denver, CO 80202-5733
(303) 844-1400, x1496
email: ggavette@osmre.gov



Affidavit of Publication

I, Douglas F. Wells, Publisher of the NAVAJO-HOPI OBSERVER, a newspaper of general circulation published at Flagstaff, Coconino County, Arizona, do solemnly swear that a copy of this notice, as per clipping attached, was published weekly in the regular and entire issue of said newspaper and not in any supplement thereof, four (4) consecutive weeks, commencing with issue dated March 17, 2010 and ending with issue dated April 7, 2010.



 Douglas F. Wells, Publisher

Subscribed and sworn to before me this 7th day of April 2010.


 Carol J. DeLander, Notary Public
 My commission expires September 22, 2010
 Notary Public - State of Arizona
 COCONINO COUNTY


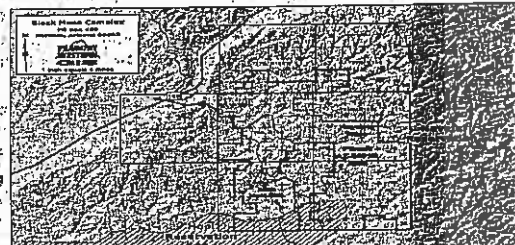
LEGAL NOTICE - 2000

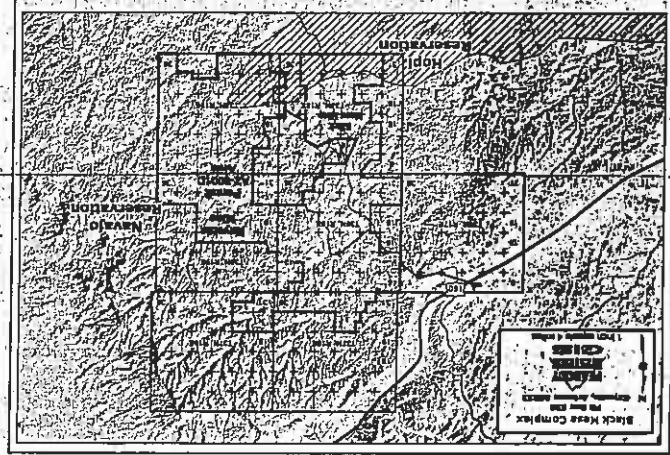
PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Subchapter E, Part 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 Reclamation and Enforcement, Western Region (OSM) for renewal of Permit AZ-00010 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. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2010 through July 5, 2015. This notice is hereby given that:

- The name and business address of the applicant is:
 Peabody Western Coal Company
 P. O. Box 850, Navajo Route 41, Kayenta, Arizona, 86033.
- The Kayenta Mine Permit AZ-00010 area is located in northeastern Arizona near the northern edge of Black Mesa within the professed 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 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;
 T36N, R18E - Sections 1-5 and 7-36;
 T36N, R17E - Sections 1-4, 11, and 12;
 T36N, R18E - Sections 1-18, 20, and 22-26;
 T36N, R18E - Sections 15-22, 25-30, and 32-36;
 T37N, R18E - Sections 28, 29, and 32-36.
 The permit area with important landmarks is shown on the map included with this public notice.
- An electronic copy of the application is available for review on the OSM, Western Region, Internet website at <http://www.wrc.osem.gov>. Paper copies of the application are available for public and/or inspection at the following five listed locations:

Navajo Nation Minerals Department Office of Surface Mining Window Rock Boulevard Window Rock, AZ 86515	Forest Lake Chapter House Navajo Route 41 20 miles north of Pinon Pinon, AZ 86510
Office of Surface Mining Reclamation and Enforcement 505 Marquette NW, Suite 1200 Albuquerque, NM 87102	The Hopi Tribe Office of Mining and Mineral Resources Highway 264 mile east of Kykotsmovi
Kykotsmovi, AZ 86039 Office of Surface Mining Western Region 1999 Broadway, Suite 3320 Denver, CO 80202-9050	
- The name and address of the OSM representative whose 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 Wintermager
 Office of Surface Mining Reclamation and Enforcement
 1999 Broadway, Suite 3320, Denver, CO 80202-9050
 (303) 293-5048 email: kayentarenewal@osem.gov
 * Per 30 CFR 773.6(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 state whether the requestor desires to have the conference conducted in the locality of the proposed operation.





