

CHAPTER 3

LEGAL, FINANCIAL, AND COMPLIANCE  
INFORMATION



CHAPTER 3

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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)

Audry Rappleyea, Manager  
Kayenta Complex  
Peabody Western Coal Company  
P. O. Box 650, Navajo Route 41  
Kayenta, Arizona 86033 (928) 677-3201

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

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

The Navajo Tribe  
P.O. Box 308  
Window Rock, Arizona 86515 (Surface and Minerals)

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

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

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

The Navajo Nation	The Hopi Tribe
P.O. Box 308	P.O. Box 123
Window Rock, Arizona 86515	Kykotsmovi, Arizona 86039

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)

Kayenta Complex	02-01195
J-7 Dam	1211-AZ-09-01195-11
J-2A Wild Ram Valley Dam	1211-AZ-09-01195-12
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 Kayenta Complex, that includes former mines separately designated as the active Kayenta Mine and inactive Black Mesa Mine 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 Kayenta Complex. 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 Kayenta Complex is operated pursuant to interim program authorization and permanent program permits (Figure 2 and Drawings 85110 and 85360) issued by the Office of Surface Mining Reclamation and Enforcement (OSM). Interim program authorization was issued on January 29, 1982 and Permit AZ-0002A was issued on December 21, 1984. The permanent program permit for Kayenta Mine was first issued on July 6, 1990. The permanent program permit is AZ-0001E and was renewed four times; on July 6, 1995, on July 6, 2000, on July 6, 2005, and lastly on July 6, 2010. 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 the interim program area of Black Mesa Mine 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 Mine Plan Sequence & Facilities revision seeks regulatory authorization to extend mining in five-year permit term increments until at least 2026 to ensure adequate and uninterrupted fuel supplies for the Navajo Generating Station into the future.

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 NGS (2005 and 2011, respectively). The coal supply agreement for Kayenta Mine has since been renegotiated and extends to 2019 to supply coal to NGS when the terms of the coal supply agreements will again be renegotiated.

The existing leases with the Navajo Nation and the Hopi Tribe entitle PWCC to mine 670 million tons of coal. The mine sequence plans in this submittal assume Kayenta Mine will continue for about fifteen (15) years to the projected life-of-mine date of 2026 (approximately 434 million tons have been mined as of October 1, 2012). PWCC requests the Office of Surface Mining Reclamation and Enforcement (OSM) consider the J-19, J-21, N-9, N-10, and N-11 Extension surface-recoverable reserves and coal resource areas in the leases when conducting its review and approval activities including the 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 Kayenta Complex operations may be found in Table 1.

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

Employment, Population, Revenues and Goods. The Kayenta Complex is an existing operation that began producing coal in 1970. The coal mined at the complex has historically been 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 since Black Mesa Mine ceased coal shipments on December 31, 2005. 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 remained relatively unchanged from the mid to late 1970's to December 31, 2005 and afterwards from January 1, 2006 to present during the active operation of Kayenta Mine only. 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 the Kayenta Complex.

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 reddish 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.



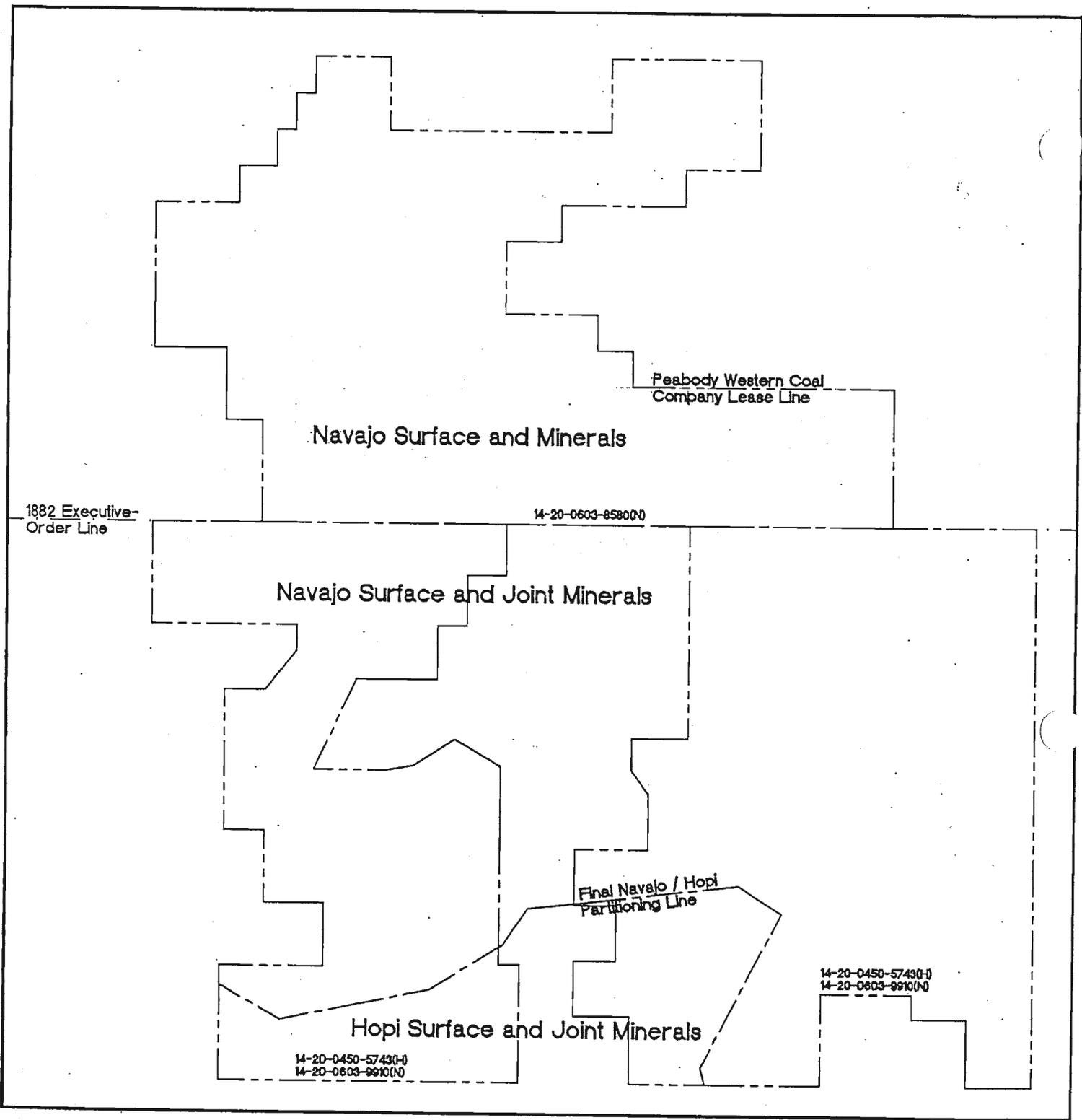


FIGURE 1

BLACK MESA LEASES  
PEABODY WESTERN COAL COMPANY



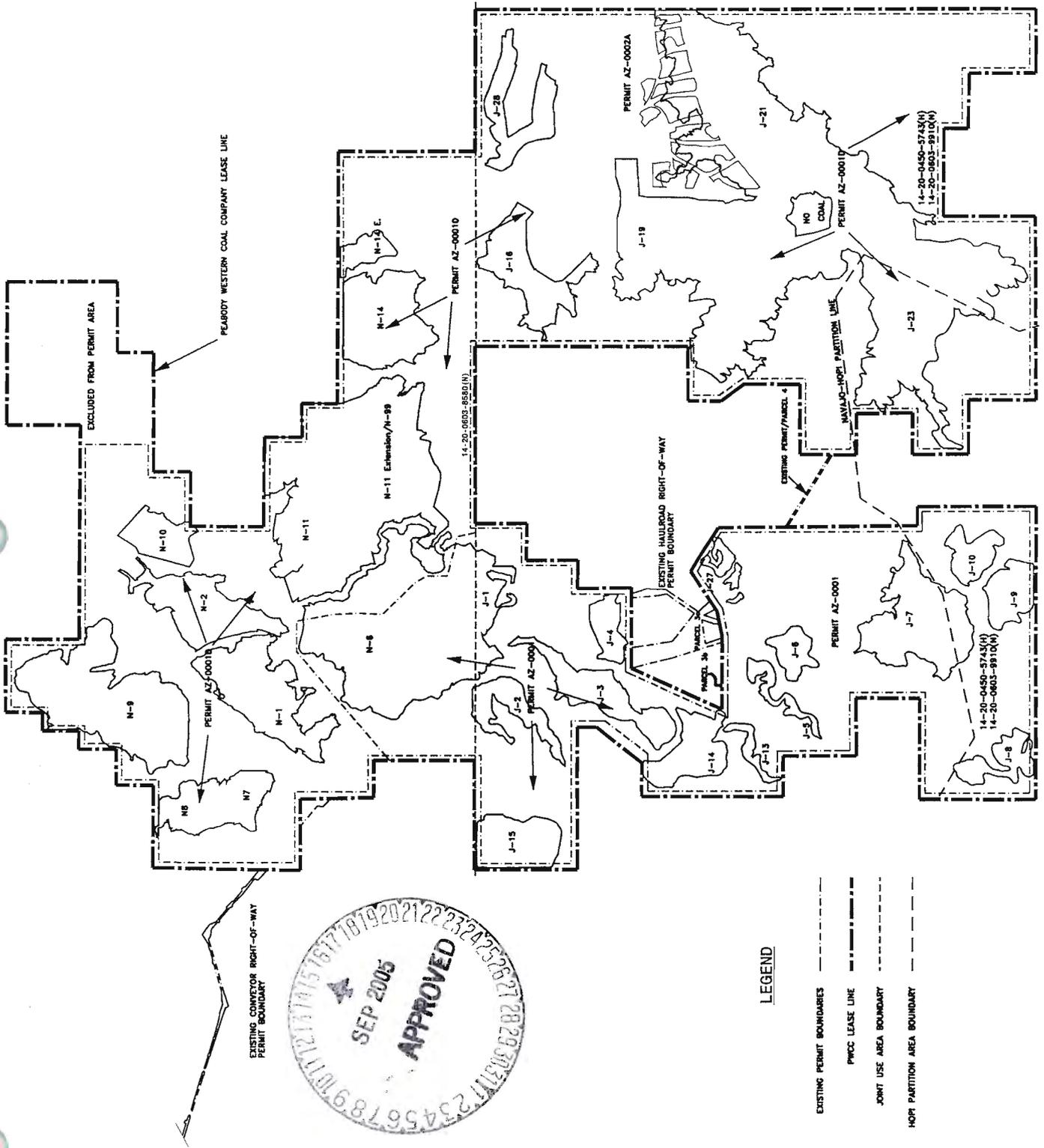
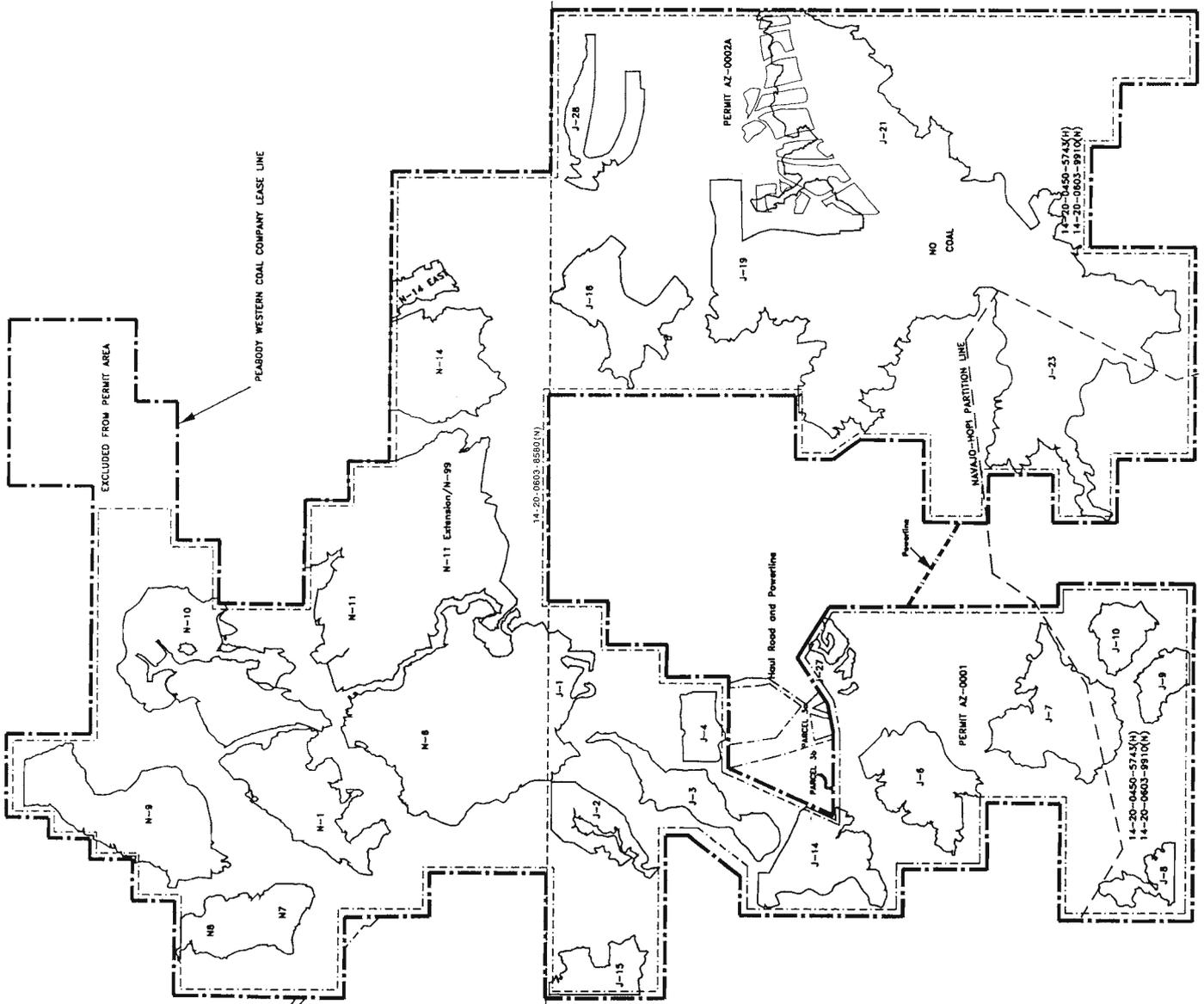


FIGURE 2



LEGEND

- PROPOSED PERMIT BOUNDARIES
- - - PWCC LEASE LINE
- - - JOINT USE AREA BOUNDARY
- - - HOPK PARTITION AREA BOUNDARY

FIGURE 3  
 PROPOSED PERMIT BOUNDARIES/BLACK MESA LEASES  
 PEABODY WESTERN COAL COMPANY

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
Interim Program Authorization (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
Permanent Program Permit AZ-0001E (OSM) Renewal	07/10

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. Alexandra 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 December 13, 2006 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 December 13, 2011.

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 December 13, 2008 to December 13, 2011. PWCC has zero 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 December 13, 2006 to December 13, 2011.

Revised 12/13/11



Resident Agent Identification Pursuant to 30 CFR 778.11(b)(2)

C.T. Corporation

P.O. Box 25089

Phoenix, AZ 85002

(602) 277-4792

Employer ID No. 51-0006522

AML Fee Payment Pursuant to 30 CFR 778.11(a)(2) and (a)(4)

The person responsible for submitting the Coal Reclamation Fee Report and for remitting the reclamation fee payment to OSM is Walter L. Hawkins, Jr., Treasurer, Peabody Western Coal Company, P. O. Box 650, Kayenta, Arizona, 86033, (928) 677-3201. The federal taxpayer identification and Employer ID No. is 86-0766626.

Revised 08/16/04



**EXHIBIT A**

**PEABODY WESTERN COAL COMPANY,  
DIRECTORS AND OFFICERS**

Revised 01/23/14

<b>Peabody Western Coal Company</b>	<b>Fed EIN: 86-0766626</b>
<b>Formed In Delaware</b>	<b>Formed On: 03-JAN-1994</b>
<b>AVS ID: 134706</b>	

<b>Officers/Directors/Management</b>			
<b>Name</b>	<b>Title</b>	<b>Term Started</b>	<b>AVS ID</b>
Brown, Guy B.	Director	22-Oct-2010	149653
Brown, Guy B.	President	01-Jan-2009	149653
Baltz, Eric J.	Assistant Treasurer	21-Aug-2013	254675
Playle, Darren L.	Vice President	21-Aug-2013	254402
Rappleyea, Audry P.	Vice President	19-Apr-2013	248692
Sutter, Bryan L.	Secretary	21-Aug-2013	157976

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
156664	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



062330	Carson, W. Howard	PRESIDENT	01/04/1994	07/31/1998
127951	Tilly, Charles W.	ASSISTANT SECRETARY	01/04/1994	07/31/1998
127950	Crawford, G. Irene	SECRETARY	01/04/1994	06/24/1998
132378	Melvin, Gary L.	VICE PRESIDENT	01/04/1994	07/31/1998
132378	Melvin, Gary L.	DIRECTOR	01/04/1994	07/31/1998



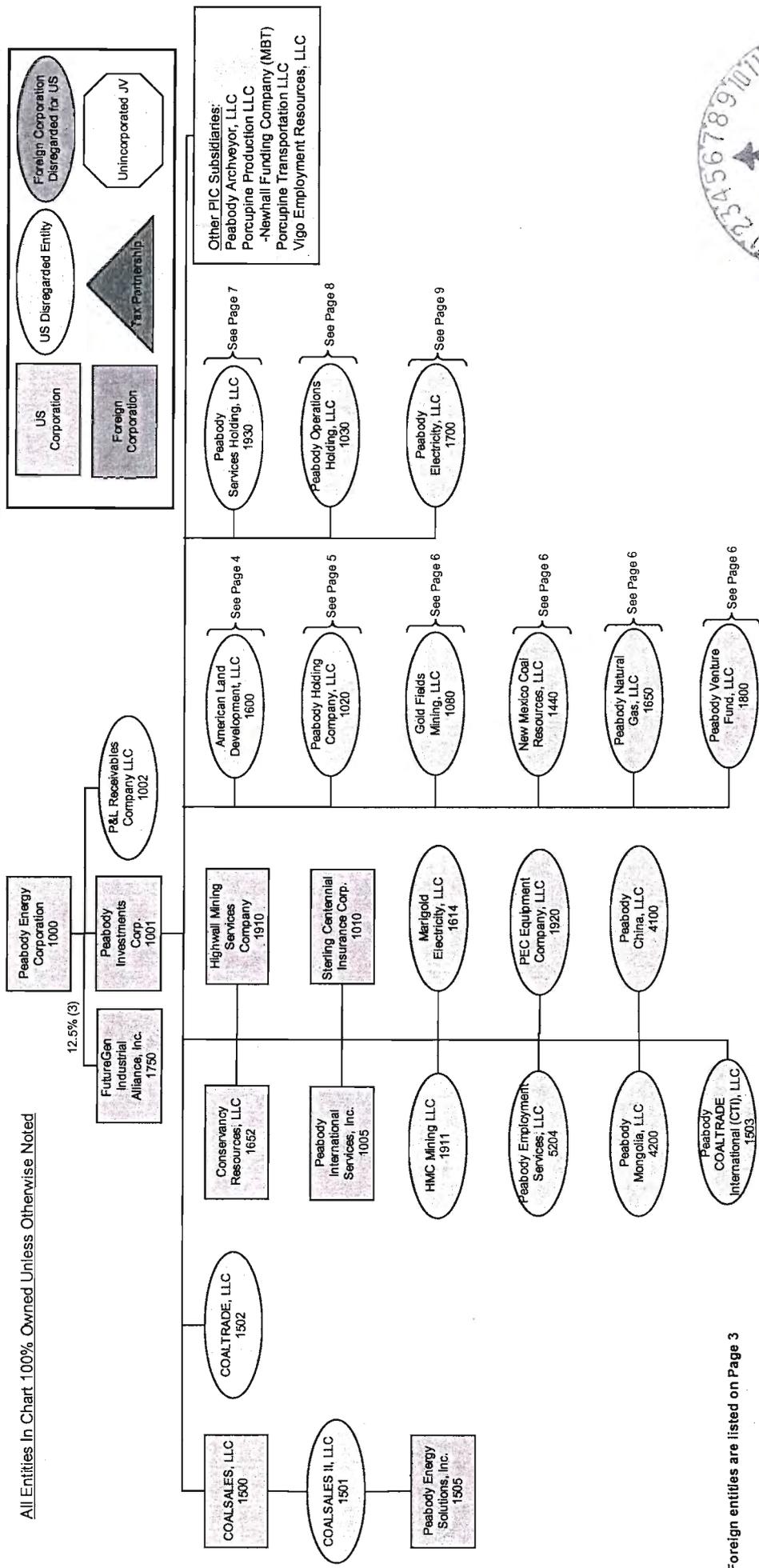
EXHIBIT B

ORGANIZATIONAL CHART FOR THE  
PEC FAMILY OF COMPANIES

Revised 06/16/10



# Peabody Energy Corporation Organizational Chart – December 31, 2009



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**

Revised 07/25/13

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) Cheryl Anderson 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) Cheryl Anderson 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 1st day of ~~June~~ July, 2013.

By: *Kenneth L. Wagner*  
Kenneth L. Wagner  
Assistant Secretary

STATE OF MISSOURI )

CITY OF ST. LOUIS )

On this 1st day of ~~June~~ July, 2013 before me personally appeared Kenneth L. Wagner, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same for the purposes therein contained. In witness whereof, I hereunto set my hand and official seal.

*Ann Murray*  
Notary Public

My Commission Expires: 4/4/17



ANN MURRAY  
My Commission Expires  
April 4, 2017  
St. Louis County  
Commission #13494613

EXHIBIT D

CURRENT, PREVIOUS, AND PENDING  
COAL MINING PERMITS



Revised 06/16/10

**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



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Illinois  
**Mine Name:** RANDOLPH PREP  
**Address:** RT 1, PO BOX 151  
 MARISSA, IL, 62257

**MSHA ID #:** 11-01999  
**MSHA ID Date:**  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
218/RENEWAL #1	01/1994	01/1999	ILDMM	PCC	100% PHC
63 RENEWAL #3	07/1998	07/2003	ILDMM	PCC	100% PHC

**State:** Illinois  
**Mine Name:** RIVER KING #6  
**Address:** RR 2, PO BOX 18  
 MARISSA, IL, 62257

**MSHA ID #:** 11-00617  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
59/RENEWAL #2	06/1995	06/2000	ILDMM	PCC	100% PHC

**State:** Illinois  
**Mine Name:** ST. LIBORY  
**Address:** RR 1, PO BOX 135D  
 MARISSA, IL, 62257

**MSHA ID #:** 11-02441  
**MSHA ID Date:**  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
61/RENEWAL #2	03/1995	03/2000	ILDMM	PCC	100% PHC

**State:** Illinois  
**Mine Name:** TSM CENTRAL FACILITIES  
**Address:** RR 2, PO BOX 85  
 MARISSA, IL, 62257

**MSHA ID #:** 11-02656  
**MSHA ID Date:**  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
87/RENEWAL #2	06/1994	06/1999	ILDMM	PCC	100% PHC

**State:** Illinois  
**Mine Name:** WILL SCARLET  
**Address:** RR 1  
 STONEFORT, IL, 62987

**MSHA ID #:** 11-000631  
**MSHA ID Date:**  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
114/RENEWAL #2	05/1994	05/1999	ILDMM	PCC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**Page: 4**  
**Date: 01/19/2004**

**State:** Indiana  
**Mine Name:** HAWTHORN  
**Address:** RR 2  
 CARLISLE, IN, 47838

**MSHA ID #:** 12-00326  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-0001--9	05/1994	05/1999	INDNR	PCC	100% PHC
S-00266	09/1994	09/1999	INDNR	PCC	100% PHC
S-00268	08/1996	08/2001	INDNR	PCC	100% PHC
S-00332	01/1998	01/2003	INDNR	PCC	100% PHC
S-00329	07/1998	07/2003	INDNR	PCC	100% PHC

**State:** Indiana  
**Mine Name:** LYNNVILLE  
**Address:** PO BOX 7  
 LYNNVILLE, IN, 47619

**MSHA ID #:** 12-00337  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-00022	02/1994	02/1999	INDNR	PCC	100% PHC
S-00021	02/1994	02/1999	INDNR	PCC	100% PHC
S-00021-4	02/1994	02/1999	INDNR	PCC	100% PHC
S-00314-1	06/1995	06/2000	INDNR	PCC	100% PHC
S-00314	06/1995	06/2000	INDNR	PCC	100% PHC
S-00319	01/1996	01/2001	INDNR	PCC	100% PHC
S-00274	08/1997	08/2002	INDNR	PCC	100% PHC
S-00330	09/1997	09/2002	INDNR	PCC	100% PHC
S-00021-5	10/1997	10/1999	INDNR	PCC	100% PHC
S-00021-6	12/1997	02/1999	INDNR	PCC	100% PHC
S-00216/RENEWAL	03/1998	03/2003	INDNR	PCC	100% PHC
S-00221/RENEWAL	06/1998	06/2003	INDNR	PCC	100% PHC
S-00023/RENEWAL	07/1998	07/2003	INDNR	PCC	100% PHC
S-00020/RENEWAL	10/1998	10/2003	INDNR	PCC	100% PHC
S-00022/RENEWAL	03/1999	03/2004	INDNR	PCC	100% PHC
S-00021/RENEWAL	10/1999	10/2004	INDNR	PCC	100% PHC
S-00314	06/2000	06/2005	INDNR	PCC	100% PHC
S-00319	01/2001	01/2006	INDNR	PCC	100% PHC

**State:** Indiana  
**Mine Name:** OAKLAND CITY  
**Address:** COUNTY ROAD 550 SOUTH  
 OAKLAND CITY, IN,

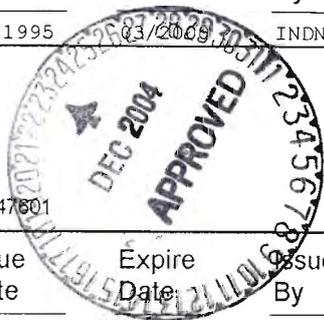
**MSHA ID #:** 12-02058  
**MSHA ID Date:** 07/18/1989  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-00228	03/1995	03/2000	INDNR	PCC	100% PHC

**State:** Indiana  
**Mine Name:** SQUAW CREEK  
**Address:** PO BOX 111  
 BOONVILLE, IN, 47601

**MSHA ID #:** 12-00336  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-00008	03/1994	03/1999	INDNR	SQCC	40% PHC 60% ALCOA
S-00008-6	12/1997	03/1999	INDNR	SQCC	40% PHC 60% ALCOA



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Kentucky  
**Mine Name:** ALSTON  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-09963  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
892-0016/RENEWAL	04/1994	04/1999	KYDSMRE	PCC	100% PHC
892-8001/RENEWAL	08/1994	08/1999	KYDSMRE	PCC	100% PHC
892-8001/RENEWAL	09/1999	08/2004	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** BIG RUN MINE  
**Address:** 19060 HIGHWAY 1078 SOUTH  
 HENDERSON, KY, 42420

**MSHA ID #:** NA  
**MSHA ID Date:**  
**Employer ID #:** 61-1250622

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
892-5003	05/1996	05/2001	KYDSMRE	GEMI	PHC
892-5003/RENEWAL	05/2001	05/2006	KYDSMRE	GEMI	PHC

**State:** Kentucky  
**Mine Name:** CAMP #1  
**Address:** PO BOX 328  
 MORGANFIELD, KY, 42437

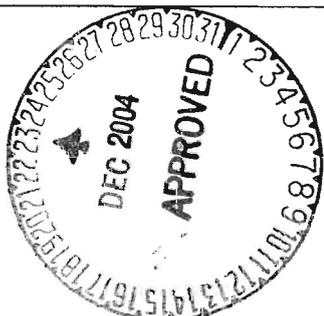
**MSHA ID #:** 15-02709  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
KY-021/RENEWAL	07/1995	07/2000	OSM	PCC	100% PHC
913-5010	01/1996	01/2001	KYDSMRE	PCC	100% PHC
913-50011/RENEWA	04/1999	07/2000	KYDSMRE	PCC	100% PHC
913-5011/RENEWAL	06/2000	07/2005	KYDSMRE	PCC	100% PHC
913-5010/RENEWAL	01/2001	01/2006	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** CAMP #11  
**Address:** PO BOX 120  
 MORGANFIELD, KY, 42437

**MSHA ID #:** 15-08357  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
KY-021/RENEWAL	07/1995	07/2000	OSM	PCC	100% PHC
913-5011/RENEWAL	04/1999	07/2000	KYDSMRE	PCC	100% PHC
913-5011/MJR#37	05/1999	07/2000	KYDSMRE	PCC	100% PHC
913-5011/RENEWAL	07/2000	07/2005	KYDSMRE	PCC	100% PHC
913-5011/MJR #38	01/2001	07/2005	KYDSMRE	PCC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Kentucky  
**Mine Name:** CENTER PREP PLANT  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-06833  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
892-5000/RENEWAL	08/1994	08/1999	KYDSMRE	PCC	100% PHC
892-5000/RENEWAL	07/1999	08/2004	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** FREEDOM MINE  
**Address:** 19050 HIGHWAY 1078 SOUTH  
 HENDERSON, KY, 42420

**MSHA ID #:** 15-17587  
**MSHA ID Date:** 05/19/1995  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
851-0016	12/1994	08/1999	KYDSMRE	PCCL	100% PHC
851-0016/RENEWAL	08/1999	08/2004	KYDSMRE	PCCL	100% PHC

**State:** Kentucky  
**Mine Name:** GIBRALTAR  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-02065  
**MSHA ID Date:** 08/01/1977  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-0007/RENEWAL	08/1994	08/1999	KYDSMRE	PCC	100% PHC
889-0032/RENEWAL	08/1995	08/2000	KYDSMRE	PCC	100% PHC
889-0032/AMDT #1	08/1998	08/2000	KYDSMRE	PCC	100% PHC
889-0102	03/1999	03/2004	KYDSMRE	PCC	100% PHC
889-0007/RENEWAL	08/1999	08/2004	KYDSMRE	PCC	100% PHC
889-0032/RENEWAL	08/2000	08/2005	KYDSMRE	PCC	100% PHC
889-0096	09/2001	01/2007	KYDSMRE	PPC	100% PHC

**State:** Kentucky  
**Mine Name:** GRAHAM #3 U/G  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-13283  
**MSHA ID Date:** 12/29/1981  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-5002/RENEWAL	08/1994	08/1999	KYDSMRE	PCC	100% PHC
889-0004/MJR #1	01/1999	03/2001	KYDSMRE	PCC	100% PHC
889-5002/MJR #1	07/1999	08/1999	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** GRAND EAGLE PREPARATION  
**Address:** 19060 HIGHWAY 1078 SOUTH  
 HENDERSON, KY, 42420

**MSHA ID #:** 15-16231  
**MSHA ID Date:** 05/19/1995  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
851-0014	05/1997	05/2002	KYDSMRE	PCCL	100% PHC
851-0014/RENEWAL	05/2002	05/2007	KYDSMRE	PCCL	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Kentucky  
**Mine Name:** HIGHLAND MINE  
**Address:** PO BOX 567  
 MORGANFIELD, KY, 42437

**MSHA ID #:** 15-02709  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 43-1869675

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
913-5011/RENEWAL	06/2000	06/2005	KYDSMRE	PCC	PHC
913-5012	03/2001	03/2006	KYDSMRE	HMC	PHC
913-8001	10/2001	10/2006	KYDSMRE	HMC	PHC

**State:** Kentucky  
**Mine Name:** KEN SURFACE  
**Address:** PO BOX 37  
 ROCKPORT, KY, 42369

**MSHA ID #:** 15-02077  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
892-8000/RENEWAL	09/1994	08/1999	KYDSMRE	PCC	100% PHC
892-0055/RENEWAL	04/1996	04/2001	KYDSMRE	PCC	100% PHC
892-8000/RENEWAL	07/1999	08/2004	KYDSMRE	PCC	100% PHC
892-0055/MJR #7	07/2000	04/2001	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** MARTWICK U/G  
**Address:** PO BOX 656  
 CENTRAL CITY, KY, 42330

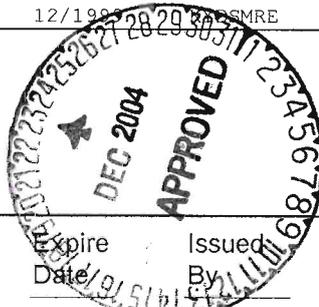
**MSHA ID #:** 15-14074  
**MSHA ID Date:** 02/27/1984  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-5003/RENEWAL	08/1994	06/1999	KYDSMRE	PCC	100% PHC
889-5005/RENEWAL	12/1994	12/1999	KYDSMRE	PCC	100% PHC
889-5003/RENEWAL	05/1999	06/2004	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** MOORMAN  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-10736  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-0010/RENEWAL	02/1994	01/1999	KYDSMRE	PCC	100% PHC
889-0089	12/1994	12/1999	KYDSMRE	PCC	100% PHC



**State:** Kentucky  
**Mine Name:** PARKWAY UG  
**Address:** PO BOX 148  
 GRAHAM, KY, 42444

**MSHA ID #:** 15-13637  
**MSHA ID Date:** 08/18/1982  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-5008/RENEWAL	08/1994	06/1999	KYDSMRE	PCC	100% PHC
889-5008/RENEWAL	06/1999	06/2004	KYDSMRE	PCC	100% PHC

**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Kentucky  
**Mine Name:** PATRIOT MINE  
**Address:** 19060 HIGHWAY 1078 SOUTH  
 HENDERSON, KY, 42420

**MSHA ID #:** 15-16231  
**MSHA ID Date:** 05/19/1995  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
851-0018	03/1996	03/2001	KYDSMRE	PCCL	100% PHC
851-0017	05/1996	05/2001	KYDSMRE	PCCL	100% PHC
851-0032	11/1998	11/2003	KYDSMRE	PCCL	100% PHC
851-0031	03/1999	03/2004	KYDSMRE	PCCL	100% PHC
851-7002/RENEWAL	02/2000	02/2005	KYDSMRE	PCCL	100% PHC
851-0018/RENEWAL	03/2000	03/2005	KYDSMRE	PCCL	100% PHC
851-7005	09/2002	09/2007	KYDSMRE	PCCL	100% PHC
851-0033/RENEWAL	02/2003	02/2008	KYDSMRE	PCCL	100% PHC

**State:** Kentucky  
**Mine Name:** RIVER QUEEN SURFACE  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-03987  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-8000/RENEWAL	09/1994	09/1999	KYDSMRE	PCC	100% PHC
889-0029/RENEWAL	12/1994	12/1999	KYDSMRE	PCC	100% PHC
889-8000/RENEWAL	07/1999	08/2004	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** RIVERVIEW (MIDWAY)  
**Address:** PO BOX 148  
 GRAHAM, KY, 42444

**MSHA ID #:** 15-02076  
**MSHA ID Date:** 03/15/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
492-0038/RENEWAL	08/1994	07/1999	KYDSMRE	PCC	100% PHC
492-0038/RENEWAL	06/1999	07/2004	KYDSMRE	PCC	100% PHC

**State:** Kentucky  
**Mine Name:** STAR NORTH U/G  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-03161  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
889-5001/MJR #5	02/1994	05/2000	KYDSMRE	PCC	100% PHC
889-5002/RENEWAL	08/1994	08/1999	KYDSMRE	PCC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

**State:** Kentucky  
**Mine Name:** WALTON CREEK U/G  
**Address:** PO BOX 148  
 GRAHAM, KY, 42344

**MSHA ID #:** 15-11331  
**MSHA ID Date:** 11/30/1978  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
892-5001/RENEWAL	08/1994	05/1999	KYDSMRE	PCC	100% PHC
892-5001/RENEWAL	06/1999	05/2004	KYDSMRE	PCC	100% PHC

**State:** Montana  
**Mine Name:** BIG SKY  
**Address:** PO BOX 97  
 COLSTRIP, MT, 59323

**MSHA ID #:** 24-00108  
**MSHA ID Date:** 03/27/1973  
**Employer ID #:** 13-2606920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
83004CR RENEWAL	07/1995	11/1999	MDEQ	BSCC	100% PCC
88004B	11/1998	11/2003	MDEQ	BSCC	100% PCC
83004CR	11/1999	11/2004	MDEQ	BSCC	100% PCC

**State:** Pennsylvania  
**Mine Name:** DELMONT  
**Address:** P. O. BOX 1233  
 CHARLESTON, WV, PA, 25312

**MSHA ID #:** 1211PA 20120-03  
**MSHA ID Date:**  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
500015	04/1995	04/2000	PADEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** BIG MOUNTAIN #1 SURFACE  
**Address:** PO BOX 104  
 PRENTER, WV, 25163

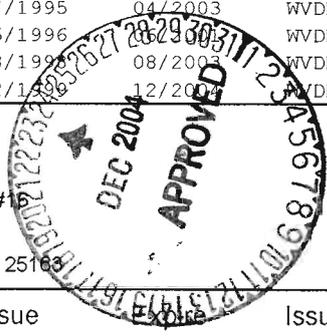
**MSHA ID #:** 46-02512  
**MSHA ID Date:** 02/23/1973  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-6013-89	12/1994	12/1999	WVDEP	PICC	100% PHC
O-28-82	07/1995	06/2002	WVDEP	PICC	100% PHC
H-8	07/1995	04/2003	WVDEP	PICC	100% PHC
S-5030-95	06/1996	06/2003	WVDEP	PICC	100% PHC
H-6	08/1998	08/2003	WVDEP	PICC	100% PHC
S-6013-89	12/1994	12/2000	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** BIG MOUNTAIN #1  
**Address:** PO BOX 104  
 PRENTER, WV, 25163

**MSHA ID #:** 46-07908  
**MSHA ID Date:** 07/18/1990  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5053-91	07/1995	02/1999	WVDEP	PICC	100% PHC
U-5053-91	02/1999	02/2004	WVDEP	PICC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

Page: 10  
 Date: 01/19/2004

**State:** West Virginia  
**Mine Name:** BIG MOUNTAIN PREP  
**Address:** PO BOX 104  
 PRENTER, WV, 25163

**MSHA ID #:** 46-03143  
**MSHA ID Date:** 03/17/1973  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-14-83	01/1998	01/2003	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** BIG MOUNTAIN REFUSE  
**Address:** PO BOX 104  
 PRENTER, WV, 25163

**MSHA ID #:** 1211WV40020-1  
**MSHA ID Date:** 01/22/1976  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-69-83	05/1998	05/2003	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** BLACK ROSE  
**Address:** PO BOX 57  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-06489  
**MSHA ID Date:** 02/26/1982  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
D-99-82	08/1997	08/2002	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** BUFFALO CREEK 1P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-07047  
**MSHA ID Date:** 12/24/1985  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5013-86	06/1996	06/2001	WVDEP	EACC	100% PHC
U-5013-86	06/2001	06/2006	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** CAMPBELL CREEK 12  
**Address:** 500 LEE STEET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-08460  
**MSHA ID Date:** 12/12/1994  
**Employer ID #:** 25-112-5516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-4011-94	09/1994	09/1999	WVDEP	EACC	100% PHC
U-4011-94	09/1999	09/2004	WVDEP	EACC	100% PHC



**Peabody Holding Company, Inc.**  
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**State:** West Virginia  
**Mine Name:** CAMPBELL CREEK 13  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-01270  
**MSHA ID Date:** 12/26/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-4017-90	09/1995	09/2000	WVDEP	EACC	100% PHC
U-4017-90	09/2000	09/2005	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** CAMPBELL CREEK 2P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-06291  
**MSHA ID Date:** 12/23/1982  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-4020-90	06/1996	06/2001	WVDEP	EACC	100% PHC
UO-617	09/1997	09/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** CHELYAN DOCK  
**Address:** PO BOX 57  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-06956  
**MSHA ID Date:** 06/27/1985  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-49-85	10/1995	10/2000	WVDEP	MVCC	100% PHC
O-49-85	10/2000	10/2005	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CHELYAN PREP. PLANT  
**Address:** P. O. BOX 57  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-04718  
**MSHA ID Date:** 08/01/1977  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
P-646	07/1997	07/2002	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CHELYAN REFUSE  
**Address:** P. O. BOX 57  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 1211WV40241-01  
**MSHA ID Date:** 04/28/1995  
**Employer ID #:** 25-147-4206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-3006-95	09/1997	09/2002	WVDEP	MVCC	100% PHC



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**State:** West Virginia  
**Mine Name:** COLONY BAY  
**Address:**  
 BARRETT, WV, 25013

**MSHA ID #:** 46-06272  
**MSHA ID Date:** 12/16/1980  
**Employer ID #:** 55-0604613

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-12-84	02/1994	02/1999	WVDEP	CBCC	100% PHC
S-53-85	06/1995	06/2000	WVDEP	EACC	100% PHC
U-71-85	10/1995	10/2000	WVDEP	CBCC	100% PHC
S-5009-89	11/1995	11/2000	WVDEP	CBCC	100% PHC
U-5018-86	02/1996	02/2001	WVDEP	EACC	100% PHC
S-5022-94	11/1996	11/2001	WVDEP	CBCC	100% PHC
H-224	07/1997	07/2002	WVDEP	CBCC	100% PHC
H-534	09/1997	09/2002	WVDEP	EACC	100% PHC
S-7-81	09/1997	09/2002	WVDEP	CBCC	100% PHC
S-15-81	09/1997	09/2002	WVDEP	CBCC	100% PHC
87-80	09/1997	09/2002	WVDEP	EACC	100% PHC
U-71-85	10/2000	10/2005	WVDEP	CBCC	100% PHC

**State:** West Virginia  
**Mine Name:** COOK MOUNTAIN SURFACE  
**Address:**  
 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** PENDING  
**MSHA ID Date:**  
**Employer ID #:** 55-073-2291

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-5002-95	04/1997	04/2002	WVDEP	CMCC	100% PHC
S-5015-94	04/1997	04/2002	WVDEP	CMCC	100% PHC

**State:** West Virginia  
**Mine Name:** CUT 21  
**Address:**  
 PO BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-02408  
**MSHA ID Date:** 04/20/1976  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
268-76	04/1994	04/1999	WVDEP	MVCC	100% PHC
218-75	09/1995	09/2000	WVDEP	MVCC	100% PHC
H-104	07/1998	07/2003	WVDEP	MVCC	100% PHC
H-389	10/1998	10/2003	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CUT 22  
**Address:**  
 PO BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-06511  
**MSHA ID Date:** 08/21/1982  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-30-82	02/1997	01/2000	WVDEP	MVCC	100% PHC
H-66	05/1998	05/2003	WVDEP	MVCC	100% PHC



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**State:** West Virginia  
**Mine Name:** CUT 24  
**Address:** PO BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-02407  
**MSHA ID Date:** 03/21/1973  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-103-80	07/1997	07/2002	WVDEP	MVCC	100% PHC
H-245	05/1998	05/2003	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CUT 26  
**Address:** PO BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-06447  
**MSHA ID Date:** 11/18/1981  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-21-82	05/1997	05/2002	WVDEP	MVCC	100% PHC
O-21-82	05/2002	05/2007	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CUT 28  
**Address:** PO BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-06622  
**MSHA ID Date:** 01/18/1983  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-31-83	04/1998	01/1999	WVDEP	MVCC	100% PHC
197-77	08/1998	01/1999	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** CUT 30  
**Address:** PO BOX 100  
 CABIN CREEK, WV, 25305

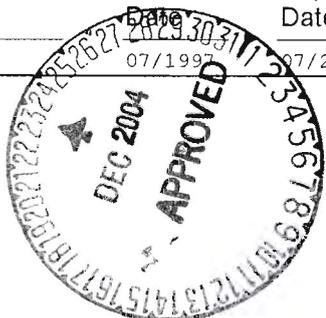
**MSHA ID #:** 46-02407  
**MSHA ID Date:** 03/21/1973  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-6015-86	09/1997	09/2002	WVDEP	MVCC	100% PHC
S-6015-86	09/2002	09/2007	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** EAGLE 2P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-06618  
**MSHA ID Date:** 01/05/1983  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
D-84-82	07/1997	07/2002	WVDEP	EACC	100% PHC



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**State:** West Virginia  
**Mine Name:** EAGLE 4  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-08509  
**MSHA ID Date:** 07/10/1995  
**Employer ID #:** 25-112-5516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-4003-94	05/1994	05/1999	WVDEP	EACC	100% PHC
U-4003-94	05/1999	05/2004	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** FEDERAL #2  
**Address:** RT 1 BOX 144  
 FAIRVIEW, WV, 26570

**MSHA ID #:** 46-01456  
**MSHA ID Date:** 08/16/1971  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-19-83	02/1998	02/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** FEDERAL #2 PREP PLANT  
**Address:** RT 1 BOX 144  
 FAIRVIEW, WV, 26570

**MSHA ID #:** 46-01456  
**MSHA ID Date:** 08/16/1971  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-1010-86	05/1996	05/2001	WVDEP	EACC	100% PHC
O-124-83	09/1998	09/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** FEDERAL #2 REFUSE AREA  
**Address:** RT 1 BOX 144  
 FAIRVIEW, WV, 26570

**MSHA ID #:** 1211WV30066-01  
**MSHA ID Date:** 03/27/1986  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-23-83	02/1998	02/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** HARRIS #1  
**Address:** RT 85  
 BALD KNOB, WV, 25010

**MSHA ID #:** 46-01271  
**MSHA ID Date:** 02/22/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-20-83	02/1998	02/2003	WVDEP	EACC	100% PHC



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**State:** West Virginia  
**Mine Name:** HARRIS #2  
**Address:** RT 85  
 BALB KNOB, WV, 25010

**MSHA ID #:** 46-01270  
**MSHA ID Date:** 12/22/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-149-82	12/1997	12/2002	WVDEP	EACC	100% PHC
U-149-82	12/2002	12/2007	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** HARRIS PREP PLANT  
**Address:** RT 85  
 BALD KNOB, WV, 25010

**MSHA ID #:** 46-03135  
**MSHA ID Date:** 02/22/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-72-82	12/1997	12/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** HARRIS REFUSE AREA  
**Address:** RT 85  
 BALD KNOB, WV, 25010

**MSHA ID #:** 1211WV40411-01  
**MSHA ID Date:** 11/06/1975  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-13-83	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** HERNSHAW 12/13  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

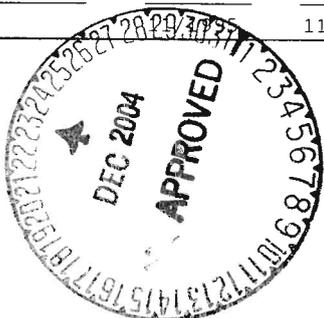
**MSHA ID #:** 46-07479  
**MSHA ID Date:** 03/18/1988  
**Employer ID #:** 25-112-5516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5035-93	01/1995	01/2000	WVDEP	EACC	100% PHC
U-5069-86	10/1996	10/2001	WVDEP	EACC	100% PHC
U-5035-93	01/2000	01/2005	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** HERNSHAW 14P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-07203  
**MSHA ID Date:** 10/01/1986  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-73-85		11/2000	WVDEP	EACC	100% PHC





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**State:** West Virginia  
**Mine Name:** KEYSTONE #5 PREP PLANT  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-05677  
**MSHA ID Date:** 11/15/1977  
**Employer ID #:** 25-1207512

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-135-83	10/1998	10/2003	WVDEP	AMC	100% PHC

**State:** West Virginia  
**Mine Name:** KEYSTONE #5 REFUSE AREA  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 1211WV40059-01  
**MSHA ID Date:** 08/04/1976  
**Employer ID #:** 25-1207512

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-73-82	12/1997	12/2002	WVDEP	AMC	100% PHC

**State:** West Virginia  
**Mine Name:** KOPPERSTON #1  
**Address:** GENERAL DELIVERY  
 KOPPERSTON, WV, 24854

**MSHA ID #:** 46-01537  
**MSHA ID Date:** 02/22/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-74-82	12/1997	12/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** KOPPERSTON PREP PLANT  
**Address:** GENERAL DELIVERY  
 KOPPERSTON, WV, 24854

**MSHA ID #:** 46-03157  
**MSHA ID Date:** 02/22/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-81-82	12/1997	12/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** KOPPERSTON REFUSE  
**Address:** GENERAL DELIVERY  
 KOPPERSTON, WV, 24854

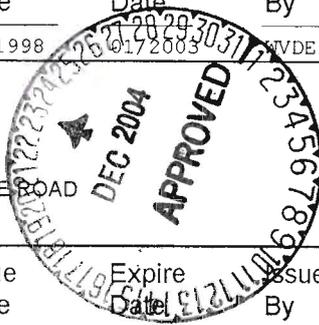
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**MSHA ID Date:** 12/02/1981  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-19-83	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** LEWISTON MINE  
**Address:** 50 SCHOOL HOUSE ROAD  
 SETH, WV, 25181

**MSHA ID #:** 46-08855  
**MSHA ID Date:** 10/12/2000  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5010-00	06/2000	06/2005	WVDEP	PICC	100% PHC



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**State:** West Virginia  
**Mine Name:** LIGHTFOOT #1  
**Address:** PO BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-04332  
**MSHA ID Date:** 09/03/1974  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-144-82	12/1997	12/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** LIGHTFOOT #2  
**Address:** PO BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-04955  
**MSHA ID Date:** 11/19/1975  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-150-82	12/1997	12/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** PERRY & HYLTON DE'LYN MINE  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-07162  
**MSHA ID Date:**  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5070-86	09/1996	09/2001	WVDEP	EACC	100% PHC
U-5070-86	09/2001	09/2006	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** POWELTON  
**Address:** P.O. BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-07162  
**MSHA ID Date:**  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5009-98	05/1999	05/2004	WVDEP	EACC	100% PHC
U-5008-98	05/1999	05/2004	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** RIVERS EDGE  
**Address:** P.O. BOX 258  
 CHARLESTON, WV, 25329

**MSHA ID #:** 46-08890  
**MSHA ID Date:** 04/06/2001  
**Employer ID #:** 43-1898371

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5027-00	04/2001	04/2006	WVDEP	EACC	100% PHC



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**State:** West Virginia  
**Mine Name:** ROBIN HOOD / WINIFREDE B  
**Address:** TWILIGHT, WV, 25204

**MSHA ID #:** NONE  
**MSHA ID Date:**  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5048-87	12/1997	12/2002	WVDEP	PICC	100% PHC
U-5048-87	12/2002	12/2007	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** ROBIN HOOD NO. 8 PREP  
**Address:** TWILIGHT, WV, 25204