PUBLIC NOTICE

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 (PWC) has filed an application with the Office of Surface Mining Reclamation and Enforcement, Western Region, 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. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 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 850, Navajo Route 41, Kayenta, Arizona, 86033.
2. The Kayenta Mine Permit AZ-0001D area is located in northeastern Arizona near the northern edge of Black Mesa within the protruded boundaries of Townships 35 through 37 North, Ranges 17 through 19 East. The operation is contained within the area 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 permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian.
 - 135N, R18E - Sections 13, 14, 24, 25, and 36;
 - 135N, R18E - Sections 1-5 and 7-36;
 - 136N, R17E - Sections 1-4, 11, and 12;
 - 136N, R18E - Sections 1-18, 20, and 22-26;
 - 136N, R19E - Sections 15-22, 25-30, and 32-36;
 - 137N, R18E - Sections 28, 29, and 32-36.

The permit area with important landmarks is shown on the map included with this public notice.

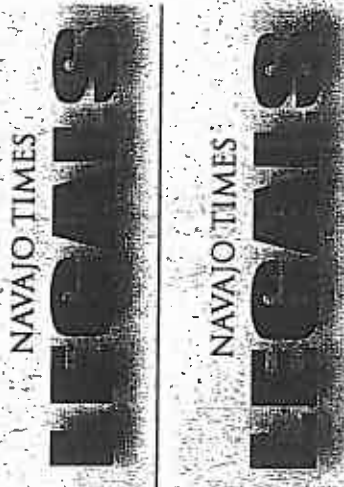
3. An electronic copy of the application is available for review on the OSM, Western Region, Internet website at <http://www.wrc.osem.gov>. Paper copies of the application are available for public and/or inspection at the following, live listed locations:

- Navajo Nation Minerals Department
Forest Lake Chapter House
Navajo Route 41
20 miles north of Pinon,
Pinon, AZ 86510
- Office of Surface Mining
Window Rock Boulevard
Window Rock, AZ 86515
- Office of Surface Mining
Reclamation and Enforcement
505 Marquette NW, Suite 1200
Albuquerque, NM 87102
- Office of Surface Mining
The Hopi Tribe
Office of Mining and Mineral Resources
Highway 264
1 mile east of Kykotsmovi,
Kykotsmovi, AZ 86039
- Western Region
1999 Broadway, Suite 3320
Denver, CO 80202-3050

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., m.t., May 17, 2010, which is no less than thirty (30) days after the last publication date of the two papers is:

Mr. Dennis Winteringer
Office of Surface Mining
Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-3050
email: kayentarenewal@osem.gov

Par 30 CFR 773.6(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 state whether the requestor desires to have the conference conducted in the locality of the proposed operation.



AFFIDAVIT OF PUBLICATION

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.

[Signature]
for Duane A. Beyal
Editor

STATE OF ARIZONA
};
};
COUNTY OF APACHE
};

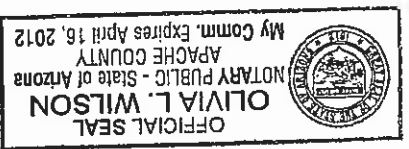
SUBSCRIBED AND SWORN TO before me this

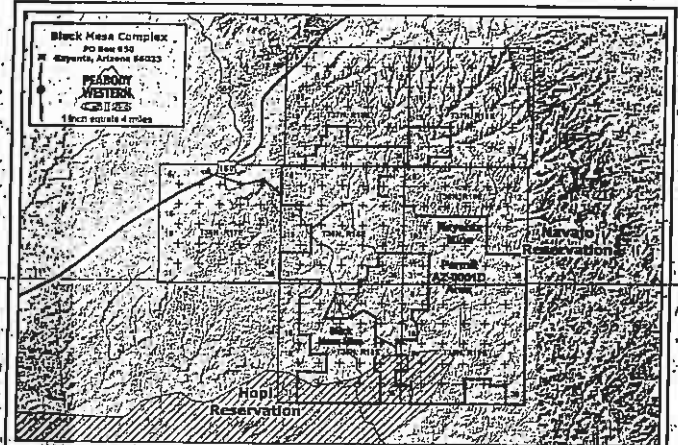
_____ 8th day of _____ April _____, 2010.

[Signature]
Notary Public

My Commission Expires:

_____ April 16, 2012





PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Subchapter E, Part 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 Reclamation and Enforcement, Western Region (OSM) 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. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 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, Arizona, 86033.

2. The Kayenta Mine Permit AZ-0001D area is located in northeastern Arizona near the northern edge of Black Mesa within the protracted boundaries of Townships 36 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 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, R17E - Sections 1-4, 11, and 12;
- T36N, R18E - Sections 1-18, 20, and 22-26;
- T36N, R19E - Sections 15-22, 25-30, and 32-36;
- T37N, R18E - Sections 28, 29, and 32-36.

The permit area with important landmarks is shown on the map included with this public notice.