**MSHA ID #:** 46-03137  
**MSHA ID Date:** 03/21/1973  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-76-82	12/1997	12/2002	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** ROBIN HOOD NO. 8 REFUSE  
**Address:** TWILIGHT, WV, 25204

**MSHA ID #:** 1211WV40043-1  
**MSHA ID Date:** 01/15/1976  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-76-82	12/1997	12/2002	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** ROBINHOOD NO. 9  
**Address:** TWILIGHT, WV, 25204

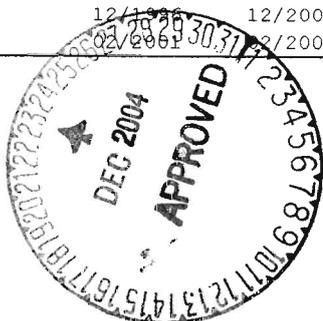
**MSHA ID #:** 46-02143  
**MSHA ID Date:** 03/21/1973  
**Employer ID #:** 13-260-6920

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-9-83	01/1998	01/2003	WVDEP	PICC	100% PHC
U-6010-88	05/1998	05/2003	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** ROCKLICK PREP. & REFUSE AREA  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-06448  
**MSHA ID Date:** 11/18/1981  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-5020-86	02/1996	02/2001	WVDEP	EACC	100% PHC
O-5006-86	04/1996	04/2001	WVDEP	EACC	100% PHC
O-5091-86	12/1996	12/2001	WVDEP	EACC	100% PHC
S-5020-86	02/1996	02/2006	WVDEP	EACC	100% PHC



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**State:** West Virginia  
**Mine Name:** TYGART RIVER MINE  
**Address:** RT 4  
 FAIRMONT, WV, 26554

**MSHA ID #:** 46-03805  
**MSHA ID Date:** 03/14/1974  
**Employer ID #:** 55-0716084

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-1001-87	04/1997	04/2002	WVDEP	MCC	100% PHC
R-747	08/1997	08/2002	WVDEP	MCC	100% PHC
EM-125	08/1997	08/2002	WVDEP	MCC	100% PHC
R-746	08/1997	08/2002	WVDEP	MCC	100% PHC
O-1001-87	04/2002	04/2007	WVDEP	MCC	100% PHC
EM-125	08/2002	08/2007	WVDEP	MCC	100% PHC

**State:** West Virginia  
**Mine Name:** WELLS PREP PLANT  
**Address:** PO BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-05295  
**MSHA ID Date:** 09/26/1976  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-165-83	11/1998	11/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WELLS REFUSE  
**Address:** PO BOX 20  
 WHARTON, WV, 25208

**MSHA ID #:** 1211WV40467-02  
**MSHA ID Date:** 07/21/1977  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-4-83	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WHARTON #2  
**Address:** PO BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-01809  
**MSHA ID Date:** 08/28/1972  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-89-83	05/1998	05/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WHARTON #4  
**Address:** PO BOX 29  
 WHARTON, WV, 25208

**MSHA ID #:** 46-01272  
**MSHA ID Date:** 03/19/1973  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-143-82	12/1997	12/2002	WVDEP	EACC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

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 Date: 01/19/2004

**State:** West Virginia  
**Mine Name:** WHARTON PREP/REFUSE  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-03136  
**MSHA ID Date:** 04/30/1975  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-20-83	01/1998	01/2003	WVDEP	EACC	100% PHC
O-6-83	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WHITE BRANCH DEEP MINE  
**Address:** P.O. BOX 1233  
 CHARLESTON, WV, 25324

**MSHA ID #:** 46-08827  
**MSHA ID Date:** 03/23/2000  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5037-97	03/1998	03/2003	WVDEP	PICC	100% PHC
U-5002-00	05/2000	05/2005	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** WHITE OAK PREP  
**Address:** BOX 100  
 CABIN CREEK, WV, 25035

**MSHA ID #:** 46-03175  
**MSHA ID Date:** 08/01/1977  
**Employer ID #:** 25-1474206

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
H-379	07/1997	07/2002	WVDEP	MVCC	100% PHC
O-16-83	01/1998	01/2003	WVDEP	MVCC	100% PHC
H-15	05/1998	05/2003	WVDEP	MVCC	100% PHC
D-587	05/1998	05/2003	WVDEP	MVCC	100% PHC
H-424	05/1998	05/2003	WVDEP	MVCC	100% PHC
H-370	05/1998	05/2003	WVDEP	MVCC	100% PHC
O-16-83	01/2003	01/2008	WVDEP	MVCC	100% PHC

**State:** West Virginia  
**Mine Name:** WILLIAMS MOUNTAIN SURFACE  
**Address:** P.O. 1233  
 CHARLESTON, WV, 25301

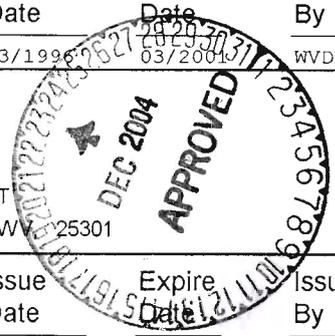
**MSHA ID #:** 46-08548  
**MSHA ID Date:** 03/01/1996  
**Employer ID #:** 55-0737187

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
S-5029-95	03/1998	03/2001	WVDEP	PICC	100% PHC

**State:** West Virginia  
**Mine Name:** WINIFREDE 13  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-08407  
**MSHA ID Date:** 05/18/1994  
**Employer ID #:** 25-112-5516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5006-93	03/1994	03/1999	WVDEP	EACC	100% PHC
U-5006-93	03/1999	03/2004	WVDEP	EACC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

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 Date: 01/19/2004

**State:** West Virginia  
**Mine Name:** WINIFREDE 13A  
**Address:** 500 LEE STREET  
 CHARLESTON, WV, 25301

**MSHA ID #:** 46-08650  
**MSHA ID Date:** 07/21/1997  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5004-97	05/1997	05/2002	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WINIFREDE 14 & 15  
**Address:** P. O. BOX 1233  
 CHARLESTON, WV, 25324

**MSHA ID #:** 46-08688  
**MSHA ID Date:** 01/14/1998  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
U-5007-93	03/1994	03/1999	WVDEP	EACC	100% PHC
U-5018-96	09/1997	09/2002	WVDEP	EACC	100% PHC
U-5007-93	03/1999	03/2004	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WINIFREDE 2P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-06171  
**MSHA ID Date:** 06/26/1980  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
H-453	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** West Virginia  
**Mine Name:** WINIFREDE 5P  
**Address:** BARRETT, WV, 25013

**MSHA ID #:** 46-06391  
**MSHA ID Date:** 09/18/1981  
**Employer ID #:** 25-1125516

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
O-62-82	11/1997	11/2002	WVDEP	EACC	100% PHC
H-607	01/1998	01/2003	WVDEP	EACC	100% PHC

**State:** Wyoming  
**Mine Name:** CABALLO MINE  
**Address:** CALLER BOX 3041  
 GILLETTE, WY, 82717

**MSHA ID #:** 48-01034  
**MSHA ID Date:**  
**Employer ID #:**

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
433-T4	07/1998	07/2003	WYDEQ	CCC	100% PHC



**Peabody Holding Company, Inc.**  
**Issued/Expired Mining Permits**

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 Date: 01/19/2004

**State:** Wyoming  
**Mine Name:** N ANTELOPE/ROCHELLE COMPLEX  
**Address:** CALLER BOX 3034  
 GILLETTE, WY, 82717

**MSHA ID #:** 48-01353  
**MSHA ID Date:** 04/01/1998  
**Employer ID #:** 48-01353

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
569-T5	12/1999	12/2004	WYDEQ	PRCC	100% PHC

**State:** Wyoming  
**Mine Name:** NORTH ANTELOPE  
**Address:** CALLER BOX 3032  
 GILLETTE, WY, 82717

**MSHA ID #:** 48-01375  
**MSHA ID Date:**  
**Employer ID #:** 43-1134599

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
532-T5	03/1997	12/1999	WYDEQ	NACC	100% PHC

**State:** Wyoming  
**Mine Name:** RAWHIDE MINE  
**Address:** CALLER BOX 3042  
 GILLETTE, WY, 82717

**MSHA ID #:** 48-00993  
**MSHA ID Date:**  
**Employer ID #:**

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
240-T3	11/1994	11/1999	WYDEQ	CCC	100% PHC
240-T4	11/1999	11/2004	WYDEQ	PRCC	100% PHC

**State:** Wyoming  
**Mine Name:** ROCHELLE MINE  
**Address:** CALLER BOX 3035  
 GILLETTE, WY, 82717

**MSHA ID #:** 48-01353  
**MSHA ID Date:**  
**Employer ID #:** 43-1295508

Permit Number	Issue Date	Expire Date	Issued By	Issued To	Applicant Ownership and Control
569-T4	08/1994	12/1999	WYDEQ	RCC	100% PHC



EXHIBIT E

COMPLIANCE INFORMATION

Revised 12/13/11



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 December 13, 2008 to December 13, 2011. PWCC has zero 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 December 13, 2006 to December 13, 2011. For each violation notice reported, the list includes the following information, as applicable:

1. The company, mine, permit, MSHA ID, County, and State for each violation issued; the violation number, the date of issuance, identity of the issuing regulatory authority, department, or agency and to whom the violation was issued;
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 December 13, 2011. PWCC reserves the right to supplement this listing to reflect any information received by the Office of the General Counsel after said date.

Revised 12/13/11



# Peabody Energy Corporation: Notice of Violation List

Page 1

Date: 12/13/2011

For NOV's Issued Between 12/13/2008 and 12/13/2011

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  
**Issue To:** Gary W. Wendt  
**Issued:** 11/18/2009  
**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  
**Issue To:** Gary W. Wendt  
**Issued:** 07/30/2009  
**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  
**Issue To:** Received Certified Mail  
**Issued:** 03/23/2010  
**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;

2010-02

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 10-020-107-001  
**Issuer:** U.S. Office of Surface Mining  
**Issue To:** Received Certified Mail  
**Issued:** 07/12/2010  
**Cause:** FAILURE TO COMPLY WITH AIR BLAST LIMITS AT A CONTROLLED STRUCTURE;  
**Status:** TERMINATED: 07/12/10;  
**As of:** 04/01/2011  
**Action:** NONE;  
**Penalty:** ASSESSMENT CONFERENCE HELD 10/20/10; \$1,100.00 ASSESSED PER COC ISSUED 03/08/11 AND PENALTY PAID 04/01/11;



# Peabody Energy Corporation: Notice of Violation List

Page 2  
Date: 12/13/2011

For NOV's Issued Between 12/13/2008 and 12/13/2011

2010-03

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 10-020-190-003  
**Issuer:** U.S. Office of Surface Mining  
**Issued:** 07/27/2010  
**Issued To:** Received Certified Mail  
**Cause:** 1) FAILURE TO PROVIDE AUDIBLE WARNINGS 0.5 MILE FROM BLAST #7-08. 2) FAILURE TO COMPLY WITH THE TERMS AND CONDITIONS OF THE APPROVED PERMIT, SPECIFICALLY FAILURE TO COMPLY WITH REQUIREMENTS OF ATTACHMENT A OF CHAPTER 5;  
**Status:** 1) TERMINATED: 07/27/10; 2) TERMINATED: 08/12/10;  
**As of:** 02/12/2011  
**Action:** 1) NONE; 2) REMOVED ALL FLYROCK FROM PROTECTED SITE;  
**Penalty:** 1) 2) ASSESSMENT CONFERENCE HELD 12/03/10; 1) \$1,100.00 AND 2) 508.00 ASSESSED PER COC ISSUED 02/23/11; PENALTY VACATED;

2010-04

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 10-020-179-001  
**Issuer:** U.S. Office of Surface Mining  
**Issued:** 08/26/2010  
**Issued To:** Gary W. Wendt  
**Cause:** FAILURE TO PROTECT MATERIALS FROM WIND AND/OR WATER EROSION AFTER SEEDING AND PLANTING. FAILURE TO PROTECT AND STABILIZE ALL DISTURBED SURFACE AREAS TO EFFECTIVELY CONTROL EROSION;  
**Status:** 1), 2), 3): TERMINATED: 09/17/10; 4) TERMINATED: 12/01/10;  
**As of:** 12/01/2010  
**Action:** 1) REMOVED CONTAMINATED SOIL; 2) CONSTRUCTED TEMPORARY DRAINAGE; 3) SUBMITTED PERMANENT CHANNEL DESIGN TO REGULATORY AUTHORITY; 4) CONSTRUCTED PERMANENT CHANNEL, TOPSOILED, SEEDED, AND MULCHED;  
**Penalty:** NONE ASSESSED PER NOPA ISSUED 10/18/10;

2010-05

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 10-020-179-002  
**Issuer:** U.S. Office of Surface Mining  
**Issued:** 09/25/2010  
**Issued To:** Darrel Elkins  
**Cause:** FAILURE TO PROTECT THE TOPSOIL MATERIALS FROM WIND AND/OR WATER RUNOFF/EROSION AFTER SEEDING AND PLANTING;  
**Status:** TERMINATED: 10/07/10;  
**As of:** 12/18/2010  
**Action:** 1) REMOVED CONTAMINATED SOIL AND DISPOSE IN A PROPER MANNER; 2) TOOK NECESSARY MEASURES TO PREVENT RUNOFF FROM COAL LOADOUT AREA FROM FLOWING OVER REVEGETATED AREA AND INTO THE NEARBY TOPSOIL STOCKPILE;  
**Penalty:** NONE ASSESSED PER NOPA ISSUED 12/18/10;



# Peabody Energy Corporation: Notice of Violation List

Page 3

Date: 12/13/2011

For NOV's Issued Between 12/13/2008 and 12/13/2011

## 2011-01

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 11-020-157-001  
**Issued:** 01/13/2011  
**Issuer:** U.S. Office of Surface Mining  
**Issued To:** Gary W. Wendt  
**Cause:** 1) FAILURE TO COMPLY WITH THE TERMS AND CONDITIONS OF THE PERMIT, SPECIFICALLY THE CONVEYANCE STRUCTURE MONITORING PLAN OF THE SETTLEMENT AGREEMENT BETWEEN OSMRE AND PWCC WHEREBY ALL CONVEYANCE STRUCTURES ON INITIAL AND PERMANENT PROGRAM LANDS AT KAYENTA MINE WILL BE SURVEYED ANNUALLY DURING THE FALL SEASON;  
**Status:** 1) TERMINATED: 04/30/11;  
**As of:** 07/22/2011  
**Action:** 1) SURVEYED, EVALUATED, AND REPAIRED CONVEYANCES AT PONDS N14-F AND N14-G AND NORTH END OF N-10 AND DISTURBED AREAS SEEDED AND MULCHED; 2), 3) CONVEYANCE STRUCTURES NOT SURVEYED DURING 2010 FALL SURVEY WERE IDENTIFIED AND SURVEYED; 4) SURVEY RESULTS FOR ALL WATER CONVEYANCES WERE SUBMITTED IN THE RECLAMATION STATUS AND MONITORING REPORT;  
**Penalty:** ASSESSMENT CONFERENCE HELD 05/10/11; \$1,100.00 ASSESSED PER COC ISSUED 06/30/11 AND PENALTY PAID 07/22/11;

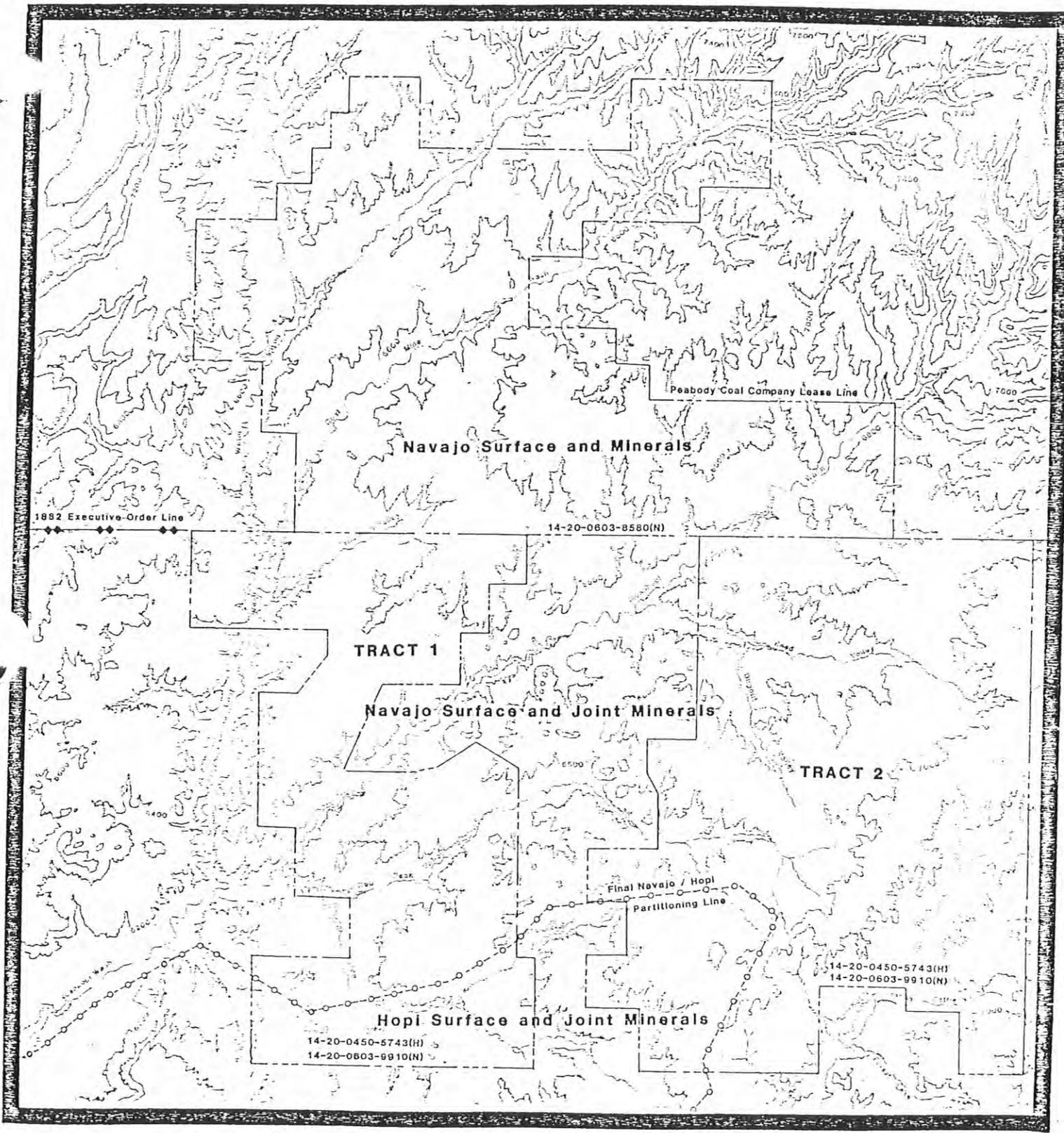
## 2011-02

**Company:** Peabody Western Coal Company  
**Mine:** KAYENTA  
**Permit:** AZ-0001D  
**County:** NAVAJO  
**MSHA ID:** 02-01195  
**State:** Arizona  
**NOV:** 11-020-082-001  
**Issued:** 02/10/2011  
**Issuer:** U.S. Office of Surface Mining  
**Issued To:** James R. Ohiman  
**Cause:** 1) THE PERMITTEE SHALL COMPLY WITH TERMS AND CONDITIONS OF PERMIT, ALL APPLICABLE PERFORMANCE STANDARDS OF THE ACT AND REQUIREMENTS OF THE REGULATORY PROGRAM FOR RILL AND GULLY MONITORING; 2) NO LAND WITHIN 100 FEET OF A PERENNIAL STREAM OR AN INTERMITTENT STREAM SHALL BE DISTURBED BY SURFACE MINING ACTIVITIES UNLESS THE REGULATORY AUTHORITY SPECIFICALLY AUTHORIZES SURFACE MINING ACTIVITIES CLOSER TO OR THROUGH;  
**Status:** 1) TERMINATED: 03/31/11; 2) VACATED 03/31/11;  
**As of:** 09/26/2011  
**Action:** 1) REMOVE CONTAMINATED SOIL; 2) CONSTRUCTED TEMPORARY DRAINAGE; 3) SUBMITTED PERMANENT CHANNEL DESIGN TO REGULATORY AUTHORITY; 4) CONSTRUCT PERMANENT CHANNEL, TOPSOIL, SEED, MULCH;  
**Penalty:** ASSESSMENT CONFERENCE HELD 08/26/11; \$750.00 ASSESSED PER COC ISSUED 09/26/11 AND PENALTY VACATED;  
**Penalty:** NONE;



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 and  
Assignment from PCC to PWCC



Revised 08/19/96

69

# 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

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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 regulations, the Secretary hereby specifically waives  
2 and makes exceptions to the application of any of the  
3 existing regulations of the Department of the Interior  
4 with regard to any provisions of the §323 Grant which  
5 are inconsistent with any of such regulations, and  
6 the Secretary finds that this waiver and exception is  
7 permitted by law and is in the best interest of the  
8 Tribe.

9 IN TESTIMONY WHEREOF, the Secretary of the Interior,  
10 in accordance with the provisions of the Act of February 5,  
11 1948 (62 Stat. 17, 18, 25 U.S.C. §323-328), the Act of March 3,  
12 1879 (20 Stat. 394, 5 U.S.C. §435), as amended, and the Acts  
13 of July 9, 1832 and July 27, 1868 (4 Stat. 564, 15 Stat. 228,  
14 25 U.S.C. §2), and such regulations promulgated thereunder  
15 as are applicable, including 25 CFR §1.2 and Part 161, has,  
16 in the name of the United States, caused this instrument to  
17 be executed and the seal of the Department of the Interior to  
18 be hereunto affixed.

19 GIVEN under my hand in Washington,  
20 the 10<sup>th</sup> day of December, 1969.

21  
22 SECRETARY OF THE INTERIOR

23 *Walter J. Hickel*

24 Walter J. Hickel

25  
26 The covenants and conditions of this §323 Grant are

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

ARIZONA PUBLIC SERVICE COMPANY

By *M. C. Pitts*  
EXECUTIVE VICE PRESIDENT

ATTEST:  
*Lerald Higgins*  
Assistant Secretary

APPROVED AS TO FORM AND LEGALITY  
ROGER ARNEBERGH, CITY ATTORNEY

DEC 18 1969

By *Donald J. Reiser*  
Donald J. Reiser  
Deputy City Attorney

AUTHORIZED BY RES. 11677  
NOV 20 1969

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

By *Frank L. ...*  
PRESIDENT

ATTEST:  
*Mary J. ...*  
Secretary

NEVADA POWER COMPANY

By *John C. Gibbs*

ATTEST:  
*L.S. ...*  
Secretary

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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 23<sup>rd</sup> 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:

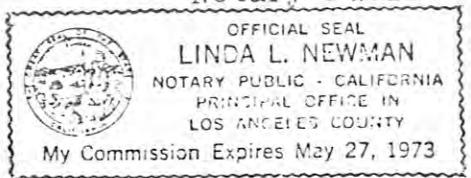
July 9, 1972

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

3 The foregoing instrument was acknowledged before me  
4 this 18<sup>th</sup> 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  
11 My Commission expires:  
12 \_\_\_\_\_

Linda L. Newman  
Notary Public

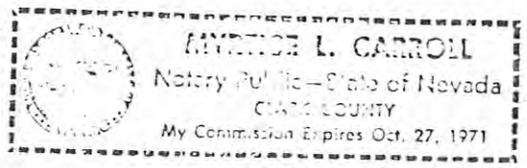


14 STATE OF Nevada )  
15 County of Clark ) ss

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

20  
21  
22 My Commission expires:  
23 \_\_\_\_\_  
24

Marjorie L. Carroll  
Notary Public



26

1 STATE OF Arizona )  
2 County of Maricopa ) ss

3 The foregoing instrument was acknowledged before me  
4 this 22<sup>nd</sup> 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  
9 *Don E. Smith*  
10 Notary Public

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

13  
14 STATE OF Arizona )  
15 County of Pima ) ss

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

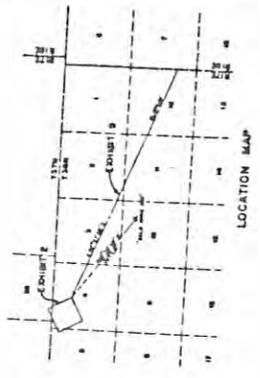
20  
21 *Barbara T. ...*  
22 Notary Public

23 My Commission expires:  
24 August 1971



SCHEDULE OF EXHIBITS

- EXHIBIT 2 - RAIL LOADING SITE
- EXHIBIT 3 - CONVEYOR AND COMMUNICATION LINES FROM THE RAIL LOADING SITE TO THE NEARBY LEASED LANDS



CONFORMED COPY

EXHIBIT - "A"

APPLICATION FOR RIGHTS OF WAY  
 BEYOND REDUCED STATION RILE B ADMINISTRATIVE FACILITIES

BY: [Name]

ENGINEER: [Name]

DATE: [Date]

SCALE: 1" = 400'

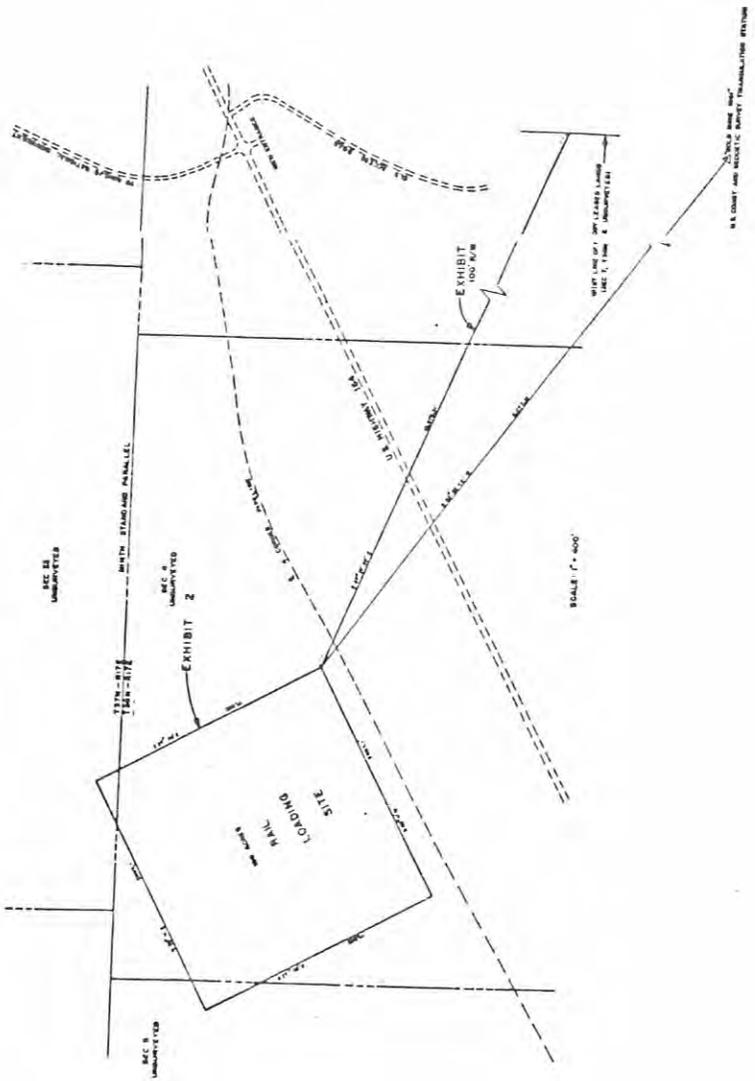


EXHIBIT 2  
RAIL LOADING SITE

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 "<sup>COAL</sup>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 "<sup>Coal</sup>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 Alignment 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. Aho*

Vice Chairman  
Navajo Tribal Council

110 11 15

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 conveyer 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. Latham*

ASSISTANT

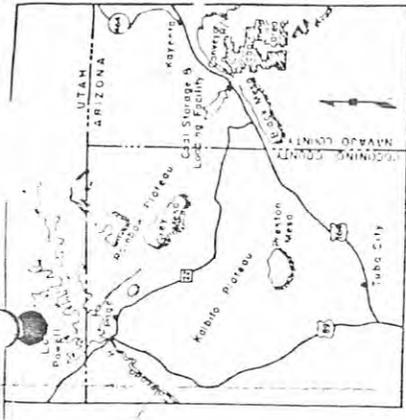
Area Real Property  
Management Officer

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:

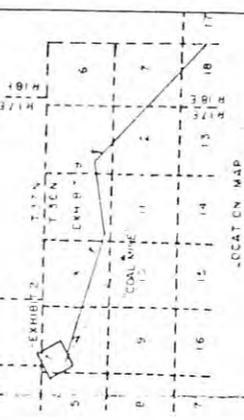
Beginning at a point being 4,524.61 feet North and 8,139.20 feet West of U. S. Coast and Geodetic Survey Triangulation Station "Coal Mine 1951" (a brass disk set in a concrete monument); thence, from point of beginning South  $72^{\circ} 32' 24''$  East for a distance of 10,749.29 feet to a point; thence, 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 LOADING SITE

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



CONFORMED COPY

RE. SEC. EXHIBITS - B

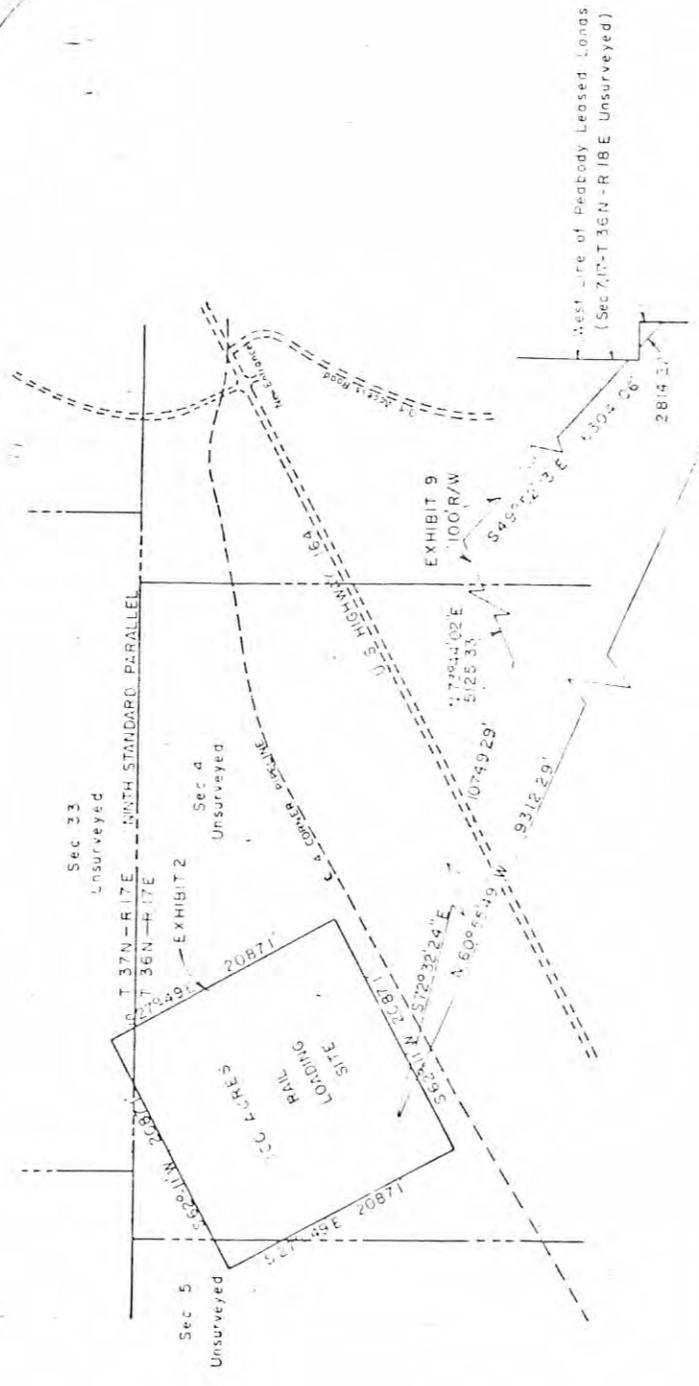
APPLICATION FOR RIGHTS OF WAY

NAVAJO GENERATION STATION SITE IMPROVEMENT INCLUDING

0.4 CH. ACROSS

T 36N - R 17E - B 137N - R 17E

S 1/4 AND S 1/4 - PEABODY LEASED LANDS AND M.D.C.M.



West line of Peabody Leased Lands  
(Sec 7, 10 - T 36N - R 18E Unserved)

US Coast and Geodetic Survey Triangulation Station

Coal Mine 1951"

AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO  
COAL CONVEYOR RIGHT-OF-WAY

This Agreement is entered into by and between Arizona Public Service Company, Department of Water and Power of the City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District, and Tucson Electric Company (hereinafter collectively, together with their successors and assigns, referred to as the "Participants"), Peabody Coal Company ("Peabody"), and Peabody Western Coal Company ("PWCC"). The above-named entities constitute the "Parties" to this Agreement.

RECITALS

A. On or about September 29, 1969, the Participants and the Navajo Tribe entered into an Indenture of Lease relating to the Navajo Generating Station and appurtenant facilities. The Lease was approved by the Secretary of the Interior.

B. Under subsection 2(d) of the Lease, the Tribe leased to the Participants certain auxiliary and related rights, including but not limited to the following:

(d) The right to construct, reconstruct, install, improve, operate, maintain, relocate and remove for purposes of replacement conveyors . . . between the Rail Loading Site and the Peabody Leases Lands. Such right may be transferred and assigned without further consent of the Tribe to the Fuel Transporter.

The "Fuel Transporter" is defined in the Lease as being "Peabody, or an entity owned or controlled by Peabody and/or the Lessees."

C. Section 11 of the Lease provides as follows:

Exercise of Rights Under the Lease. All of the rights leased to Lessees under this Lease, subject to the respective terms and conditions of the Lease, shall extend and be available to the Lessees, respectively, and to their respective officers, employees, agents, licensees, representatives, contractors, successors and assigns.

D. On or about December 10, 1969, the United States of America, through the Secretary of the Interior, granted certain rights-of-way and easements for the Navajo Project. Under Section 2.2. of the Section 323 Grant, the Secretary granted to the Participants, their successors and assigns the following rights:

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

2.2.6 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.

E. The Tribe's Advisory Committee, by Resolution ACS-213-69 dated September 4, 1969, acting for and on behalf of the Tribe, approved the Lease and consented to the terms and conditions of the Section 323 Grant.

F. On December 19, 1972, the Advisory Committee adopted Resolution ACD-411-72, consenting to and approving an amendment of the Section 323 Grant by the substitution of a revised Exhibit B and a revised Exhibit 9, which established a new centerline alignment for a conveyor and communications lines extending from the Peabody Leased Lands to the Rail Loading Site. In the same resolution, the Advisory Committee consented to and approved "the granting of rights-of-way and easements as shown in said exhibits to the Peabody Coal Company for the purposes of conveyors and communications lines." By letter dated March 5, 1973, the Bureau of Indian Affairs approved Resolution RCD-411-72.

G. For approximately twenty years, Peabody, with the consent and approval of the Participants, has operated and maintained a coal conveyor from the Peabody Leased Lands to the Rail Loading Site in the right-of-way described in revised Exhibit B and Exhibit 9 to the Section 323 Grant.

H. PWCC wishes to acquire the rights in and to the coal conveyor right-of-way from the Peabody Leased Lands to the Rail Loading Site as set forth in §2(d) of the Lease and §2.2.6 of the Section 323 Grant, including the revised Exhibit B and the revised Exhibit 9 (hereinafter referred to as the "Conveyor Right-of-Way"). The Participants, Peabody, and PWCC enter into this Agreement in order to effect such transfer and to state the terms and conditions that shall define the rights of the Parties with respect to the coal Conveyor Right-of-Way.

NOW, THEREFORE, IN CONSIDERATION OF AND SUBJECT TO THE MUTUAL AGREEMENTS, TERMS AND CONDITIONS CONTAINED HEREIN, IT IS AGREED:

1. The Participants and Peabody hereby, to the extent of their respective rights, if any, assign and transfer and/or approve and consent to the assignment and transfer of the Conveyor Right-of-Way to PWCC subject to the terms and conditions (i) specified

herein, and (ii) of the Lease and Section 323 Grant. Subject to §3 of this Agreement, PWCC is deemed to have assumed, and shall comply with, all obligations and liabilities imposed upon the Participants by the Lease, the Section 323 Grant, applicable regulations, or upon the owner of the Conveyor Right-of-Way by law, including but not limited to obligations imposed under §§8(c), 12, 19-20 and 38 of the Lease or under §§11, 18 and 19 of the 323 Grant, to the extent that those obligations and liabilities involve or relate to the Conveyor Right-of-Way. Upon written request, PWCC shall provide to the Participants proof of compliance with these obligations and liabilities.

2. In the event and to the extent that the assignment described in §1 above does not become effective upon the execution of this Agreement, the Participants and Peabody hereby designate and authorize PWCC to act as their agent in the exercise of their respective rights, if any, in and to the Conveyor Right-of-Way. Except as provided in §3 below, PWCC and Peabody agree to indemnify and hold harmless the Participants for all future obligations and liabilities imposed upon the Participants by the Lease, the Section 323 Grant, applicable regulations, or upon the owner of the Conveyor Right-of-Way by law, including but not limited to obligations imposed under §§8(c), 12, 19-20 and 38 of the Lease or under §§11, 18 and 19 of the 323 Grant, to the extent that those obligations and liabilities involve or relate to exercise or failure to exercise by PWCC of the agency or rights granted by this Agreement.

3. To the extent that the respective rights and obligations of the Parties relating to the right of Peabody or PWCC to recover from the Participants full or partial reimbursement of expenses relating to the Conveyor Right-of-Way, are addressed in the Amended Navajo Project Coal Supply Agreement, dated February 18, 1977, ("Coal Supply Agreement"), the provisions of that Agreement shall prevail over the provisions contained herein. The Parties have no intent in this Agreement to alter what has been the customary interpretation and practice with respect to the rights and obligations of the parties to the Coal Supply Agreement, or the allocation or reimbursement of such expenses between the Buyer and Seller under the Coal Supply Agreement.

4. Unless the Participants in writing direct PWCC to do otherwise, PWCC, as transferee of the Participants, shall give notice to the Tribe in compliance with the requirements of §6 of the Lease for extending the lease of the Conveyor Right-of-Way for subsequent 25 year terms, and shall comply with 25 C.F.R. §161.19 (1969) and all other requirements for obtaining a renewal of the 323 Grant to the extent the grant relates to the Conveyor Right-of-Way.

5. No assignment, license or other transfer, in whole or in part, of any such rights, title, interest, obligations or liabilities relating to the Conveyor Right-of-Way (including without limitation, any security interest therein other than mechanics liens) shall be entered into or permitted by Peabody or PWCC without the prior written consent of the Participants.

6. If the Conveyor Right-of-Way ceases to be used for supplying coal to the Participants at the Rail Loading Site, any and all rights, title and interest conveyed by the Participants to PWCC shall be deemed to expire and shall revert to the Participants. PWCC subject §3 of this Agreement, shall have no responsibility for obligations or liabilities arising thereafter but PWCC and any transferee or licensee of PWCC shall be obligated and liable for all losses, claims and damages to the extent that such losses, claims, or damages are based upon or arise in connection with any acts or failure to act prior to such reversion.

7. In the event PWCC becomes aware of any controversy, demand, request or notice relating to the Conveyor Right-of-Way that could materially affect any of the Participants' obligations, rights or benefits under the Lease or the Section 323 Grant, PWCC (or its successors, assigns, or licensees relating to the Conveyor Right-of-Way) shall immediately give written notice to each of the Participants in the manner specified in Section 29 of the Lease.

8. The terms and conditions set forth in §1 of this Agreement supersede any provisions in any prior agreement by which the Participants may have granted to Peabody any rights relating to the Conveyor Right-of-Way.

9. The effective date of this Agreement shall be the date on which it is fully executed, except that the assignment and transfer provided for in §1 shall not be effective until any additional approval or consent, if any, that is determined to be legally necessary, shall have been obtained. Peabody and PWCC shall use reasonable efforts to ascertain the necessity of obtaining any additional approval or consent, and to obtain such approval or consent, if necessary, as expeditiously as possible.

10. This Agreement may be executed in any number of counterparts, and upon execution of this Agreement by all parties, the executed counterparts together shall have the same force and effect as an original instrument as if all parties had signed the same instrument.

IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By *Greg G. Mulvan*

PEABODY COAL COMPANY

By *W. Howard Carr*

ARIZONA PUBLIC SERVICE COMPANY

By \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By \_\_\_\_\_

NEVADA POWER COMPANY

By \_\_\_\_\_

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_

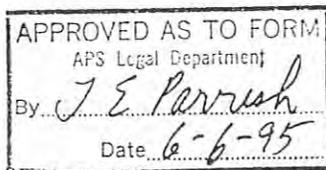
IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By \_\_\_\_\_

PEABODY COAL COMPANY

By \_\_\_\_\_



ARIZONA PUBLIC SERVICE COMPANY

By Jack Davis

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By \_\_\_\_\_

NEVADA POWER COMPANY

By \_\_\_\_\_

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By \_\_\_\_\_

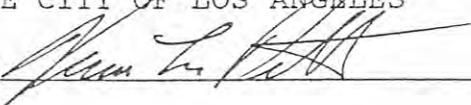
PEABODY COAL COMPANY

By \_\_\_\_\_

ARIZONA PUBLIC SERVICE COMPANY

By \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By  \_\_\_\_\_

NEVADA POWER COMPANY

By \_\_\_\_\_

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By \_\_\_\_\_

PEABODY COAL COMPANY

By \_\_\_\_\_

ARIZONA PUBLIC SERVICE COMPANY

By \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By \_\_\_\_\_

NEVADA POWER COMPANY

By David S. Baum

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_



IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By \_\_\_\_\_

PEABODY COAL COMPANY

By \_\_\_\_\_

ARIZONA PUBLIC SERVICE COMPANY

By \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By \_\_\_\_\_

NEVADA POWER COMPANY

By \_\_\_\_\_

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By David J. Bergman

TUCSON ELECTRIC POWER COMPANY

By \_\_\_\_\_

IN WITNESS WHEREOF, the parties have caused this AGREEMENT REGARDING TRANSFER AND ASSIGNMENT OF RIGHTS TO COAL CONVEYOR RIGHT-OF-WAY to be executed by their duly authorized officers and agents as of the 1st day of June, 1995.

PEABODY WESTERN COAL COMPANY

By \_\_\_\_\_

PEABODY COAL COMPANY

By \_\_\_\_\_

ARIZONA PUBLIC SERVICE COMPANY

By \_\_\_\_\_

DEPARTMENT OF WATER AND POWER OF  
THE CITY OF LOS ANGELES

By \_\_\_\_\_

NEVADA POWER COMPANY

By \_\_\_\_\_

SALT RIVER PROJECT AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

By \_\_\_\_\_

TUCSON ELECTRIC POWER COMPANY

By Thomas K. Hansen

RESOLUTION OF THE  
RESOURCES COMMITTEE  
OF THE NAVAJO NATION COUNCIL

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 Leases Nos. 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

WHEREAS:

- 1) Pursuant to 2 N.N.C. § 691, the Resources Committee of the Navajo Nation Council is established and continued as a standing committee of the Navajo Nation Council; and
- 2) Pursuant to 2 N.N.C. § 695(B)(2), the Resources Committee of the Navajo Nation Council is authorized to give final approval of non-mineral leases and rights-of-way in Navajo Nation-owned lands in accordance with applicable federal and Navajo Nation laws; and
- 3) Pursuant to 2 N.N.C. § 695(B)(6), the Resources Committee of the Navajo Nation Council is authorized to give final approval of all land withdrawals for rights-of-way, including all surface easements and other clearances related but not limited to powerline, waterline and sewer line extensions; and
- 4) Pursuant to 2 N.N.C. § 695(B)(11), the Resources Committee of the Navajo Nation Council is authorized to oversee the enforcement and administration of applicable Navajo Nation and federal laws, regulations, guidelines and administrative procedures in the development and utilization of resources; and
- 5) Pursuant to 2 N.N.C. § 695(B)(14), the Resources Committee of the Navajo Nation Council is the legislative oversight authority for the Navajo Nation Division of Natural Resources, including the Navajo Land Department and the Minerals Department, and over all matters affecting Navajo resources; and
- 6) Pursuant to 2 N.N.C. § 1964(A), the Attorney General of the Navajo Nation is the Chief Legal Officer of the Navajo Nation and shall have charge of the Navajo Nation Department of Justice; and



7) Pursuant to 2 N.N.C. § 1964(F), the Attorney General of the Navajo Nation shall defend and initiate all actions in which the Navajo Nation is a party, and may compromise or settle any action or claim by or against the Navajo Nation government, after consultation with the particular branch, division, department or program involved; and

8) Pursuant to 16 N.N.C. §§ 2251, 2252 and 2254, it is unlawful for any person to possess, enter upon or use Navajo Nation lands, except pursuant to a valid lease, easement, right-of-way or permit, duly issued by the Navajo Nation or the United States, and any person unlawfully possessing, entering upon or using Navajo Nation lands is liable to the Navajo Nation for all damages proximately caused by such unlawful possession, entrance upon or use; and

9) On February 1, 1964, the Navajo Nation entered into a Coal Lease No. 14-20-0603-8580, with Sentry Royalty Company, a Nevada corporation, for Navajo Nation-owned lands and coal north of the north boundary of the reservation established by the Executive Order of December 16, 1882, 2 N.N.C. Appendix 401, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

10) On June 6, 1966, the Navajo Nation entered into a Coal Lease No. 14-20-0603-9910, with Sentry Royalty Company, a Nevada corporation, for lands and coal within the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

11) On June 6, 1966, the Hopi Tribe entered into a Coal Lease No. 14-20-0450-5743, with Sentry Royalty Company, a Nevada corporation, for lands and coal within the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

12) All of Sentry Royalty Company's right, title and interest in and to Coal Leases Nos. 14-20-0603-8580, 14-20-0603-9910 and 14-20-0450-5743 have been assigned to Peabody Western Coal Company, a Delaware corporation (PWCC); and

13) Commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary of the Interior (Secretary), PWCC constructed and since that time continually has used a 69 kilovolt (kV) electric transmission line, on 8.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, Gila and Salt River Base and Meridian (G&SRB&M); and



14) Commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary, PWCC constructed and since that time continually has used a 14-inch buried waterline and access road, on 11.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

15) Since on or about January 1, 1970, without the consent of the Navajo Nation or the Secretary, PWCC continually has used as a haul road former Navajo Route 41, on 71.06 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

16) Commencing on or about January 1, 1968, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used an access road to Navajo Water Well No. 4, on 1.70 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

17) Commencing on or about January 1, 1982, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used sedimentation ponds, fences and maintenance roads associated with the overland conveyer, on 10.40 acres, more or less, of Navajo Nation-owned lands within Township 36 North, Range 18 East, G&SRB&M; and

18) Commencing on or about January 1, 1972, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used sedimentation ponds, fences, maintenance roads, a 69 kV electric transmission line and transfer facilities associated with the overland conveyer, on 11.77 acres, more or less, of Navajo Nation-owned lands within Township 36 North, Range 17 East, G&SRB&M; and

19) Amendments to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910 were approved by the Secretary on or about December 14, 1987, subject to certain terms and conditions, including the condition that PWCC must apply for and obtain rights-of-way for all Navajo Nation lands being used by PWCC outside the leased premises of said Coal Leases in compliance with applicable laws; and

20) On or about June 24, 1994, PWCC submitted an application for the grant of a right-of-way for said Navajo Nation-owned lands currently being used by PWCC, totaling 114.99 acres, more or less, plus additional Navajo Nation-owned lands totaling 245.95 acres, more or less, for a total of 360.94 acres, more or less. This application was revised by PWCC on or about October 11, 1994, on or about June 13, 1996, and on or about August 19, 1996. These lands are comprised of 278.91 acres, more or less, within sections 3, 4, 9 and 10, Township 35 North, Range 18 East, G&SRB&M ("Parcel One"); 4.54 acres, more or less, within section 9, Township 35 North, Range 18 East, G&SRB&M ("Parcel Two"); 37.79 acres, more or less, within section 18 Township 36 North, Range 18 East, G&SRB&M ("Parcel Three"); and 39.70 acres, more or less, within sections 1, 2, 3, 4, 11 and 12, Township 36 North, Range 17



East, G&SRB&M ("Parcel Four"), more particularly described in Exhibits "A," "B," "C" and "D," respectively, attached hereto and incorporated herein; and

21) The amount of damages to the interests of individual grazing permittees, customary use rights holders and other private interests of individual Navajo people in and to the lands subject to the proposed right-of-way have been estimated by the Navajo Land Department in accordance with the provisions of 16 N.N.C. § 1403, and twice the estimated amount of damages has been deposited with the Controller of the Navajo Nation by PWCC in accordance with said provisions; and

22) All necessary environmental and archaeological studies have been performed and are contained within the revised application by PWCC for grant of right-of-way; and

23) The Navajo Nation Department of Justice on behalf of the Navajo Nation has commenced and prosecuted certain actions and appeals against PWCC before the Commissioner of Indian Affairs and the Interior Board of Land Appeals relating to underpayment and undervaluation of coal royalties by PWCC under Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910, being MMS-92-0022-IND; MMS-92-0617-IND; MMS-RVS-SM:91-0262; MMS-92-0477-IND and MMS-93-0724; and MMS-90-0046-IND ("royalty valuation cases"); and

24) The Navajo Nation and PWCC have negotiated an agreement on consideration, terms and conditions providing for the grant of a right-of-way for said lands to PWCC, the settlement and waiver of further claims resulting from PWCC's unauthorized past use of identified Navajo Nation lands, and the partial settlement of the outstanding royalty valuation cases between the Navajo Nation and PWCC, as provided in the Memorandum of Agreement between the Navajo Nation and PWCC, a copy of which is attached hereto as Exhibit "G" and incorporated herein; and

25) The Navajo Nation Energy Resources Task Force, the Navajo Nation Minerals Department, the Division of Natural Resources and the Navajo Nation Department of Justice recommend the acceptance and approval of the said Memorandum of Agreement as being in the best interests of the Navajo Nation and the Navajo people; and

26) The Resources Committee of the Navajo Nation Council has reviewed the said proposed Memorandum of Agreement and finds that it is in the best interests of the Navajo Nation and the Navajo people.