3. An electronic copy of the application is available for review on the OSM, Western Region, Internet website at <http://www.wrcr.osmre.gov>. Paper copies of the application are available for public and/or inspection at the following five listed locations:

- | | |
|--|--|
| Navajo Nation Minerals Department
Office of Surface Mining
Window Rock Boulevard
Window Rock, AZ 86515 | Forest Lake Chapter House
Navajo Route 41
20 miles north of Pinon
Pinon, AZ 86510 |
| Office of Surface Mining
Reclamation and Enforcement
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 Region
1999 Broadway, Suite 3320
Denver, CO 80202-3050 | |

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., 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 773.6(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 requester and must state whether the requester desires to have the conference conducted in the locality of the proposed operation.

ATTACHMENT 12

Business Authorization Certificate

State of Arizona



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 DELAWARE
_____, was on the 18th day of August,
1994, authorized to transact business in the State of Arizona 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 day of September, 1994, A.D.

James Matthews
Executive Secretary

By Kmm allen

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.
3. 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 Grand Canyon. In the immediate vicinity of Black Mesa, none of the rocks described in the preceding 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-Pennsylvanian 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

NOMENCLATURE CHART OF THE CANYONLANDS & ADJACENT AREAS

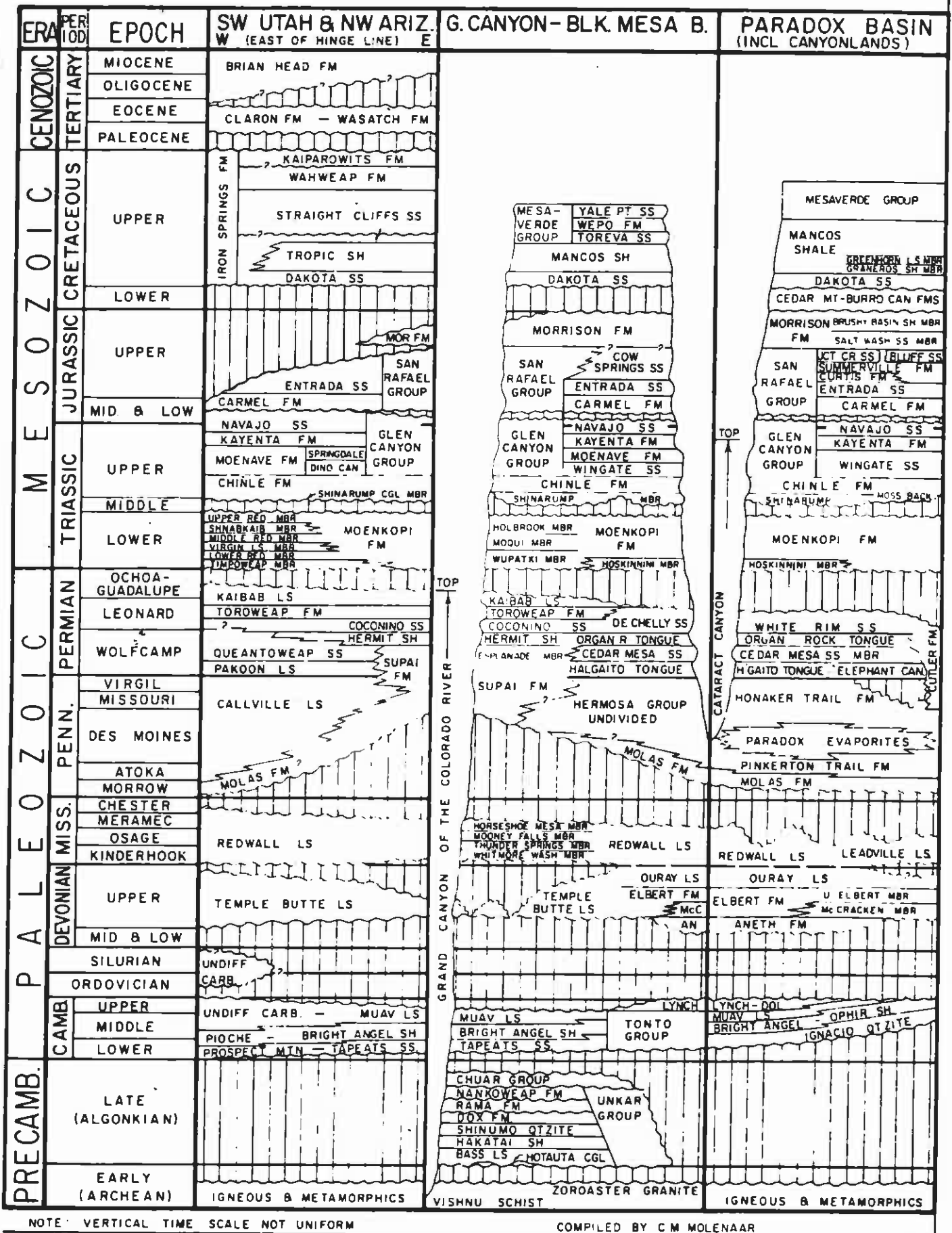


FIGURE 3

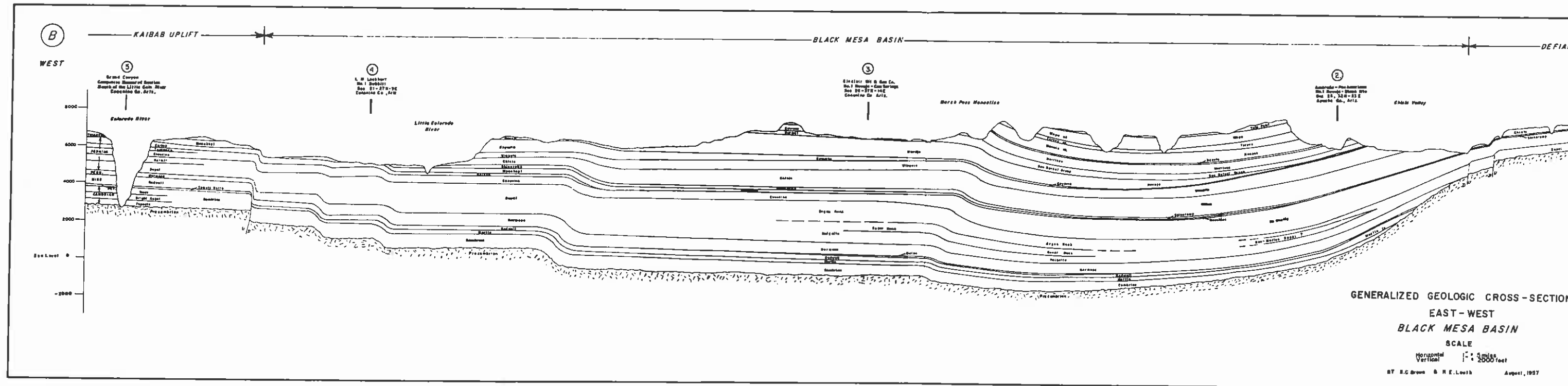
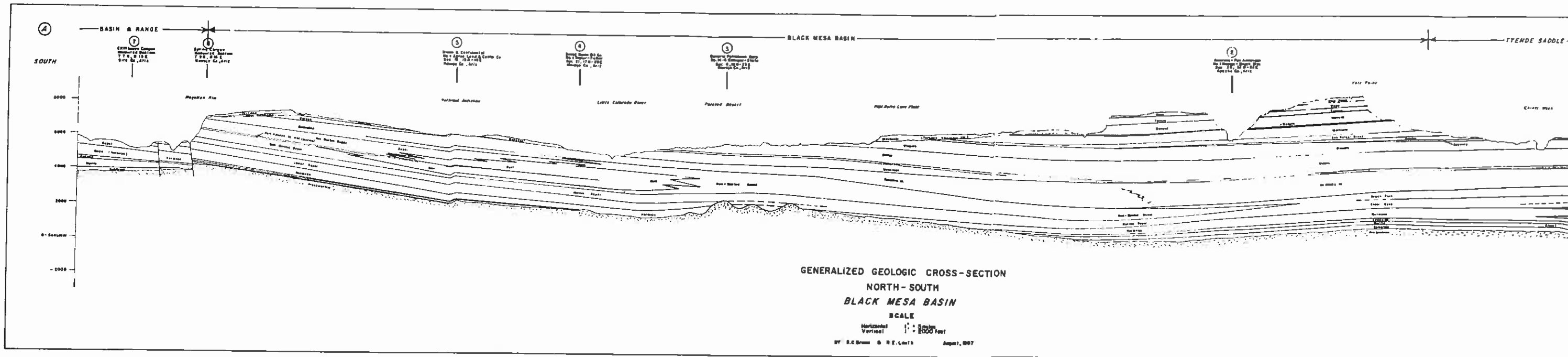


Figure 4

FIGURE 1

GENERALIZED TECTONIC MAP
OF THE
BLACK MESA BASIN
SHOWING MAJOR STRUCTURAL
FEATURES
PREPARED BY
DOERINGFELD, AMEREO AND IVEY
FROM THE NEW MEXICO GEOLOGIC SOCIETY
1950

ALL STRUCTURAL AXES ARE
FROM PUBLISHED SOURCES