NOW THEREFORE BE IT RESOLVED THAT:

1. The Resources Committee of the Navajo Nation Council hereby approves the Memorandum of Agreement between the Navajo Nation and Peabody Western Coal Company, a copy of which is attached hereto as Exhibit "G" and incorporated herein.

2. The Resources Committee of the Navajo Nation Council hereby approves and consents to the grant of a right-of-way to Peabody Western Coal Company, a Delaware corporation (PWCC) (the "Grantee"), over 360.94 acres, more or less, of Navajo Nation-owned lands, comprised of 278.91 acres, more or less, within sections 3, 4, 9 and 10, Township 35 North, Range 18 East, Gila and Salt River Base and Meridian (G&SRB&M) ("Parcel One"); 4.54 acres, more or less, within section 9, Township 35 North, Range 18 East, G&SRB&M ("Parcel Two"); 37.79 acres, more or less, within section 18 Township 36 North, Range 18 East, G&SRB&M ("Parcel Three"); and 39.70 acres, more or less, within sections 1, 2, 3, 4, 11 and 12, Township 36 North, Range 17 East, G&SRB&M ("Parcel Four"), more particularly described in Exhibits "A," "B," "C" and "D," respectively, attached hereto and incorporated herein, and subject to, but not limited to, the terms and conditions attached hereto as Exhibit "E," attached hereto and incorporated herein.

3. The Resources Committee of the Navajo Nation Council hereby acknowledges and supports the partial settlement by the Attorney General of certain actions and appeals between the Navajo Nation and PWCC before the Commissioner of Indian Affairs and the Interior Board of Land Appeals relating to underpayment and undervaluation of coal royalties by PWCC under Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910, being MMS-92-0022-IND; MMS-92-0617-IND; MMS-RVS-SM:91-0262; MMS-92-0477-IND and MMS-93-0724; and MMS-90-0046-IND, in accordance with the Royalty Valuation Cases Partial Settlement Agreement between the Navajo Nation and PWCC, a copy of which is attached hereto as Exhibit "F" and incorporated herein.

4. The Resources Committee of the Navajo Nation Council hereby authorizes the President of the Navajo Nation to perform all acts and execute all documents on behalf of the Navajo Nation which are necessary and appropriate to carry out 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 5 in favor, 0 opposed and 0 abstained, this 19th day of August, 1996.



Chairperson  
Resources Committee

Motion: George Arthur  
Second: Jones Begay



PARCEL #1

THE FOLLOWING IS A DESCRIPTION OF A RIGHT-OF-WAY ACROSS A PARCEL OF LAND WITHIN THE 1882 EXECUTIVE ORDER JOINT USE AREA SITUATED WITHIN LAND MANAGEMENT DISTRICT NO. 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 U.S.G.S. 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.

Exhibit "A"



LEGAL DESCRIPTION OF PARCEL #2 RIGHT OF WAY

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 South 89°59'39" East, along said TRACT NO. 1 lease boundary recorded in said Docket 259, Page 406, a distance of 1559.08 feet to the TRUE POINT OF BEGINNING of this description, monumented with a brass cap in concrete (BC);  
THENCE North 32°00'23" East, 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 North 00°17'54" East, 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 South 78°50'17" East, 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 North 87°31'58" East, 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 North 42°01'41" East, 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 North 03°42'37" East, a distance of 265.71 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 South 20°44'05" East 17.33 feet;  
THENCE Southerly along said curve, a distance of 17.33 feet;  
THENCE South 21°21'19" East, 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 South 03°42'37" West, 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 South 42°01'41" West, 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 South 87°31'58" West, 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 North 78°50'17" West, 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 South 00°17'54" West, 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 368.66 feet and a central angle of 31°42'29";  
THENCE South 32°00'23" West, a distance of 23.13 feet to the above described Peabody Lease line;  
THENCE North 89°59'39" West, 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.



Exhibit "B"

PARCEL #3

The following is a description of a parcel of land situated within Land Management District No. 8 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, and except those portions thereof containing 5.47 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 400 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended.

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



**Exhibit "C"**

PARCEL #4

The following is a description of a parcel of land situated within Land Management District No. 8 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 S 45°45'57" E, 54.64 feet;
Thence N 16°54'24" E, 269.91 feet;	Thence S 72°39'06" E, 1,083.60 feet;
Thence N 52°19'00" W, 1,416.63 feet;	Thence N 77°25'42" E, 64.46 feet;
Thence N 46°21'51" W, 1,022.96 feet;	Thence S 69°06'09" E, 76.26 feet;
Thence N 79°35'57" W, 163.05 feet;	Thence S 60°08'19" E, 92.71 feet;
Thence N 46°16'36" W, 111.07 feet;	Thence S 75°11'56" E, 1,373.56 feet;
Thence N 15°03'29" E, 81.59 feet;	Thence S 80°50'06" E, 470.30 feet;
Thence N 49°52'27" W, 1,227.62 feet;	Thence S 71°14'14" E, 571.25 feet;
Thence S 35°46'32" W, 63.55 feet;	Thence N 78°55'59" E, 327.04 feet;
Thence N 62°11'13" W, 186.43 feet;	Thence N 88°30'45" E, 611.69 feet;
Thence N 31°03'20" E, 104.31 feet;	Thence N 73°39'50" E, 2,028.36 feet;
Thence N 49°53'08" W, 657.71 feet;	Thence N 52°41'12" E, 151.80 feet;
Thence N 83°25'46" W, 300.65 feet;	Thence S 84°47'43" E, 213.05 feet;
Thence N 75°30'11" W, 270.16 feet;	Thence N 73°38'22" E, 696.24 feet;
Thence N 56°18'04" W, 198.53 feet;	Thence N 56°06'02" E, 143.09 feet;
Thence S 73°43'13" W, 4,167.54 feet;	Thence N 80°49'03" E, 371.81 feet;
Thence S 17°24'00" E, 5.40 feet;	Thence N 56°41'49" E, 801.84 feet;
Thence S 71°26'00" W, 918.66 feet;	Thence S 53°41'20" E, 900.38 feet;
Thence N 19°36'41" W, 227.35 feet;	Thence S 23°41'41" E, 486.36 feet;
Thence N 71°01'58" W, 1,006.37 feet;	Thence S 49°52'40" E, 1,306.12 feet;
Thence N 72°18'32" W, 1,296.59 feet;	Thence N 30°41'12" E, 110.20 feet;
Thence N 72°38'11" W, 1,263.68 feet;	Thence S 46°53'21" E, 638.47 feet;
Thence S 33°40'49" W, 21.40 feet;	Thence S 38°51'20" W, 75.58 feet;
Thence N 74°01'47" W, 172.39 feet;	Thence S 51°07'57" E, 1,006.51 feet;
Thence N 08°47'08" W, 30.44 feet;	Thence N 86°43'08" E, 154.54 feet;
Thence N 71°44'38" W, 911.11 feet;	Thence S 45°58'40" E, 229.13 feet;
Thence N 02°48'30" W, 109.38 feet;	Thence S 10°27'03" W, 82.47 feet;
Thence S 72°26'55" E, 915.42 feet;	Thence S 50°18'27" E, 1,630.18 feet;
Thence N 81°37'19" E, 56.42 feet;	Thence S 00°45'48" W, 552.85 feet to the
Thence S 72°30'52" E, 137.21 feet;	Point of Beginning.



Exhibit "D"

PARCEL #4

(Continued)

BEING 73.11 acre(s), more or less, and except those portions thereof containing 37.50 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 400 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended.

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



Exhibit "D"

PARCEL #4B

The following is a description of a parcel of land situated within Land Management District No. 8 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, and except those portions thereof containing 6.80 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 400 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended.

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



Exhibit "D"

PARCEL #4C

The following is a description of a parcel of land situated within Land Management District No. 8 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, and except those portions thereof containing 3.68 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 400 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended.

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



**Exhibit "D"**

EXHIBIT "E"

RIGHT-OF-WAY TERMS AND CONDITIONS  
THE NAVAJO NATION  
and  
PEABODY WESTERN COAL COMPANY (Grantee)

- A) The term of the right-of-way shall commence July 1, 1996, and extend for so long thereafter as mining or reclamation activities are being conducted pursuant to one (1) or more of Coal Leases Nos. 14-20-0603-8580, 14-20-0603-9910 and 14-20-0450-5743.
- B) Consideration to the Navajo Nation for the grant of the right-of-way through December 31, 2001, shall be One Million Four Hundred Sixty-Nine Thousand Six Hundred Eighty-Three Dollars (\$1,469,683), and shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States, within forty-eight (48) hours of approval of the right-of-way by the Resources Committee of the Navajo Nation Council, in accordance with the Memorandum of Agreement between the Navajo Nation and PWCC entered into on even date herewith. Payment shall be made by wire transfer into the bank account of the Navajo Nation identified for such purpose by the Controller. The Controller shall identify such account and provide the Grantee with necessary routing and other information within twenty-four (24) hours of approval of the right-of-way by the Navajo Nation. Consideration to the Navajo Nation for the grant of the right-of-way for the period after December 31, 2001, shall be negotiated by mutual agreement of the Navajo Nation and the Grantee prior to December 31, 2001, and shall be renegotiated every ten (10) years thereafter; provided, that consideration for any period after December 31, 2001, shall be not less than the fair market value of the right-of-way; and provided further, that the rate of consideration established herein for the period through December 31, 2001, shall be the minimum rate of consideration for any period after December 31, 2001.
- C) The Grantee may use the respective parcels and portions of parcels of lands within the right-of-way for the respective purposes identified in the Application for Grant of Right-of-Way submitted by the Grantee on June 24, 1994, as revised on October 11, 1994, as further revised on June 13, 1996, and on August 19, 1996, and for no other purpose.



- D) The maximum capacity of the existing electric transmission lines within the right-of-way shall be 69 kilovolts (kV). The maximum capacity of the electric transmission lines shall not be increased without the prior written consent of the Navajo Nation. The consent of the Navajo Nation may be granted, granted upon conditions or withheld in the sole discretion of the Navajo Nation.
- E) In all activities conducted by the Grantee within the Navajo Nation, the Grantee shall abide by all laws and regulations of the Navajo Nation and of the United



the NNEPA prior to any new surface disturbance. The Grantee shall comply with all provisions of such restoration and revegetation plan.

- I) The Grantee, at all times during the term of the right-of-way and at the Grantee's sole cost and expense, shall maintain the land and all improvements thereon and make all necessary and reasonable repairs.
- J) The Grantee shall obtain permission to cross existing rights-of-way, if any, from the appropriate parties prior to any new construction activities.
- K) The Grantee shall be responsible for and promptly pay all damages when they are sustained.
- L) The Grantee shall indemnify and hold harmless the Navajo Nation and its authorized agents, employees, landusers and occupants, against any liability for loss of life, personal injury and property damages arising from the construction, maintenance, occupancy or use of the lands by the Grantee.
- M) The Grantee may assign the right-of-way, or any interest therein, to Peabody Holding Company, Inc., or to a subsidiary or affiliate in which Peabody Holding Company, Inc. or the Grantee holds an ownership interest greater than fifty percent (50%), with the prior written consent of the Navajo Nation and the Secretary. The consent of the Navajo Nation to any such assignment shall not be unreasonably withheld. Except as otherwise provided in the foregoing, the Grantee shall not assign, convey or transfer, in any manner whatsoever, the right-of-way or any interest therein, or in or to any of the improvements on the land, without the prior written consent of the Navajo Nation and the Secretary. The consent of the Navajo Nation may be granted, granted upon conditions, or withheld in the sole discretion of the Navajo Nation. Any such attempted assignment, conveyance or transfer without such prior written consent shall be void and of no effect.
- N) The Navajo Nation may terminate the right-of-way for violation of any of the terms and conditions stated herein. In addition, the right-of-way shall be terminable in whole or in part by the Navajo Nation for any of the following causes:
  - a) Failure to comply with any terms or conditions of the grant or of applicable laws or regulations;
  - b) A non-use of the right-of-way for the purposes for which it is granted for a consecutive two (2) year period;
  - c) An abandonment of the right-of-way;



- d) The use of the lands for any purpose inconsistent with the purposes for which the right-of-way is granted.

The Navajo Nation shall provide written notice to the Grantee of any violation of said terms and conditions or any other cause for termination of the right-of-way. The Grantee shall have thirty (30) days from receipt of such notice to cure any violation or cause for termination. If the violation or cause for termination is such that it cannot be cured within a 30-day period, the Navajo Nation shall not terminate the right-of-way for such violation or cause for termination if the Grantee within thirty (30) days from receipt of such notice has commenced and diligently pursues reasonable action to cure said violation or cause for termination and such cure is completed within a reasonable period of time thereafter.

- O) At the termination of the right-of-way, the Grantee shall peaceably and without legal process deliver up the possession of the premises, in good condition, usual wear and tear excepted. Upon the written request of the Navajo Nation, the Grantee shall provide the Navajo Nation, at the Grantee's sole cost and expense, with an environmental audit assessment of the premises at least sixty (60) days prior to delivery of said premises.
- P) Holding over by the Grantee after the termination of the right-of-way shall not constitute a renewal or extension thereof or give the Grantee any rights hereunder or in or to the lands or to any improvements located thereon.
- Q) The Navajo Nation and the Secretary shall have the right, at any reasonable time during the term of the right-of-way, to enter upon the premises, or any part thereof, to inspect the same and any buildings and other improvements erected or placed thereon.
- R) By acceptance of the grant of right-of-way, the Grantee consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by the Grantee within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation. Nothing contained in this Paragraph shall be construed to impose an independent limitation on access by the Grantee to federal court, nor to abrogate or impair any right of the Grantee created or recognized by any valid, prior contract with the Navajo Nation or otherwise by operation of law.
- S) 1) Any action or proceeding brought by the Grantee against the Navajo Nation in connection with or arising out of the terms and conditions of the right-of-way shall be brought only in the Courts of the Navajo Nation, and no such action or proceeding shall be brought by the Grantee against the Navajo Nation in any court of any state.



2) Notwithstanding the provisions of Subparagraph (1) of this Paragraph, if the Navajo Nation and the Grantee are unable to reach mutual agreement prior to December 31, 2001, on the amount of consideration to the Navajo Nation for the grant of the right-of-way for the ten-year period after December 31, 2001, or prior to the expiration of any respective ten-year renegotiation period thereafter as specified above in Paragraph (B) of these Right-of-Way Terms and Conditions, then either the Navajo Nation or the Grantee, at either party's sole option, may elect to have the determination of the amount of consideration to the Navajo Nation submitted to arbitration.

a) If the parties do not agree on an amount consistent with fair market value on or before December 31, 2001, or the last day of any ten-year period thereafter, either party may give written notice to the other party of its intent to arbitrate. The arbitration shall commence within sixty (60) days of receipt of such notice and shall be concluded within six (6) months thereafter. The arbitration shall be conducted in accordance with these Right-of-Way Terms and Conditions and the following procedures.

b) Unless the parties agree upon the appointment of a single arbitrator within thirty (30) days of the date arbitration is required to commence, a panel of arbitrators consisting of three (3) members shall be appointed as follows. Within ten (10) working days from the end of the thirty (30) day period, one member shall be appointed by the Navajo Nation and one member shall be appointed by PWCC. The President of the Navajo Nation is authorized to select any arbitrator for the Navajo Nation pursuant to these Right-of-Way Terms and Conditions. The third member shall be appointed by agreement of the other two members. In the event the two members cannot agree upon the third arbitrator within fifteen (15) working days from the end of the ten-day period, the third arbitrator shall be chosen by the Regional Vice-President of the American Arbitration Association for Arizona or his lawful successor.

c) Expenses of arbitration shall be shared equally by the Navajo Nation and PWCC. Meetings of the arbitrators may be in person, or, in appropriate circumstances, by telephone. All decisions of the arbitration panel shall be by majority vote of the panel, shall be in writing, and, together with any dissenting opinion, shall be delivered to the parties. All decisions shall be made and delivered prior to the expiration of the six (6) month period after receipt of notice for conclusion of the arbitration, unless the parties agree on a longer period in writing.

d) The arbitrator or arbitration panel shall have the power to administer oaths to witnesses, to take evidence under oath, and, by majority vote, to issue subpoenas to compel the attendance of employees



and members of the Navajo Nation and employees of PWCC or for the production of books, records, documents and other relevant evidence by the Navajo Nation and PWCC.

e) The arbitrator or arbitration panel shall hold hearings in proceedings before it and shall give reasonable advance notice to the parties by registered mail not less than five (5) working days before any hearing. Appearance at a hearing waives such notice. Unless otherwise agreed by the parties, all hearings shall be held either in Flagstaff, Arizona or Window Rock, Navajo Nation (Arizona), and, where evidence is taken, shall be held on the record. The arbitrator or arbitration panel may hear and determine the controversy only upon the evidence produced before it, and may determine the controversy notwithstanding the failure of any party duly notified to appear. The parties each are entitled to be heard at all hearings, to present evidence material to the matter subject to arbitration, to cross-examine witnesses appearing at the hearing, and to be represented by counsel at its own expense. A transcript shall be kept of all proceedings before the arbitrator or arbitration panel. Except as necessary for the enforcement or appeal of the arbitration decision, the parties and arbitrator or arbitration panel shall maintain the confidentiality of any such transcript.

f) The decision of the arbitrator or arbitration panel shall be limited to establishing the compensation amount for the rights-of-way consistent with these Right-of-Way Terms and Conditions and shall be presumed to be valid. A decision of the arbitrator or arbitration panel may be vacated only by the Navajo Nation District Court for the District of Window Rock on one of the following grounds:

(i) the decision was procured by corruption, fraud or undue means;

(ii) there was evident partiality or corruption by the arbitrator, arbitration panel or by any member;

(iii) the arbitrator, arbitration panel, or any member was guilty of misconduct in refusing to hear the question or in refusing to hear evidence pertinent and material to the question, or any other clear misbehavior by which the rights of either party have been substantially prejudiced;

(iv) the arbitrator, arbitration panel, or any member exceeded his or its authority under the terms of these Right-of-Way Terms and Conditions; or



(v) the decision of the arbitrator or arbitration panel is contrary to law.

g) Arbitration awards shall be effective on the date of the arbitration decision. Sums due shall accrue interest from the date of the arbitration award at the prime rate then charged by Norwest Bank Arizona, or its successor.

T) Nothing contained herein shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.

U) Except as may be prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of the terms and conditions contained herein.

V) The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of the Grantee, and the term "Grantee," whenever used herein, shall be deemed to include all such successors, heirs, assigns, executors, administrators, employees and agents.



**ROYALTY VALUATION CASES PARTIAL SETTLEMENT AGREEMENT**  
between  
**THE NAVAJO NATION**  
and  
**PEABODY WESTERN COAL COMPANY**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of August, 1996, by and between **THE NAVAJO NATION**, a federally-recognized Indian nation, hereinafter called the "Navajo Nation," whose address is P. O. Box 9000, Window Rock, Navajo Nation (Arizona) 86515, by and through Herb Yazzie, Attorney General of the Navajo Nation, in accordance with and pursuant to the provisions of 2 N.N.C. § 1964(F), and **PEABODY WESTERN COAL COMPANY**, a Delaware corporation, hereinafter called "PWCC," whose address is 1300 South Yale Street, Flagstaff, Arizona 86001.

**RECITALS**

**WHEREAS**, on February 1, 1964, the Navajo Nation entered into a Coal Lease No. 14-20-0603-8580, with Sentry Royalty Company, a Nevada corporation, for Navajo Nation-owned lands and coal north of the north boundary of the reservation established by the Executive Order of December 16, 1882, 2 N.N.C. Appendix 401, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

**WHEREAS**, on June 6, 1966, the Navajo Nation entered into a Coal Lease No. 14-20-0603-9910, with Sentry Royalty Company, a Nevada corporation, for lands and coal with the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

**WHEREAS**, all of Sentry Royalty Company's right, title and interest in and to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910 have been assigned to PWCC; and

**WHEREAS**, pursuant to 2 N.N.C. § 1964(A), the Attorney General of the Navajo Nation is the Chief Legal Officer of the Navajo Nation and shall have charge of the Navajo Nation Department of Justice; and

**WHEREAS**, pursuant to 2 N.N.C. § 1964(F), the Attorney General of the Navajo Nation shall defend and initiate all actions in which the Navajo Nation is a party, and may compromise or settle any action or claim by or against the Navajo Nation government, after consultation with the particular branch, division, department or program involved; and

**WHEREAS**, the Navajo Nation Department of Justice on behalf of the Navajo Nation has commenced and prosecuted certain actions and appeals against PWCC before the Commissioner of Indian Affairs and the Interior Board of Land Appeals (IBLA) relating to



underpayment and undervaluation of coal royalties by PWCC under Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910, being MMS-92-0022-IND; MMS-92-0617-IND; MMS-RVS-SM:91-0262; MMS-92-0477-IND and MMS-93-0724; and MMS-90-0046-IND ("royalty valuation cases"); and

**WHEREAS**, the Navajo Nation Department of Justice and PWCC have negotiated an agreement on the partial settlement of the outstanding royalty valuation cases between the Navajo Nation and PWCC, and now wish to reduce that agreement to writing:

**NOW, THEREFORE**, in consideration of the foregoing and the covenants, promises, terms and conditions contained herein, the parties hereto hereby mutually agree as follows:

### OPERATIVE PROVISIONS

#### 1. PAYMENT.

PWCC hereby agrees to pay to the Navajo Nation the sum of Two Million Six Hundred Fifty Nine Thousand Two Hundred Ninety Seven Dollars (\$2,659,297.00). Such sum shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States within forty-eight (48) hours of the execution of this Agreement by the parties hereto, in accordance with the Memorandum of Agreement between the Navajo Nation and PWCC entered into on even date herewith. Payment shall be made by wire transfer into the bank account of the Navajo Nation identified for such purpose by the Controller. The Controller shall identify such account and provide PWCC with necessary routing and other information within twenty-four (24) hours of execution of this Agreement by the parties hereto.

#### 2. PARTIAL SETTLEMENT.

(A) The Navajo Nation and PWCC hereby agree to the following terms and conditions, which shall be applicable to the royalty valuation cases in the following events, and under no other circumstances.

(B) If pursuant to a final, non-appealable order of a court or administrative body of competent jurisdiction, the Navajo Nation is awarded a full recovery from PWCC under any of its claims which are the subject of MMS-90-0046-IND (IBLA 95-424/425) PWCC shall receive a credit from the Navajo Nation in the amount of One Million Dollars (\$1,000,000.00) against any such award. As used herein, full recovery shall mean the amount of the claim presented by the Navajo Nation plus interest to the date of final order or settlement.

(C) If the Navajo Nation is unsuccessful in its claims which are the subject of MMS-90-0046-IND as set out in Subparagraph 2(B) above, then neither PWCC nor the Navajo Nation shall have any further obligation to the other with respect to the Navajo Nation's claims related to MMS-90-0046-IND (IBLA 95-424/425);



(D) If pursuant to a final, non-appealable order of a court or administrative body of competent jurisdiction, the Navajo Nation is awarded a full recovery from PWCC under either or both of its claims which are the subject of MMS-92-0022-IND and MMS-92-0617-IND, PWCC shall receive a credit from the Navajo Nation in an amount not to exceed One Million Dollars (\$1,000,000.00) to be applied against either such award, or between both awards, as PWCC determines in its sole discretion. As used herein, "full recovery" shall mean the amount of the claim presented by the Navajo Nation plus interest to the date of final order or settlement;

(E) If the Navajo Nation is unsuccessful in its claims which are the subject of MMS-92-0022-IND and MMS-92-0617-IND as set out in Subparagraph 2(D) above, then neither PWCC nor the Navajo Nation shall have any further obligation to the other with respect to the Navajo Nation's claims related to MMS-92-0022-IND and MMS-92-0617-IND;

(F) If pursuant to a final, non-appealable order of a court or administrative body of competent jurisdiction, the Navajo Nation is awarded a full recovery from PWCC under its claim which is the subject of MMS-RVS-SM:91-0262, PWCC shall receive a credit from the Navajo Nation in the amount of Six Hundred Fifty-Five Thousand Dollars (\$655,000.00) against any such award. As used herein, "full recovery" shall mean the amount of the claim presented by the Navajo Nation plus interest to the date of final order or settlement;

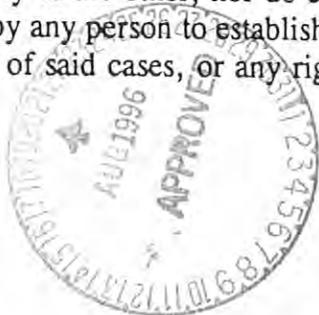
(G) If the Navajo Nation is unsuccessful in its claims which are the subject of MMS-RVS-SM:91-0262 as set out in Subparagraph 2(F) above, then neither PWCC nor the Navajo Nation shall have any further obligation to the other with respect to the Navajo Nation's claims related to MMS-RVS-SM:91-0262.

(H) With respect to MMS-92-0477-IND and MMS-93-0724 (Gross Realization as a Result of 1987 Bonus), the Navajo Nation is not a party to these cases. The parties agree that these cases and any other pending matters between the United States Minerals Management Service (MMS) and PWCC should be resolved between MMS and PWCC independent of this Agreement.

(I) In consideration of the partial settlement of the cases listed above, it is agreed that all requirements of the Navajo Business and Procurement Act, 12 N.N.C. § 1501 et seq., have been resolved as to these cases, and as to the grant by the Navajo Nation of its consent to the grant of the right-of-way which the Navajo Nation makes in accordance with the Memorandum of Agreement between the Navajo Nation and PWCC entered into on even date herewith.

(J) Upon execution of this Agreement, a conformed copy will be placed on file at the Navajo Nation Business Regulatory Department.

(K) By entering into this Agreement, neither the Navajo Nation nor PWCC admits any liability to the other, nor do either of the parties agree that this Agreement may be used in any way by any person to establish any party's liability for any of the royalty valuation cases, or the value of said cases, or any right of set-off or contribution of any person, other than as set out





agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which PWCC is a party or by which any of its properties or assets is bound.

(B) The Navajo Nation hereby represents and warrants to PWCC as follows:

(1) The Navajo Nation is a federally-recognized Indian nation.

(2) The execution and delivery of this Agreement by the Navajo Nation and consummation by the Navajo Nation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Navajo Nation.

(3) This Agreement is a valid and legally binding obligation of the Navajo Nation, enforceable against it in accordance with its terms.

(4) This Agreement and the execution and delivery hereof by the Navajo Nation do not, and compliance with the terms and conditions hereof and consummation of the transactions contemplated hereby will not:

a) Violate or conflict with, or require any consent, authorization or approval under any provision of, any law, treaty, custom or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to or binding upon the Navajo Nation; or

b) Result in a breach of, constitute a default or violation under, whether with notice of lapse of time or both, or require any consent, authorization or approval under, any mortgage, contract, indenture, loan or credit agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which the Navajo Nation is a party or by which any of its properties or assets is bound.

## 5. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon either party provided for in this Agreement, or given or made in connection with it, (hereinafter referred to as "notices,") shall be in writing and shall be addressed as follows:

To or upon the Navajo Nation:

Attorney General  
The Navajo Nation  
Office of the Attorney General  
P.O. Box 2010  
Window Rock, Navajo Nation (Arizona) 86515



Fax: 1-520-871-6177

To or upon PWCC:

President  
Peabody Western Coal Company  
1300 South Yale Street  
Flagstaff, Arizona 86001

Fax: 1-520-773-4596

(B) All notices shall be given by personal delivery, by registered or certified mail, postage prepaid, by facsimile transmission or by telegram. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours, or if not during normal business hours on the next business day following delivery; if by registered or certified mail, by facsimile transmission or by telegram, on the next business day following actual delivery and receipt.

(C) Either party hereto may at any time change its address for purposes of this Paragraph by notice.

**6. GOVERNING LAW AND CHOICE OF FORUM.**

Except as may be prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of this Agreement. Any action or proceeding brought by PWCC against the Navajo Nation in connection with or arising out of the terms and conditions of this Agreement shall be brought only in the courts of the Navajo Nation, and no such action or proceeding shall be brought by PWCC against the Navajo Nation in any court or administrative body of any state.

**7. CONSENT TO JURISDICTION.**

PWCC hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by PWCC within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation. Nothing contained in this paragraph shall be construed to impose an independent limitation on access by PWCC to federal court, nor to abrogate or impair any right of PWCC created or recognized by any valid, prior contract with the Navajo Nation or otherwise by operation of law.

**8. NO WAIVER OF SOVEREIGN IMMUNITY.**

Nothing in this Agreement shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.



**9. ENTIRE AGREEMENT; AMENDMENT.**

(A) This Agreement supersedes all prior agreements between the parties, whether written or oral, with respect to the subject matter hereof and are intended as a complete and exclusive statement of the terms of the agreement between the parties with respect to said subject matter.

(B) This Agreement may be modified or amended only by an agreement signed by both parties.

**10. SEVERABILITY.**

If any term or condition of this Agreement is held invalid, illegal or incapable of being enforced for any reason by any court of competent jurisdiction, such term or condition shall be deemed severed from this Agreement and all other terms and provisions of this Agreement shall remain in full force and effect, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner adverse to either party.

**11. WAIVER.**

No term or condition of this Agreement may be waived by either party except by a writing signed by both parties.

**12. HEADINGS.**

The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

**13. COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which shall be deemed to be an original, but all of which together shall constitute only one and the same agreement.

**14. SUCCESSORS AND ASSIGNS.**

The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of the parties. Except as the context otherwise requires, the terms "Peabody Western Coal Company" and "PWCC," as used in this Agreement, shall be deemed to include all successors, heirs, assigns, executors, administrators, employees and agents, including contractors and subcontractors, of PWCC.



**15. EFFECTIVE DATE; VALIDITY.**

This Agreement shall take effect on the date of its execution by the parties hereto.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed as the of date first above written.

**THE NAVAJO NATION**

By: \_\_\_\_\_  
Herb Yazzie, Attorney General

**PEABODY WESTERN COAL COMPANY**

By: \_\_\_\_\_  
W. Howard Carson, President

Legal Approval:

By: \_\_\_\_\_  
Irene Crawford, Counsel



**MEMORANDUM OF AGREEMENT**  
between  
**THE NAVAJO NATION**  
and  
**PEABODY WESTERN COAL COMPANY**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of August, 1996, by and between THE NAVAJO NATION, a federally-recognized Indian nation, hereinafter called the "Navajo Nation," whose address is P. O. Box 9000, Window Rock, Navajo Nation (Arizona) 86515, and PEABODY WESTERN COAL COMPANY, a Delaware corporation, hereinafter called "PWCC," whose address is 1300 South Yale Street, Flagstaff, Arizona 86001.

**RECITALS**

**WHEREAS**, on February 1, 1964, the Navajo Nation entered into a Coal Lease No. 14-20-0603-8580, with Sentry Royalty Company, a Nevada corporation, for Navajo Nation-owned lands and coal north of the north boundary of the reservation established by the Executive Order of December 16, 1882, 2 N.N.C. Appendix 401, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

**WHEREAS**, on June 6, 1966, the Navajo Nation entered into a Coal Lease No. 14-20-0603-9910, with Sentry Royalty Company, a Nevada corporation, for lands and coal with the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

**WHEREAS**, on June 6, 1966, the Hopi Tribe entered into a Coal Lease No. 14-20-0450-5743, with Sentry Royalty Company, a Nevada corporation, for lands and coal with the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

**WHEREAS**, all of Sentry Royalty Company's right, title and interest in and to Coal Leases Nos. 14-20-0603-8580, 14-20-0603-9910 and 14-20-0450-5743 have been assigned to PWCC; and

**WHEREAS**, commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary, PWCC constructed and since that time continually has used a 69 kilovolt (kV) electric transmission line, on 8.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary, PWCC constructed and since that time continually has used a



14-inch buried waterline and access road, on 11.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, since on or about January 1, 1970, without the consent of the Navajo Nation or the Secretary, PWCC continually has used as a haul road former Navajo Route 41, on 71.06 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, commencing on or about January 1, 1968, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used an access road to Navajo Water Well No. 4, on 1.70 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, commencing on or about January 1, 1982, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used sedimentation ponds, fences and maintenance roads associated with the overland conveyer, on 10.40 acres, more or less, of Navajo Nation-owned lands within Township 36 North, Range 18 East, G&SRB&M; and

**WHEREAS**, commencing on or about January 1, 1972, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used sedimentation ponds, fences, maintenance roads, a 69 kV electric transmission line and transfer facilities associated with the overland conveyer, on 11.77 acres, more or less, of Navajo Nation-owned lands within Township 36 North, Range 17 East, G&SRB&M; and

**WHEREAS**, amendments to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910 were approved by the Secretary on or about December 14, 1987, subject to certain terms and conditions, including the condition that PWCC must apply for and obtain rights-of-way for all Navajo Nation lands being used by PWCC outside the leased premises of said Coal Leases in compliance with applicable law; and

**WHEREAS**, on or about June 24, 1994, PWCC submitted a Right-of-Way Application for the grant of a right-of-way for said Navajo Nation-owned lands currently being used by PWCC, totaling 114.99 acres, more or less, plus additional Navajo Nation-owned lands totaling 245.95 acres, more or less, for a total of 360.94 acres, more or less, comprised of Parcel One, Parcel Two, Parcel Three and Parcel Four:

**NOW, THEREFORE**, in consideration of the foregoing and the covenants, promises, terms and conditions contained herein, the parties hereto hereby mutually agree as follows:



## OPERATIVE PROVISIONS

### 1. DEFINITIONS.

(A) "G&SRB&M" means Gila and Salt River Base and Meridian.

(B) "Parcel One" means 278.91 acres, more or less, of Navajo Nation-owned lands within sections 3, 4, 9 and 10, Township 35 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "A," attached hereto and incorporated herein.

(C) "Parcel Two" means 4.54 acres, more or less, of Navajo Nation-owned lands within section 9, Township 35 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "B," attached hereto and incorporated herein.

(D) "Parcel Three" means 37.79 acres, more or less, of Navajo Nation-owned lands within section 18 Township 36 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "C," attached hereto and incorporated herein.

(E) "Parcel Four" means 39.70 acres, more or less, of Navajo Nation-owned lands within sections 1, 2, 3, 4, 11 and 12, Township 36 North, Range 17 East, G&SRB&M, more particularly described in Exhibit "D," attached hereto and incorporated herein.

(F) "Right-of-Way Application" means that certain application by PWCC, dated June 24, 1994, as revised by PWCC on or about October 11, 1994, on or about June 13, 1996, and on or about August 19, 1996, for the grant of a right-of-way for certain Navajo Nation-owned lands, comprised of Parcel One, Parcel Two, Parcel Three and Parcel Four.

(G) "Secretary" means the Secretary of the United States Department of the Interior or his duly authorized representative or successor.

### 2. GRANT OF RIGHT-OF-WAY.

Simultaneously with the approval of this Agreement by the Navajo Nation, the Navajo Nation shall approve and consent to the grant of a right-of-way to PWCC for Parcel One, Parcel Two, Parcel Three and Parcel Four, subject to the terms and conditions attached hereto as Exhibit "E" and incorporated herein.

### 3. PARTIAL SETTLEMENT OF OUTSTANDING ROYALTY VALUATION CASES.

Simultaneously with the execution of this Agreement by the parties, the parties shall enter into and execute the Royalty Valuation Partial Settlement Agreement attached hereto as Exhibit "F" and incorporated herein.



**4. FEDERAL APPROVALS AND GRANTS.**

The Navajo Nation and PWCC will cooperate fully with one another in securing the grant by the Secretary of the right-of-way consented to pursuant to Paragraph 2 of this Agreement in accordance with this Agreement. Each party shall use its best efforts and shall take all such action as may reasonably be necessary to obtain as soon as possible the grant of the said right-of-way.

**5. PAYMENT.**

(A) PWCC hereby agrees to pay to the Navajo Nation the sum of Six Million One Hundred Nine Thousand Seven Hundred Ninety Dollars (\$6,109,790.00). Such sum shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States within forty-eight (48) hours of the approval of this Agreement by the Resources Committee of the Navajo Nation Council. Payment shall be made by wire transfer into the bank account of the Navajo Nation identified for such purpose by the Controller. The Controller shall identify such account and provide PWCC with necessary routing and other information within twenty-four (24) hours of approval of this Agreement by the Resources Committee of the Navajo Nation Council.

(B) The parties agree that payment by PWCC to the Navajo Nation in accordance with Subparagraph 5(A) of this Agreement shall be inclusive of and in satisfaction of all sums to be paid by PWCC to the Navajo Nation in accordance with and pursuant to the right-of-way consented to pursuant to Paragraph 2 of this Agreement and the Right-of-Way Terms and Conditions attached hereto as Exhibit "E," the Royalty Valuation Cases Partial Settlement Agreement entered into in accordance with Paragraph 3 of this Agreement attached hereto as Exhibit "F," and the release granted to PWCC by the Navajo Nation contained in Paragraph 7 of this Agreement.

(C) The Navajo Nation agrees that, on the lump sum payment agreed to in Subparagraph 5(A) of this Agreement, no mining royalties, Navajo Nation taxes, interest, penalties, late payment charges or similar charges or amounts which might otherwise be due on such lump sum payment are due or owing for past and future use through December 31, 2001, by PWCC of the lands subject to the Right-of-Way Application. The Navajo Nation further agrees that no additional mining royalties, Navajo Nation taxes, interest, penalties, or late payment charges or similar charges or amounts shall be due on the payment of Two Million Six Hundred Fifty Nine Thousand Two Hundred Ninety Seven Dollars (\$2,659,297.00) made in partial settlement of the royalty valuation cases in accordance with the Royalty Valuation Cases Partial Settlement Agreement entered into in accordance with Paragraph 3 of this Agreement attached hereto as Exhibit "F," unless and until a court or administrative body of competent jurisdiction issues a final unappealable order against PWCC in connection with any of the cases partially settled therein which would require PWCC to make any such payment.



**6. WAIVER OF PREPAYMENT.**

The Navajo Nation hereby irrevocably waives any right to payment of monies paid to or for the benefit of the Navajo Nation on or about June 24, 1994, in the amount of One Hundred Six Thousand Seven Hundred Eleven and 22/100 Dollars (\$106,711.22), which PWCC prepaid to the Secretary in connection with the Right-of-Way Application, together with all interest accrued thereon. The Navajo Nation hereby assigns all such monies, together with all interest accrued thereon, to PWCC.

**7. RELEASES.**

(A) Subject to compliance by PWCC with the payment required by Paragraph 5 of this Agreement, the Navajo Nation hereby releases, acquits and discharges PWCC from any and all trespass claims, including interest, penalties and any other amounts which normally would be associated with and assessed for PWCC's use of the aforementioned lands against PWCC resulting from failure by PWCC to have had valid rights to use, operate or develop, prior to July 1, 1996, the real property subject to the right-of-way consented to pursuant to Paragraph 2 of this Agreement, and which previously have been identified by PWCC as having been used by PWCC for the periods identified by PWCC, totaling 114.99 acres, more or less, and comprised of 8.53 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1969, for a 69 kilovolt (kV) electric transmission line; 11.53 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1969, for a 14-inch buried waterline and access road; 71.06 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1970, as a haul road; 1.70 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1968, for an access road to Navajo Water Well No. 4; 10.40 acres, more or less, within Township 36 North, Range 18 East, G&SRB&M, used since on or about January 1, 1982, for sedimentation ponds, fences and maintenance roads associated with the overland conveyer; and 11.77 acres, more or less, within Township 36 North, Range 17 East, G&SRB&M, used since on or about January 1, 1972, for sedimentation ponds, fences, maintenance roads, a 69 kV electric transmission line and transfer facilities associated with the overland conveyer. The Navajo Nation reserves the right to seek compensation, consistent with the terms and conditions of its consent to the right-of-way consented to pursuant to Paragraph 2 of this Agreement, for all other lands, if any, previously used by PWCC without valid rights to use, operate or develop such lands.

(B) PWCC hereby releases, acquits and discharges the Navajo Nation from any and all claims resulting from or relating to PWCC's failure to have had valid rights to use, operate or develop, on or before the effective date of this Agreement, the real property subject to the right-of-way consented to pursuant to Paragraph 2 of this Agreement.

(C) Nothing contained in this Paragraph shall be construed to constitute a release by either party of any of the following:



1) Any liability of PWCC for damage to real or personal property owned by the Navajo Nation for which PWCC is or becomes liable under any applicable federal, state or Navajo Nation law, including, but not limited to, the requirement to pay compensation to individual Navajo landusers for damage to their private interests in accordance with the requirements of 2 N.N.C. §§ 1401, 1402 and 1403;

2) Any liability of PWCC for use, operation or development of any Navajo Nation-owned lands other than those which are the subject of this Agreement;

3) Any obligation or liability of either party provided for under the terms and conditions of the right-of-way consented to pursuant to Paragraph 2 of this Agreement, or under any other existing right-of-way, lease, contract or other agreement between the Navajo Nation and PWCC;

4) Any obligation or liability of either party arising under this Agreement;  
or

5) Any obligation or liability of either party arising after the effective date of this Agreement.

#### 8. ASSIGNMENT.

Neither this Agreement, nor any part hereof or interest herein, may be assigned by either party without the prior written consent of the other party and the Secretary.

#### 9. REPRESENTATIONS AND WARRANTIES.

(A) PWCC hereby represents and warrants to the Navajo Nation as follows:

(1) PWCC is a corporation duly organized and in good standing under the laws of the State of Delaware.

(2) The execution and delivery of this Agreement by PWCC and consummation by PWCC of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of PWCC.

(3) This Agreement is a valid and legally binding obligation of PWCC, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity, whether considered in a proceeding in equity or at law.



(4) This Agreement and the execution and delivery hereof by PWCC do not, and compliance with the terms and conditions hereof and consummation of the transactions contemplated hereby will not:

a) Violate or conflict with any provision of the certificate of incorporation or bylaws of PWCC, each as amended to date;

b) Violate or conflict with, or, except as expressly contemplated within this Agreement, require any consent, authorization or approval under any provision of, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to or binding upon PWCC; or

c) Result in a breach of, constitute a default or violation under, whether with notice of lapse of time or both, or require any consent, authorization or approval under, any mortgage, contract, indenture, loan or credit agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which PWCC is a party or by which any of its properties or assets is bound.

(B) The Navajo Nation hereby represents and warrants to PWCC as follows:

(1) The Navajo Nation is a federally-recognized Indian nation.

(2) The execution and delivery of this Agreement by the Navajo Nation and consummation by the Navajo Nation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Navajo Nation.

(3) This Agreement is a valid and legally binding obligation of the Navajo Nation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity, whether considered in a proceeding in equity or at law.

(4) This Agreement and the execution and delivery hereof by the Navajo Nation do not, and compliance with the terms and conditions hereof and consummation of the transactions contemplated hereby will not:

a) Violate or conflict with, or, except as expressly contemplated within this Agreement, require any consent, authorization or approval under any provision of, any law, treaty, custom or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to or binding upon the Navajo Nation; or



b) Result in a breach of, constitute a default or violation under, whether with notice of lapse of time or both, or require any consent, authorization or approval under, any mortgage, contract, indenture, loan or credit agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which the Navajo Nation is a party or by which any of its properties or assets is bound.

#### 10. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon either party or the Secretary provided for in this Agreement, or given or made in connection with it, (hereinafter referred to as "notices,") shall be in writing and shall be addressed as follows:

To or upon the Navajo Nation:

President  
The Navajo Nation  
Office of the President/Vice-President  
P.O. Box 9000  
Window Rock, Navajo Nation (Arizona) 86515

Fax: 1-520-871-4025

To or upon PWCC:

President  
Peabody Western Coal Company  
1300 South Yale Street  
Flagstaff, Arizona 86001

Fax: 1-520-773-4596

To or upon the Secretary:

Area Director  
Navajo Area Office  
Bureau of Indian Affairs  
United States Department of the Interior  
301 West Hill Street  
P.O. Box 1060  
Gallup, New Mexico 87305

Fax: 1-505-863-8324.



(B) All notices shall be given by personal delivery, by registered or certified mail, postage prepaid, by facsimile transmission or by telegram. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours, or if not during normal business hours on the next business day following delivery; if by registered or certified mail, by facsimile transmission or by telegram, on the next business day following actual delivery and receipt.

(C) Copies of all notices shall be sent to the Secretary.

(D) The parties hereto and the Secretary may at any time change its address for purposes of this Paragraph by notice.

#### **11. GOVERNING LAW AND CHOICE OF FORUM.**

Except as may be prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of this Agreement. Any action or proceeding brought by PWCC against the Navajo Nation in connection with or arising out of the terms and conditions of this Agreement shall be brought only in the courts of the Navajo Nation, and no such action or proceeding shall be brought by PWCC against the Navajo Nation in any court or administrative body of any state.

#### **12. CONSENT TO JURISDICTION.**

PWCC hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by PWCC within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation. Nothing contained in this paragraph shall be construed to impose an independent limitation on access by PWCC to federal court, nor to abrogate or impair any right of PWCC created or recognized by any valid, prior contract with the Navajo Nation or otherwise by operation of law.

#### **13. NO WAIVER OF SOVEREIGN IMMUNITY.**

Nothing in this Agreement shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.

#### **14. ENTIRE AGREEMENT; AMENDMENT.**

(A) This Agreement, and the Exhibits attached hereto, supersede all prior agreements between the parties, whether written or oral, with respect to the subject matter hereof and are intended as a complete and exclusive statement of the terms of the agreement between the parties with respect to said subject matter.



(B) This Agreement may be modified or amended only by an agreement signed by both parties and approved by the Secretary. Any modification of or amendment to this Agreement shall not be valid or binding upon either party until it is approved by the Secretary.

**15. SEVERABILITY.**

If any term or condition of this Agreement is held invalid, illegal or incapable of being enforced for any reason by any court of competent jurisdiction, such term or condition shall be deemed severed from this Agreement and all other terms and provisions of this Agreement shall remain in full force and effect, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner adverse to either party.

**16. WAIVER.**

No term or condition of this Agreement may be waived by either party except by a writing signed by both parties.

**17. HEADINGS.**

The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

**18. COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which shall be deemed to be an original, but all of which together shall constitute only one and the same agreement.

**19. SUCCESSORS AND ASSIGNS.**

The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of the parties. Except as the context otherwise requires, the terms "Peabody Western Coal Company" and "PWCC," as used in this Agreement, shall be deemed to include all successors, heirs, assigns, executors, administrators, employees and agents, including contractors and subcontractors, of PWCC.

**20. EFFECTIVE DATE; VALIDITY.**

This Agreement shall take effect on the date of approval by the Secretary of this Agreement.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as the of date first above written.

**THE NAVAJO NATION**

By: \_\_\_\_\_  
Albert A. Hale, President

**PEABODY WESTERN COAL COMPANY**

By: \_\_\_\_\_  
W. Howard Carson, President

Approved pursuant to 209 DM 8, Secretary's Order  
No. 3150, as amended, 10 BIAM Bulletin 13, as amended.

Date : \_\_\_\_\_

By: \_\_\_\_\_  
Wilson Barber, Jr., Area Director  
Navajo Area Office  
Bureau of Indian Affairs  
United States Department of the Interior



MEMORANDUM OF AGREEMENT  
between  
THE NAVAJO NATION  
and  
PEABODY WESTERN COAL COMPANY

THIS AGREEMENT is made and entered into this 19<sup>th</sup> day of August, 1996, by and between THE NAVAJO NATION, a federally-recognized Indian nation, hereinafter called the "Navajo Nation," whose address is P. O. Box 9000, Window Rock, Navajo Nation (Arizona) 86515, and PEABODY WESTERN COAL COMPANY, a Delaware corporation, hereinafter called "PWCC," whose address is 1300 South Yale Street, Flagstaff, Arizona 86001.

RECITALS

WHEREAS, on February 1, 1964, the Navajo Nation entered into a Coal Lease No. 14-20-0603-8580, with Sentry Royalty Company, a Nevada corporation, for Navajo Nation-owned lands and coal north of the north boundary of the reservation established by the Executive Order of December 16, 1882, 2 N.N.C. Appendix 401, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

WHEREAS, on June 6, 1966, the Navajo Nation entered into a Coal Lease No. 14-20-0603-9910, with Sentry Royalty Company, a Nevada corporation, for lands and coal with the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

WHEREAS, on June 6, 1966, the Hopi Tribe entered into a Coal Lease No. 14-20-0450-5743, with Sentry Royalty Company, a Nevada corporation, for lands and coal with the Former Joint Use Area, south of the north boundary of the reservation established by the said Executive Order of December 16, 1882, for a term of ten (10) years and for so long thereafter as coal is produced in paying quantities; and

WHEREAS, all of Sentry Royalty Company's right, title and interest in and to Coal Leases Nos. 14-20-0603-8580, 14-20-0603-9910 and 14-20-0450-5743 have been assigned to PWCC; and

WHEREAS, commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary, PWCC constructed and since that time continually has used a 69 kilovolt (kV) electric transmission line, on 8.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

WHEREAS, commencing on or about January 1, 1969, without the consent of the Navajo Nation or the Secretary, PWCC constructed and since that time continually has used a



14-inch buried waterline and access road, on 11.53 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, since on or about January 1, 1970, without the consent of the Navajo Nation or the Secretary, PWCC continually has used as a haul road former Navajo Route 41, on 71.06 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

**WHEREAS**, commencing on or about January 1, 1968, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used an access road to Navajo Water Well No. 4, on 1.70 acres, more or less, of Navajo Nation-owned lands within Township 35 North, Range 18 East, G&SRB&M; and

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**WHEREAS**, commencing on or about January 1, 1972, without the consent of the Navajo Nation or the Secretary, PWCC constructed and continually has used sedimentation ponds, fences, maintenance roads, a 69 kV electric transmission line and transfer facilities associated with the overland conveyer, on 11.77 acres, more or less, of Navajo Nation-owned lands within Township 36 North, Range 17 East, G&SRB&M; and

**WHEREAS**, amendments to Coal Leases Nos. 14-20-0603-8580 and 14-20-0603-9910 were approved by the Secretary on or about December 14, 1987, subject to certain terms and conditions, including the condition that PWCC must apply for and obtain rights-of-way for all Navajo Nation lands being used by PWCC outside the leased premises of said Coal Leases in compliance with applicable law; and

**WHEREAS**, on or about June 24, 1994, PWCC submitted a Right-of-Way Application for the grant of a right-of-way for said Navajo Nation-owned lands currently being used by PWCC, totaling 114.99 acres, more or less, plus additional Navajo Nation-owned lands totaling 245.95 acres, more or less, for a total of 360.94 acres, more or less, comprised of Parcel One, Parcel Two, Parcel Three and Parcel Four:

**NOW, THEREFORE**, in consideration of the foregoing and the covenants, promises, terms and conditions contained herein, the parties hereto hereby mutually agree as follows:



## OPERATIVE PROVISIONS

### 1. DEFINITIONS.

(A) "G&SRB&M" means Gila and Salt River Base and Meridian.

(B) "Parcel One" means 278.91 acres, more or less, of Navajo Nation-owned lands within sections 3, 4, 9 and 10, Township 35 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "A," attached hereto and incorporated herein.

(C) "Parcel Two" means 4.54 acres, more or less, of Navajo Nation-owned lands within section 9, Township 35 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "B," attached hereto and incorporated herein.

(D) "Parcel Three" means 37.79 acres, more or less, of Navajo Nation-owned lands within section 18 Township 36 North, Range 18 East, G&SRB&M, as more particularly described in Exhibit "C," attached hereto and incorporated herein.

(E) "Parcel Four" means 39.70 acres, more or less, of Navajo Nation-owned lands within sections 1, 2, 3, 4, 11 and 12, Township 36 North, Range 17 East, G&SRB&M, more particularly described in Exhibit "D," attached hereto and incorporated herein.

(F) "Right-of-Way Application" means that certain application by PWCC, dated June 24, 1994, as revised by PWCC on or about October 11, 1994, on or about June 13, 1996, and on or about August 19, 1996, for the grant of a right-of-way for certain Navajo Nation-owned lands, comprised of Parcel One, Parcel Two, Parcel Three and Parcel Four.

(G) "Secretary" means the Secretary of the United States Department of the Interior or his duly authorized representative or successor.

### 2. GRANT OF RIGHT-OF-WAY.

Simultaneously with the approval of this Agreement by the Navajo Nation, the Navajo Nation shall approve and consent to the grant of a right-of-way to PWCC for Parcel One, Parcel Two, Parcel Three and Parcel Four, subject to the terms and conditions attached hereto as Exhibit "E" and incorporated herein.

### 3. PARTIAL SETTLEMENT OF OUTSTANDING ROYALTY VALUATION CASES.

Simultaneously with the execution of this Agreement by the parties, the parties shall enter into and execute the Royalty Valuation Partial Settlement Agreement attached hereto as Exhibit "F" and incorporated herein.



**4. FEDERAL APPROVALS AND GRANTS.**

The Navajo Nation and PWCC will cooperate fully with one another in securing the grant by the Secretary of the right-of-way consented to pursuant to Paragraph 2 of this Agreement in accordance with this Agreement. Each party shall use its best efforts and shall take all such action as may reasonably be necessary to obtain as soon as possible the grant of the said right-of-way.

**5. PAYMENT.**

(A) PWCC hereby agrees to pay to the Navajo Nation the sum of Six Million One Hundred Nine Thousand Seven Hundred Ninety Dollars (\$6,109,790.00). Such sum shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States within forty-eight (48) hours of the approval of this Agreement by the Resources Committee of the Navajo Nation Council. Payment shall be made by wire transfer into the bank account of the Navajo Nation identified for such purpose by the Controller. The Controller shall identify such account and provide PWCC with necessary routing and other information within twenty-four (24) hours of approval of this Agreement by the Resources Committee of the Navajo Nation Council.

(B) The parties agree that payment by PWCC to the Navajo Nation in accordance with Subparagraph 5(A) of this Agreement shall be inclusive of and in satisfaction of all sums to be paid by PWCC to the Navajo Nation in accordance with and pursuant to the right-of-way consented to pursuant to Paragraph 2 of this Agreement and the Right-of-Way Terms and Conditions attached hereto as Exhibit "E," the Royalty Valuation Cases Partial Settlement Agreement entered into in accordance with Paragraph 3 of this Agreement attached hereto as Exhibit "F," and the release granted to PWCC by the Navajo Nation contained in Paragraph 7 of this Agreement.

(C) The Navajo Nation agrees that, on the lump sum payment agreed to in Subparagraph 5(A) of this Agreement, no mining royalties, Navajo Nation taxes, interest, penalties, late payment charges or similar charges or amounts which might otherwise be due on such lump sum payment are due or owing for past and future use through December 31, 2001, by PWCC of the lands subject to the Right-of-Way Application. The Navajo Nation further agrees that no additional mining royalties, Navajo Nation taxes, interest, penalties, or late payment charges or similar charges or amounts shall be due on the payment of Two Million Six Hundred Fifty Nine Thousand Two Hundred Ninety Seven Dollars (\$2,659,297.00) made in partial settlement of the royalty valuation cases in accordance with the Royalty Valuation Cases Partial Settlement Agreement entered into in accordance with Paragraph 3 of this Agreement attached hereto as Exhibit "F," unless and until a court or administrative body of competent jurisdiction issues a final unappealable order against PWCC in connection with any of the cases partially settled therein which would require PWCC to make any such payment.



**6. WAIVER OF PREPAYMENT.**

The Navajo Nation hereby irrevocably waives any right to payment of monies paid to or for the benefit of the Navajo Nation on or about June 24, 1994, in the amount of One Hundred Six Thousand Seven Hundred Eleven and 22/100 Dollars (\$106,711.22), which PWCC prepaid to the Secretary in connection with the Right-of-Way Application, together with all interest accrued thereon. The Navajo Nation hereby assigns all such monies, together with all interest accrued thereon, to PWCC.

**7. RELEASES.**

(A) Subject to compliance by PWCC with the payment required by Paragraph 5 of this Agreement, the Navajo Nation hereby releases, acquits and discharges PWCC from any and all trespass claims, including interest, penalties and any other amounts which normally would be associated with and assessed for PWCC's use of the aforementioned lands against PWCC resulting from failure by PWCC to have had valid rights to use, operate or develop, prior to July 1, 1996, the real property subject to the right-of-way consented to pursuant to Paragraph 2 of this Agreement, and which previously have been identified by PWCC as having been used by PWCC for the periods identified by PWCC, totaling 114.99 acres, more or less, and comprised of 8.53 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1969, for a 69 kilovolt (kV) electric transmission line; 11.53 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1969, for a 14-inch buried waterline and access road; 71.06 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1970, as a haul road; 1.70 acres, more or less, within Township 35 North, Range 18 East, G&SRB&M, used since on or about January 1, 1968, for an access road to Navajo Water Well No. 4; 10.40 acres, more or less, within Township 36 North, Range 18 East, G&SRB&M, used since on or about January 1, 1982, for sedimentation ponds, fences and maintenance roads associated with the overland conveyer; and 11.77 acres, more or less, within Township 36 North, Range 17 East, G&SRB&M, used since on or about January 1, 1972, for sedimentation ponds, fences, maintenance roads, a 69 kV electric transmission line and transfer facilities associated with the overland conveyer. The Navajo Nation reserves the right to seek compensation, consistent with the terms and conditions of its consent to the right-of-way consented to pursuant to Paragraph 2 of this Agreement, for all other lands, if any, previously used by PWCC without valid rights to use, operate or develop such lands.

(B) PWCC hereby releases, acquits and discharges the Navajo Nation from any and all claims resulting from or relating to PWCC's failure to have had valid rights to use, operate or develop, on or before the effective date of this Agreement, the real property subject to the right-of-way consented to pursuant to Paragraph 2 of this Agreement.

(C) Nothing contained in this Paragraph shall be construed to constitute a release by either party of any of the following:



1) Any liability of PWCC for damage to real or personal property owned by the Navajo Nation for which PWCC is or becomes liable under any applicable federal, state or Navajo Nation law, including, but not limited to, the requirement to pay compensation to individual Navajo landusers for damage to their private interests in accordance with the requirements of 2 N.N.C. §§ 1401, 1402 and 1403;

2) Any liability of PWCC for use, operation or development of any Navajo Nation-owned lands other than those which are the subject of this Agreement;

3) Any obligation or liability of either party provided for under the terms and conditions of the right-of-way consented to pursuant to Paragraph 2 of this Agreement, or under any other existing right-of-way, lease, contract or other agreement between the Navajo Nation and PWCC;

4) Any obligation or liability of either party arising under this Agreement;  
or

5) Any obligation or liability of either party arising after the effective date of this Agreement.

#### 8. ASSIGNMENT.

Neither this Agreement, nor any part hereof or interest herein, may be assigned by either party without the prior written consent of the other party and the Secretary.

#### 9. REPRESENTATIONS AND WARRANTIES.

(A) PWCC hereby represents and warrants to the Navajo Nation as follows:

(1) PWCC is a corporation duly organized and in good standing under the laws of the State of Delaware.

(2) The execution and delivery of this Agreement by PWCC and consummation by PWCC of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of PWCC.

(3) This Agreement is a valid and legally binding obligation of PWCC, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity, whether considered in a proceeding in equity or at law.



(4) This Agreement and the execution and delivery hereof by PWCC do not, and compliance with the terms and conditions hereof and consummation of the transactions contemplated hereby will not:

a) Violate or conflict with any provision of the certificate of incorporation or bylaws of PWCC, each as amended to date;

b) Violate or conflict with, or, except as expressly contemplated within this Agreement, require any consent, authorization or approval under any provision of, any law or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to or binding upon PWCC; or

c) Result in a breach of, constitute a default or violation under, whether with notice of lapse of time or both, or require any consent, authorization or approval under, any mortgage, contract, indenture, loan or credit agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which PWCC is a party or by which any of its properties or assets is bound.

(B) The Navajo Nation hereby represents and warrants to PWCC as follows:

(1) The Navajo Nation is a federally-recognized Indian nation.

(2) The execution and delivery of this Agreement by the Navajo Nation and consummation by the Navajo Nation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Navajo Nation.

(3) This Agreement is a valid and legally binding obligation of the Navajo Nation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and to general principles of equity, whether considered in a proceeding in equity or at law.

(4) This Agreement and the execution and delivery hereof by the Navajo Nation do not, and compliance with the terms and conditions hereof and consummation of the transactions contemplated hereby will not:

a) Violate or conflict with, or, except as expressly contemplated within this Agreement, require any consent, authorization or approval under any provision of, any law, treaty, custom or administrative regulation or any judicial, administrative or arbitration order, award, judgment, writ, injunction or decree applicable to or binding upon the Navajo Nation; or



b) Result in a breach of, constitute a default or violation under, whether with notice of lapse of time or both, or require any consent, authorization or approval under, any mortgage, contract, indenture, loan or credit agreement or any other agreement or instrument evidencing indebtedness for money borrowed to which the Navajo Nation is a party or by which any of its properties or assets is bound.

#### 10. NOTICES AND DEMANDS.

(A) Any notices, demands, requests or other communications to or upon either party or the Secretary provided for in this Agreement, or given or made in connection with it, (hereinafter referred to as "notices,") shall be in writing and shall be addressed as follows:

To or upon the Navajo Nation:

President  
The Navajo Nation  
Office of the President/Vice-President  
P.O. Box 9000  
Window Rock, Navajo Nation (Arizona) 86515

Fax: 1-520-871-4025

To or upon PWCC:

President  
Peabody Western Coal Company  
1300 South Yale Street  
Flagstaff, Arizona 86001

Fax: 1-520-773-4596

To or upon the Secretary:

Area Director  
Navajo Area Office  
Bureau of Indian Affairs  
United States Department of the Interior  
301 West Hill Street  
P.O. Box 1060  
Gallup, New Mexico 87305

Fax: 1-505-863-8324.



(B) All notices shall be given by personal delivery, by registered or certified mail, postage prepaid, by facsimile transmission or by telegram. Notices shall be effective and shall be deemed delivered: if by personal delivery, on the date of delivery if during normal business hours, or if not during normal business hours on the next business day following delivery; if by registered or certified mail, by facsimile transmission or by telegram, on the next business day following actual delivery and receipt.

(C) Copies of all notices shall be sent to the Secretary.

(D) The parties hereto and the Secretary may at any time change its address for purposes of this Paragraph by notice.

#### 11. GOVERNING LAW AND CHOICE OF FORUM.

Except as may be prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of this Agreement. Any action or proceeding brought by PWCC against the Navajo Nation in connection with or arising out of the terms and conditions of this Agreement shall be brought only in the courts of the Navajo Nation, and no such action or proceeding shall be brought by PWCC against the Navajo Nation in any court or administrative body of any state.

#### 12. CONSENT TO JURISDICTION.

PWCC hereby consents to the legislative, executive and judicial jurisdiction of the Navajo Nation in connection with all activities conducted by PWCC within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation. Nothing contained in this paragraph shall be construed to impose an independent limitation on access by PWCC to federal court, nor to abrogate or impair any right of PWCC created or recognized by any valid, prior contract with the Navajo Nation or otherwise by operation of law.

#### 13. NO WAIVER OF SOVEREIGN IMMUNITY.

Nothing in this Agreement shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.

#### 14. ENTIRE AGREEMENT; AMENDMENT.

(A) This Agreement, and the Exhibits attached hereto, supersede all prior agreements between the parties, whether written or oral, with respect to the subject matter hereof and are intended as a complete and exclusive statement of the terms of the agreement between the parties with respect to said subject matter.



(B) This Agreement may be modified or amended only by an agreement signed by both parties and approved by the Secretary. Any modification of or amendment to this Agreement shall not be valid or binding upon either party until it is approved by the Secretary.

**15. SEVERABILITY.**

If any term or condition of this Agreement is held invalid, illegal or incapable of being enforced for any reason by any court of competent jurisdiction, such term or condition shall be deemed severed from this Agreement and all other terms and provisions of this Agreement shall remain in full force and effect, so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner adverse to either party.

**16. WAIVER.**

No term or condition of this Agreement may be waived by either party except by a writing signed by both parties.

**17. HEADINGS.**

The headings contained in this Agreement are for reference only and shall not affect in any way the meaning or interpretation of this Agreement.

**18. COUNTERPARTS.**

This Agreement may be executed in any number of counterparts, and by different parties in separate counterparts, each of which shall be deemed to be an original, but all of which together shall constitute only one and the same agreement.

**19. SUCCESSORS AND ASSIGNS.**

The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of the parties. Except as the context otherwise requires, the terms "Peabody Western Coal Company" and "PWCC," as used in this Agreement, shall be deemed to include all successors, heirs, assigns, executors, administrators, employees and agents, including contractors and subcontractors, of PWCC.

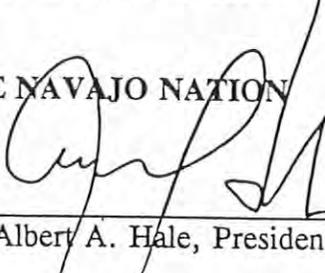
**20. EFFECTIVE DATE; VALIDITY.**

This Agreement shall take effect on the date of approval by the Secretary of this Agreement.



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as the of date first above written.

THE NAVAJO NATION

By:   
Albert A. Hale, President

PEABODY WESTERN COAL COMPANY

By:   
W. Howard Carson, President

Approved pursuant to 209 DM 8, Secretary's Order  
No. 3150, as amended, 10 BIAM Bulletin 13, as amended.

Date : \_\_\_\_\_

By: \_\_\_\_\_  
Wilson Barber, Jr., Area Director  
Navajo Area Office  
Bureau of Indian Affairs  
United States Department of the Interior



ATTACHMENT 3A

Description of Conveyor Right-of-Way and  
Easement Grant Issued During August 1996



APPLICABLE RULES AND REGULATIONS

An application for a right-of-way, including 77.49 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 A is located in a portion of Section 18, Township 36 North, Range 18 East and contains an additional right-of-way area outside of the existing 100' wide conveyor corridor of approximately 37.79 acres, (see Drawings 85360 and 85210, Sheet 1 of 4). The original overland conveyor right-of-way easement of approximately 5.47 acres granted to Peabody in 1972 included a 100-foot wide right-of-way easement. The surface coal mining support facilities and associated disturbance areas included are as follows:

- a. Overland conveyor additional disturbance areas outside of the existing 100 feet right-of-way.
- b. Existing reclaimed sedimentation pond sites TPF-B and TPF-C.
- c. Existing Sedimentation Pond TPF-A and proposed Sedimentation Pond TPF-E.
- d. Access roads to the existing and proposed sedimentation ponds.
- e. Existing fences.
- f. Existing overland conveyor maintenance roads.



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: Overland conveyors, overland conveyor maintenance roads, overland conveyor transfer on "B" and "C" facilities, 69kv transmission line, sedimentation ponds, and access roads to pond areas which support the Kayenta Mine  
Description: See Attachment 6 and File Number W-AZ-96-14

File Number: RCAU-168-96  
File Name: The Navajo Nation and Peabody Western Coal Company  
Type of Control: Resolution of the Resources Committee of the Navajo Nation Council  
Date of Execution: August 19, 1996  
Intended or Present Use: Approving a Memorandum of Agreement between the Navajo Nation and Peabody Western Coal Company; approving and consenting to the grant of a right-of-way to Peabody Western Coal Company for four parcels adjacent to coal lease numbers 14-20-0603-8580 and 14-20-0603-9910, and acknowledging the Attorney General's Authority under 2 N.N.C. 1964(F) and supporting the partial settlement of certain outstanding royalty valuation cases.  
Description: See Attachment 6 and File Number W-AZ-96-14.

File Number: W-AZ-96-14  
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 December 9, 2019  
Intended or Present Use: Overland conveyors, overland conveyor maintenance roads, overland conveyor transfer on "B" and "C" facilities, 69kv transmission line, sedimentation ponds, and access roads to pond areas which support the Kayenta Mine.  
Description: The approval letter from BIA is presented at the end of this attachment. The legal description for Parcels A and B is presented below.



PARCEL B

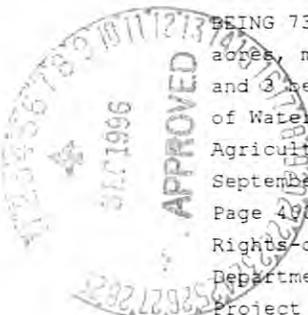
The following is a description of a parcel of land situated within Land Management District No. 8 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

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 S 45°45'57" E, 54.64 feet;
Thence N 16°54'24" E, 269.91 feet;	Thence S 72°39'06" E, 1,083.60 feet;
Thence N 52°19'00" W, 1,416.63 feet;	Thence N 77°25'42" E, 64.46 feet;
Thence N 46°21'51" W, 1,022.96 feet;	Thence S 69°06'09" E, 76.26 feet;
Thence N 79°35'57" W, 163.05 feet;	Thence S 60°08'19" E, 92.71 feet;
Thence N 46°16'36" W, 111.07 feet;	Thence S 75°11'56" E, 1,373.56 feet;
Thence N 15°03'29" E, 81.59 feet;	Thence S 80°50'06" E, 470.30 feet;
Thence N 49°52'27" W, 1,227.62 feet;	Thence S 71°14'14" E, 571.25 feet;
Thence S 35°46'32" W, 63.55 feet;	Thence N 78°55'59" E, 327.04 feet;
Thence N 62°11'13" W, 186.43 feet;	Thence N 88°30'45" E, 611.69 feet;
Thence N 31°03'20" E, 104.31 feet;	Thence N 73°39'50" E, 2,028.36 feet;
Thence N 49°53'08" W, 657.71 feet;	Thence N 52°41'12" E, 151.80 feet;
Thence N 83°25'46" W, 300.65 feet;	Thence S 84°47'43" E, 213.05 feet;
Thence N 75°30'11" W, 270.16 feet;	Thence N 73°38'22" E, 696.24 feet;
Thence N 56°18'04" W, 198.53 feet;	Thence N 56°06'02" E, 143.09 feet;
Thence S 73°43'13" W, 4,167.54 feet;	Thence N 80°49'03" E, 371.81 feet;
Thence S 17°24'00" E, 5.40 feet;	Thence N 56°41'49" E, 801.84 feet;
Thence S 71°26'00" W, 918.66 feet;	Thence S 53°41'20" E, 900.38 feet;
Thence N 19°36'41" W, 227.35 feet;	Thence S 23°41'41" E, 486.36 feet;
Thence N 71°01'58" W, 1,006.37 feet;	Thence S 49°52'40" E, 1,306.12 feet;
Thence N 72°18'32" W, 1,296.59 feet;	Thence N 30°41'12" E, 110.20 feet;
Thence N 72°38'11" W, 1,263.68 feet;	Thence S 46°53'21" E, 638.47 feet;
Thence S 33°40'49" W, 21.40 feet;	Thence S 38°51'20" W, 75.58 feet;
Thence N 74°01'47" W, 172.39 feet;	Thence S 51°07'57" E, 1,006.51 feet;
Thence N 08°47'08" W, 30.44 feet;	Thence N 86°43'08" E, 154.54 feet;
Thence N 71°44'38" W, 911.11 feet;	Thence S 45°58'40" E, 229.13 feet;
Thence N 02°48'30" W, 109.38 feet;	Thence S 10°27'03" W, 82.47 feet;
Thence S 72°26'55" E, 915.42 feet;	Thence S 50°18'27" E, 1,630.18 feet;
Thence N 81°37'19" E, 56.42 feet;	Thence S 00°45'48" W, 552.85 feet to the
Thence S 72°30'52" E, 137.21 feet;	Point of Beginning.

BEING 73.11 acre(s), more or less, and except those portions thereof containing 37.50 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 490 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended. 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 No. 8 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, and except those portions thereof containing 3.68 acres, more or less, and described in that certain Indenture of Lease Navajo Units 1, 2 and 3 between the Navajo Tribe of Indians and Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company dated September 29, 1969 and recorded in the records of Navajo County, Arizona in Docket 317, at Page 400 on February 16, 1970, as amended, and in that certain Application of Grant of Rights-of-Way and Easements Navajo Project between Arizona Public Service Company, Department of Water and Power of City of Los Angeles, Nevada Power Company, Salt River Project Agricultural Improvement and Power District and Tucson Gas and Electric Company and the Secretary of the Interior dated December 10, 1969, recorded in the records of Navajo County, Arizona in Docket 317, at Page 315 on February 16, 1970, as amended.

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



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-168-96  
File Name: The Navajo Nation and Peabody Western Coal Company  
Type of Control: Resolution of the Resources Committee of the Navajo Nation Council  
Date of Execution: August 19, 1996  
Intended or Present Use: Approving a Memorandum of Agreement between the Navajo Nation and Peabody Western Coal Company; approving and consenting to the grant of a right-of-way to Peabody Western Coal Company for four parcels adjacent to coal lease numbers 14-20-0603-8580 and 14-20-0603-9910, and acknowledging the Attorney General's Authority under 2 N.N.C. 1964(F) and supporting the partial settlement of certain outstanding royalty valuation cases.  
Description: See Attachment 6 and File Number W-AZ-96-13.

File Number: W-AZ-96-13  
File Name: Bureau of Indian Affairs and Peabody Western Coal Company  
Type of Control: Grant of Easement for Right-of-Way  
Date of Execution: August 28, 1996  
Term Provision: July 1, 1996 to so long thereafter as mining or reclamation activities are being conducted pursuant to one or more of Coal Lease Nos. 14-20-0603-8580, 14-20-0603-9910, and 14-20-450-5743.  
Intended or Present Use: Existing haul road, proposed haul road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, proposed rock borrow area, and water well monitoring road which support the Black Mesa Mine.  
Description: The approval letter from BIA is presented at the end of this attachment. The legal description for Parcels 1 and 2 is presented below.





ATTACHMENT 4

DESCRIPTION OF POWERLINE  
RIGHT-OF-WAY AND ASSIGNMENT  
FROM PCC TO PWCC





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 Grant of Easement for Right-of-Way. The grant of easement was done for Peabody Coal Company, which was approved on September 7, 1984 for a term of twenty (20) years ending on September 7, 2004. The right-of-way is for the construction, operation and maintenance of a 69 Kv Electrical Transmission Line.

If you have any questions, please contact Lena M. Yazzie, Realty Specialist, Branch of Real Estate Services at (520) 871-5919/5922.

Sincerely,

  
Acting Area Director

Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

ASSIGNMENT OF RIGHT-OF-WAY EASEMENT

WHEREAS, the Secretary of the Interior through the Area Director, Bureau of Indian Affairs, Navajo Area Office, Window Rock, Arizona has heretofore approved a Grant of Easement for Right-of-Way, on September 7, 19 84, to Peabody Coal Company, a Delaware Corporation, crossing (Navajo tribal), ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ lands located in the County of Navajo, State of Arizona, being more particularly described as a right-of-way 60 feet in width, 6,185.64 feet or 374.89 rods ~~xxxx~~ in length, and containing 8.52 acres, more or less.

NOW THEREFORE, for and in consideration of ten and no/100 dollars (\$ 10.00 ), and other good and valuable consideration, the said Peabody Coal Company, the owner of the above-described easement for right-of-way, hereinafter called Assignor, hereby bargains, sells, transfers, assigns, and conveys said Grant of Easement for Right-of-Way 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 12th day of September, 19 94.

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



ASSUMPTION OF EASEMENT

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 Easement, 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 12th day of September, 19 94.

DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

AUG 24 1995, 1995

Melvin Rousseau  
Acting AREA DIRECTOR

Approved Pursuant to Secretary Redlegation Order 209 DH 8, Secretary's Order Nos. 3150 and 3177, and 10 BIAH Bulletin 13, as amended.

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

RESOLUTION  
OF THE RESOURCES COMMITTEE  
OF THE NAVAJO NATION COUNCIL

Approving the Assignment of a 69 kV Electrical Transmission  
Line Right-of-Way from Peabody Coal Company to  
Peabody Western Coal Company

WHEREAS:

1. 2 N.T.C. § 695 (b) (2) authorizes the Resources Committee of the Navajo Nation Council to approve assignments of rights-of-way on the Navajo Nation; and

2. 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 Department of Interior (DOI) on January 31, 1995; and

3. On August 24, 1984, the Navajo Nation approved a right-of-way for Peabody Coal Company for the construction and maintenance of a 69 kV electrical transmission line. This right-of-way was approved by the DOI on September 7, 1994 (Exhibit "A"); and

4. Peabody Coal Company has submitted a request (Exhibit "B") to assign the right-of-way to Peabody Western Coal Company; and

5. A \$300.00 assignment fee has been paid to the Navajo Nation to process the assignment.

NOW THEREFORE BE IT RESOLVED THAT:

1. The Resources Committee of the Navajo Nation Council approves the assignment of a right-of-way for the 69 kV electrical transmission line (Exhibit "A") from Peabody Coal Company to Peabody Western Coal Company. The terms and conditions of the right-of-way, including the expiration date, shall be governed by those stipulated in Exhibit "A".

2. The Resources Committee of the Navajo Nation Council authorizes the President of the Navajo Nation to execute all documents 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),

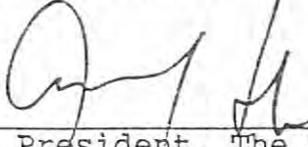
at which a quorum was present and that same was passed by a vote of 4 in favor, 0 opposed and 0 abstained, this 13th day of July, 1995.

Elmer L. Milford, Chairperson  
Resources Committee

Motion: Jones Begay  
Second: Willis Peterson

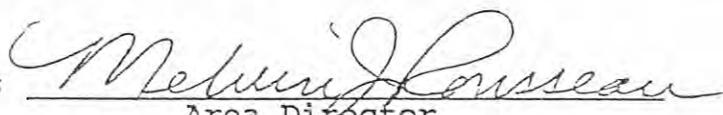


THE NAVAJO NATION (Formerly known as NAVAJO TRIBE OF INDIANS)

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF INDIAN AFFAIRS

ASSIGNMENT OF RIGHT-OF-WAY EASEMENT

WHEREAS, the Secretary of the Interior through the Area Director, Bureau of Indian Affairs, Navajo Area Office, Window Rock, Arizona has heretofore approved a Grant of Easement for Right-of-Way, on September 7, 1984, to Peabody Coal Company, a Delaware Corporation, crossing (Navajo tribal), ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ ~~XXXXXX~~ lands located in the County of Navajo, State of Arizona, being more particularly described as a right-of-way 60 feet in width, 6,185.64 feet or 374.89 rods ~~XXXX~~ in length, and containing 8.52 acres, more or less.

NOW THEREFORE, for and in consideration of ten and no/100 dollars (\$ 10.00 ), and other good and valuable consideration, the said Peabody Coal Company, the owner of the above-described easement for right-of-way, hereinafter called Assignor, hereby bargains, sells, transfers, assigns, and conveys said Grant of Easement for Right-of-Way 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 12th day of September, 1984.

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

ASSUMPTION OF EASEMENT

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 Easement, 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 12th day of September, 1984.

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



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 Right-of-Way Easement  
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.

[SEAL]

(Signed) Pamela R. Edrington  
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. I. Crawford were on the 12th day  
of September, 1994, the duly elected, qualified, and acting Vice 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 Right of Way Easement 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. I. Crawford  
Secretary  
(Title)

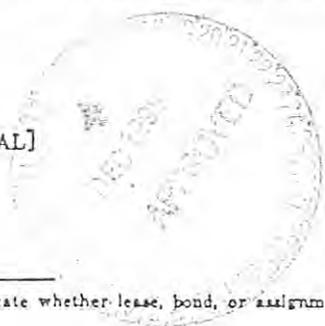
[CORPORATE SEAL]

This 12th day of September, 1994

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

(Signed) Pamela R. Schurman  
NOTARY PUBLIC  
(Title)

[SEAL]



exp: 9/2-97

\* Indicate whether lease, bond, or assignment.

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.

2. Confinement of Activities to Right-of-Way  
All vehicular traffic will be confined to existing roadway and/or within the right-of-way as granted, except as provided in Section 4 below or as specified by the Superintendent.
3. Line and Road Locations  
Where possible, the utility will be constructed adjacent to the area cleared for an access road and/or other right-of-way.  
Other routes will be used, if necessary, to minimize visual impact as authorized by the Superintendent.
4. Roads Only Where Necessary  
In areas where the right-of-way does not have permanent access, roads will not be constructed within the right-of-way when terrain will allow vehicles to maneuver without such roads.
5. Clearing and Grading  
Clearing, grading and other soil and vegetation disturbance will be limited to the minimum required for construction.  
Clearing of brush or shrub type vegetation beneath aerial lines will be limited to severing the tops of that vegetation. Established vegetation will be removed only where necessary for the construction of roads, buildings, poles, towers or other surface structures. In no event will herbicides be used without the written permission of the Superintendent.
6. Tree and Brush Disposal Requirements  
Unless otherwise specified by the Superintendent, the following tree and brush disposal requirements shall be in effect:
  - a. All cleared woody material four (4) inches diameter or less inside the bark at the small end will be considered as brush or slash and disposed of by piling and burning at a safe distance from surrounding vegetation or by chipping in portable chippers unless other disposal methods are specified.
  - b. All straight cleared woody material between four (4) and seven (7) inches diameter inside the bark at the small end will be trimmed of smaller branches, cut into straight seven (7) foot pieces and piled on or adjacent to the right-of-way for utilization by the Navajo people.
  - c. All straight cleared woody material seven (7) inches or more in diameter inside the bark at the small end will be trimmed of all limbs and branches, sawed into 16 feet 6 inches straight saw log lengths and piled into log decks at locations accessible by logging trucks and loaders.
  - d. All other woody material will be disposed of in accordance with Section 6a above. Grantee shall obtain a burning permit from the Navajo Area Branch of Forestry before burning any debris, trees or brush in forested areas.
7. Trenches and Excavations  
Trenches and other excavations shall be left open for the minimum period of time compatible with construction requirements. Materials removed during construction must be backfilled or disposed of in such a manner as to prevent concentration of water runoff which would cause accelerated erosion and prevent rows or piles of rubble or large rock that would hinder movement of livestock or big game animals or detract from scenic attributes.
8. Depth and Coloration of Underground Utilities  
Underground utilities will be covered to a depth of three (3) feet or as specified by engineering standards and requirements, whichever is greatest. Where such depths are not feasible, the utility shall be placed on or elevated above the surface as specified by engineering standards and requirements. When placed on or above the surface, the utility will be painted to blend with the natural surroundings using the indicated cover type:

<u>Forests and Woodlands:</u>	Green Fed. Std. No. 595 34127
<u>Sagebrush:</u>	Grey Fed. Std. No. 595 36357 C.I.E. Measurement x. 3264 y. 3411 Y.3659
<u>Badlands:</u>	Brown Fed. Std. No. 595 30318 C.I.E. Measurement x. 3557 y. 3960 Y.3368

Existing fences crossed by the right-of-way will be braced and tied off before cutting so as to prevent slacking of the wire. The opening will be closed temporarily as necessary during construction to prevent the escape of livestock and upon completion of construction the fence will be repaired to its original condition. If construction destroys a natural barrier used for livestock control, the gap shall be fenced to the satisfaction of the Superintendent and land user.

11. Maintenance and Reclamation of Roadways

Roads constructed and used for utility construction, maintenance and operation will be maintained twice each year with grading and cleaning of drainage structures. All roads constructed exclusively for construction purposes will be closed to vehicular traffic and rehabilitated after construction is completed as directed by the Superintendent unless otherwise specified by that official.

12. Water Bars

Grantee will place water bars on disturbed areas as required by the Superintendent. The following is a general guide for water bar spacing:

<u>% Slope</u>	<u>Spacing Interval</u>
Less than 2½%	200 ft.
2½%	150 ft.
6½ to 9%	100 ft.
10% to 15%	50 ft.
More than 15%	30 ft.

13. Revegetation

Within one (1) year from the completion of construction the Grantee shall seed disturbed areas designated by the Superintendent with plant species specified by that official. In addition, the Superintendent may require the following revegetation operations at Grantee's expense:

- Exclude domestic livestock from reseeded areas with fencing.
- Apply fertilizers as needed for vegetation establishment.
- Reseed and refertilize as needed for vegetation establishment.

14. Maintenance of Improvements

All existing improvement affected by construction and maintenance of right-of-way facilities shall be maintained in servicable condition at all times.

15. General Right-of-Way Maintenance

Grantee shall maintain right-of-way to the satisfaction of the Superintendent for the duration of the right-of-way. Such maintenance shall include, but not be limited to soil stabilization, removal of litter and maintenance of a clear and healthy environment.

16. Restoration Upon Right-of-Way Relinquishment

Upon relinquishment of this right-of-way, the Superintendent may require the removal of all aerial, surface and subsurface facilities from the right-of-way and reclamation operations including, but not limited to contouring cross-rippling and re-vegetation.

17. Raptor Protection

Aerial powerlines shall include all applicable design features described in the publication "Suggested Practices for Raptor Protection on Powerlines" available from:

Raptor Research Foundation, Inc.  
Department of Zoology - 167 WIBD  
Brigham Young University  
Provo, Utah 84601

The use of design features not included in this publication must be acceptable to the Superintendent.

The Superintendent reserves the right to require modification of or additions to all powerline structures placed on the right-of-way if the Navajo Tribal Fish and Wildlife Service determines such modifications or additions are necessary to insure the safety of raptor or birds of prey. Grantee shall assume full financial responsibility for the cost of such modifications or additions.

This easement is subject to any valid existing right or adverse claim and is ~~with the exception of~~  
~~xxxxxxxxxxxx~~ / 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

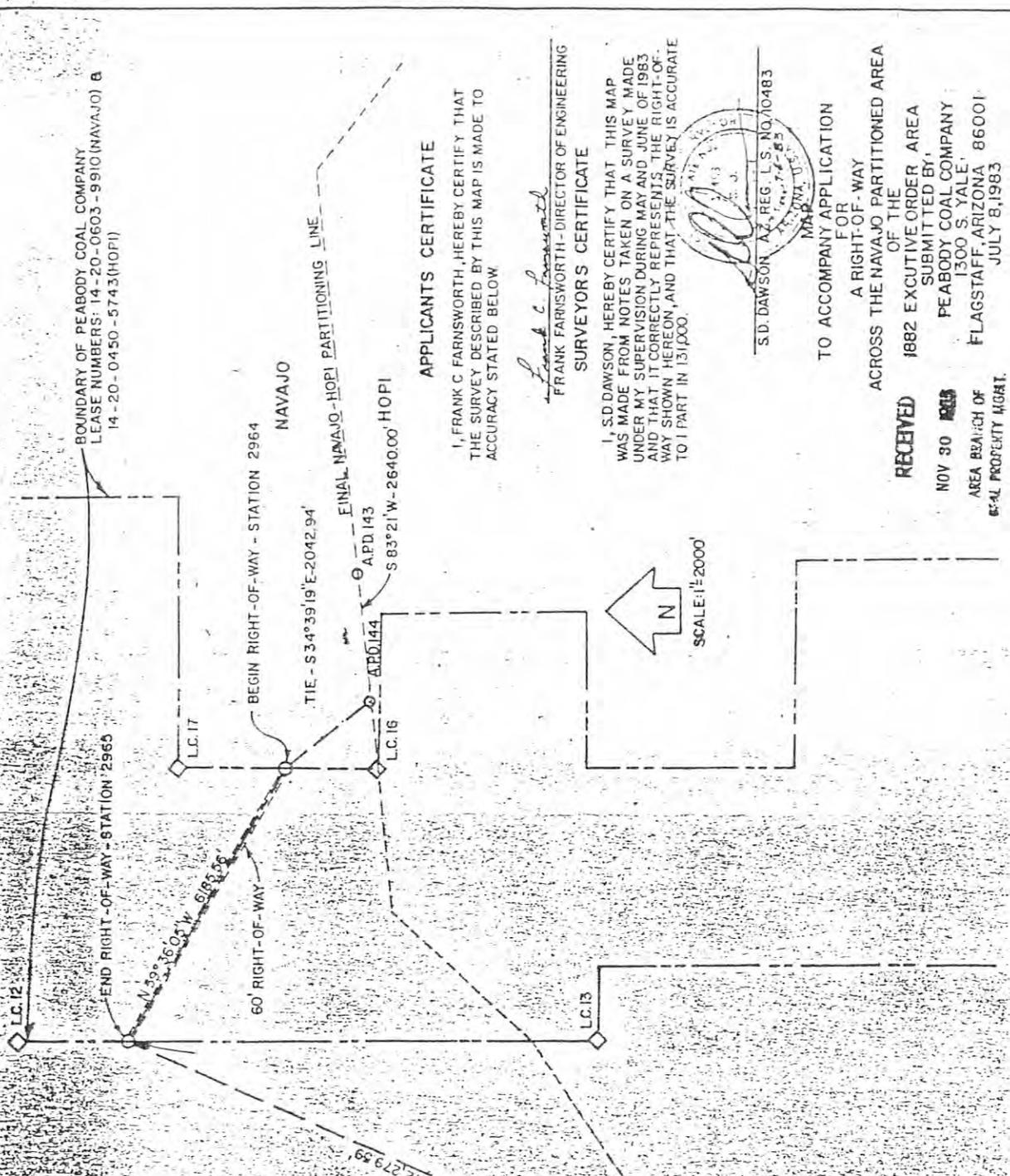
By *[Signature]*  
(Name)

Acting Secretary  
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



**POWER LINE DESCRIPTION**  
 THE FOLLOWING IS THE DESCRIPTION OF A 60' 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 2864, SAID POINT BEING  $1134^{\circ}39'19''$  W OF AND A DISTANCE OF 2042.94 FEET FROM A POINT ON THE FINAL NAVAJO-HOPI PARTITIONING LINE KNOWN AS A.P.D. 144.  
 THENCE  $N59^{\circ}36'05''$  W IN A STRAIGHT LINE A DISTANCE OF 6185.36 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  $N23^{\circ}51'52''$  E OF AND A DISTANCE OF 12,279.39 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.



**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 131,000.



S.D. DAWSON A.Z. REG. L.S. NO. 70483  
 MARICOPA COUNTY, ARIZONA

TO ACCOMPANY APPLICATION FOR A RIGHT-OF-WAY ACROSS THE NAVAJO PARTITIONED AREA OF THE 1882 EXECUTIVE ORDER AREA SUBMITTED BY PEABODY COAL COMPANY 1300 S. YALE, FLAGSTAFF, ARIZONA 86001 JULY 8, 1983

RECEIVED

NOV 30 1983  
 AREA BRANCH OF  
 EQUAL PROPERTY RIGHT.



SCALE: 1" = 2000'

Exhibit 'A'

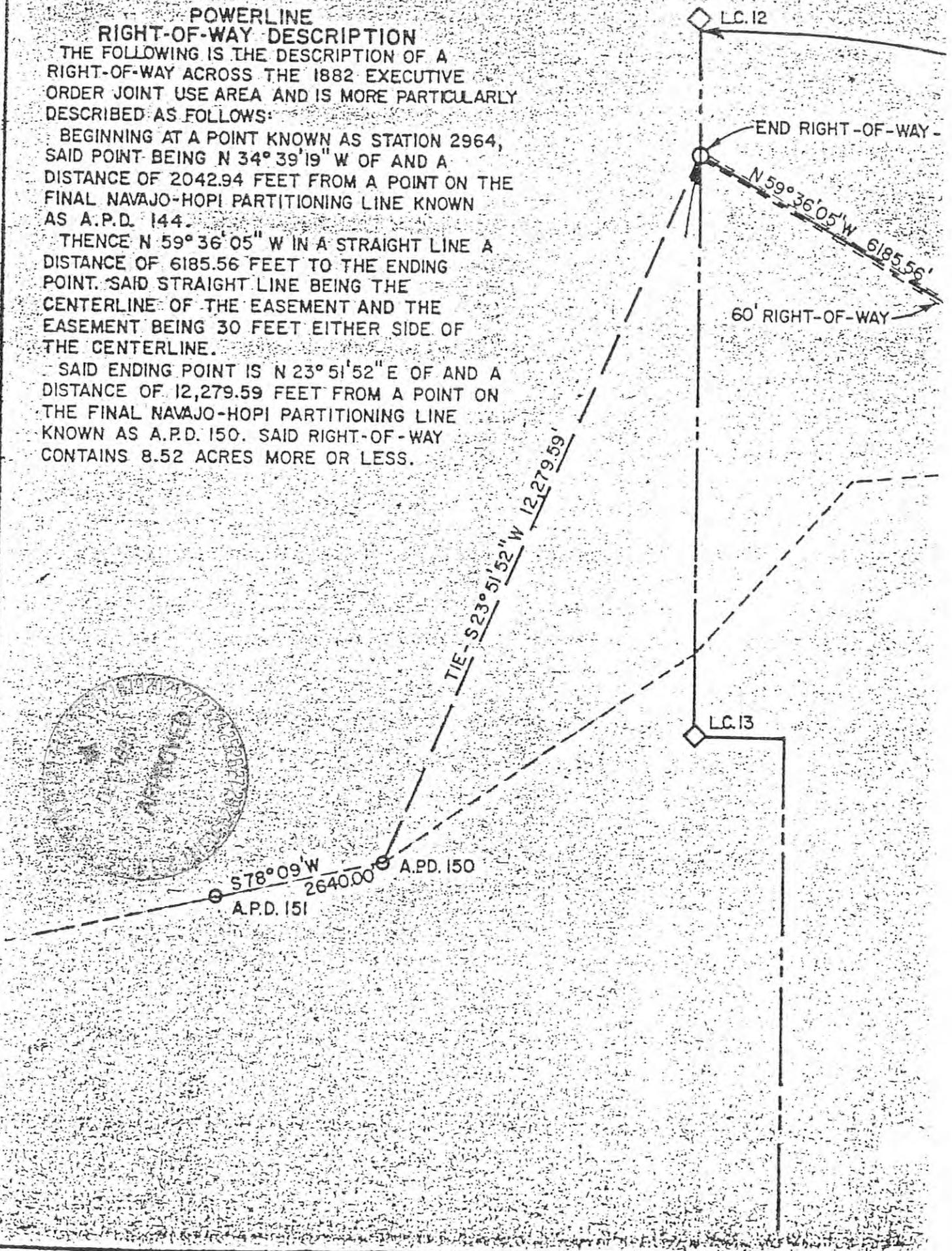
**POWERLINE  
RIGHT-OF-WAY DESCRIPTION**

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 2042.94 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 12,279.59 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.



TION 2965

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

LC.17

BEGIN RIGHT-OF-WAY - STATION 2964

NAVAJO

TIE - S34°39'19"E-2042.94'

FINAL NAVAJO-HOPI PARTITIONING LINE

LC.16

A.P.D.144

A.P.D.143

S 83°21'W-2640.00' HOPI

### APPLICANTS CERTIFICATE

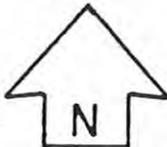
I, FRANK C. FARNSWORTH, HEREBY CERTIFY THAT  
THE SURVEY DESCRIBED BY THIS MAP IS MADE TO  
ACCURACY STATED BELOW.

*Frank C. Farnsworth*

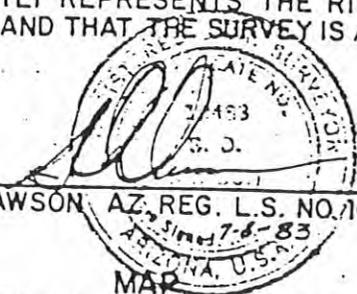
FRANK FARNSWORTH - DIRECTOR OF ENGINEERING

### 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 131,000.



SCALE: 1" = 2000'



S.D. DAWSON, AZ. REG. L.S. NO. 10483

MAP

TO ACCOMPANY APPLICATION  
FOR  
A RIGHT-OF-WAY  
ACROSS THE NAVAJO PARTITIONED AREA  
OF THE

1882 EXECUTIVE ORDER AREA  
SUBMITTED BY:  
PEABODY COAL COMPANY  
1300 S. YALE  
FLAGSTAFF, ARIZONA 86001  
JULY 8, 1983

RECEIVED

NOV 30 1983

AREA BRANCH OF  
REAL PROPERTY MGMT.



Exhibit 'A'

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 .

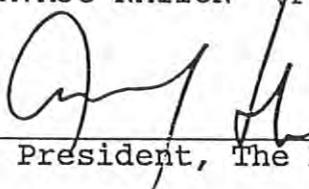
Sincerely,

*Melvin Rousseau*  
Acting Area Director

Enclosures



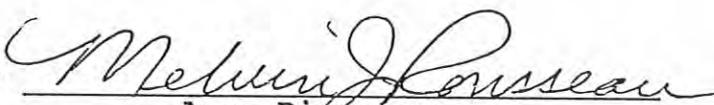
THE NAVAJO NATION (Formerly known as NAVAJO TRIBE OF INDIANS)

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

REVOCABLE USE PERMIT  
ASSIGNMENT OF RIGHT ~~XXXXXXXXXXXXXXXXXXXX~~

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~~ <sup>Revocable Use Permit</sup>  
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~, on June 1, 19 90, to Peabody Coal Company, a  
Delaware corporation, crossing (Navajo tribal), ~~(XXXXXXXXXXXXXXXXXXXX)~~  
~~XXXXXXXXXX~~ lands located in the County of Navajo, State of Arizona  
being more particularly described as a ~~XXXXXXXXXXXX~~ <sup>Revocable Use Permit</sup> a Permit to  
~~XXXXXXXXXXXXXXXXXXXX~~, construct, operate, maintain, repair, replace, and/or remove 15 environmental monitoring  
stations ~~XXXXXXXXXXXX~~ <sup>XXXXXXXXXXXX</sup>, and containing  
4.191370 acres, more or less.

NOW THEREFORE, for and in consideration of ten and more ~~XXXXXXXXXXXXXXXXXXXX~~  
~~XXXXXXXXXXXXXXXXXXXX~~ <sup>XXXXXXXXXXXX</sup> dollars (\$10.00 ~~XXXXXXXXXXXX~~), and other good and valuable consideration,  
the said Peabody Coal Company, a Delaware corporation, the owner of the  
above-described ~~XXXXXXXXXXXXXXXXXXXX~~ <sup>Revocable Use Permit</sup>, hereinafter called Assignor, hereby bargains,  
sells, transfers, assigns, and conveys said ~~XXXXXXXXXXXXXXXXXXXX~~ <sup>Revocable Use Permit</sup> 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 ~~XXXXXXXXXX~~

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~~ <sup>XXXXXXXXXXXX</sup> Permit, 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

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 ..... 19 94., 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 ..... 19 94

(Signed) *Jamela P. Schwinn*  
.....  
..... Notary Public .....  
(Title)

[SEAL]

\* 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, 1994, 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  
G. Irene Crawford  
Secretary (Title)

[CORPORATE SEAL]

This 28th day of September, 1994

Subscribed and sworn to before me this 28th day of September, 1994

(Signed) Pamela R 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 1986

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 $\frac{1}{4}$ , NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 21, T35N, R18E (existing)	.000298
94	NE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E "	.000298
95	NE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E "	.000298
102	SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 18, T35N, R19E "	.000298
108	NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 13, T35N, R19E "	.000298
<u>STREAM STATIONS</u>		
16	SE $\frac{1}{4}$ , SE $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 2, T36N, R18E "	.040634
18	NE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 2, T36N, R18E "	.092562
25	SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , NE $\frac{1}{4}$ , Section 9, T35N, R18E (new)	.045914
26	NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E "	.001148
34	NW $\frac{1}{4}$ , NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 4, T34N, R19E "	.001148
155	NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E "	.001148
<u>CREST GAUGES</u>		
16	SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , Section 1, T36N, R18E (existing)	.000298
18	NE $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 2, T36N, R18E "	.000298
25	SE $\frac{1}{4}$ , SE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 9, T35N, R18E (new)	.000298
26	NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E "	.000597
34	NW $\frac{1}{4}$ , NW $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 4, T34N, R19E "	.000298
37	SE $\frac{1}{4}$ , SE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 31, T35N, R19E (existing)	.000298
85	SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , Section 21, T35N, R18E "	.000597
155	NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , NW $\frac{1}{4}$ , Section 20, T35N, R18E (new)	.000597
<u>PRECIPITATION GAUGES</u>		
152	SE $\frac{1}{4}$ , NE $\frac{1}{4}$ , SW $\frac{1}{4}$ , Section 24, T37N, R18E (new)	.000459
154	SE $\frac{1}{4}$ , NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , Section 1, T36N, R19E "	.000459
<u>MONITORING ROADS</u>		
34	NW $\frac{1}{4}$ , Section 4, T34N, R19E; NE $\frac{1}{4}$ , Section 5, T34N, R19E; and SE $\frac{1}{4}$ , Section 32, T35N, R19E	3.884298
<u>TRAINING DIKES</u>		
16	SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , SW $\frac{1}{4}$ , 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, ~~XXXX~~

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 BIAM, SECTION 3.1.

APPROVED: **DEC 16 1985**

*Wilson ...*  
AREA DIRECTOR, NAVAJO AREA OFFICE



EXHIBIT A

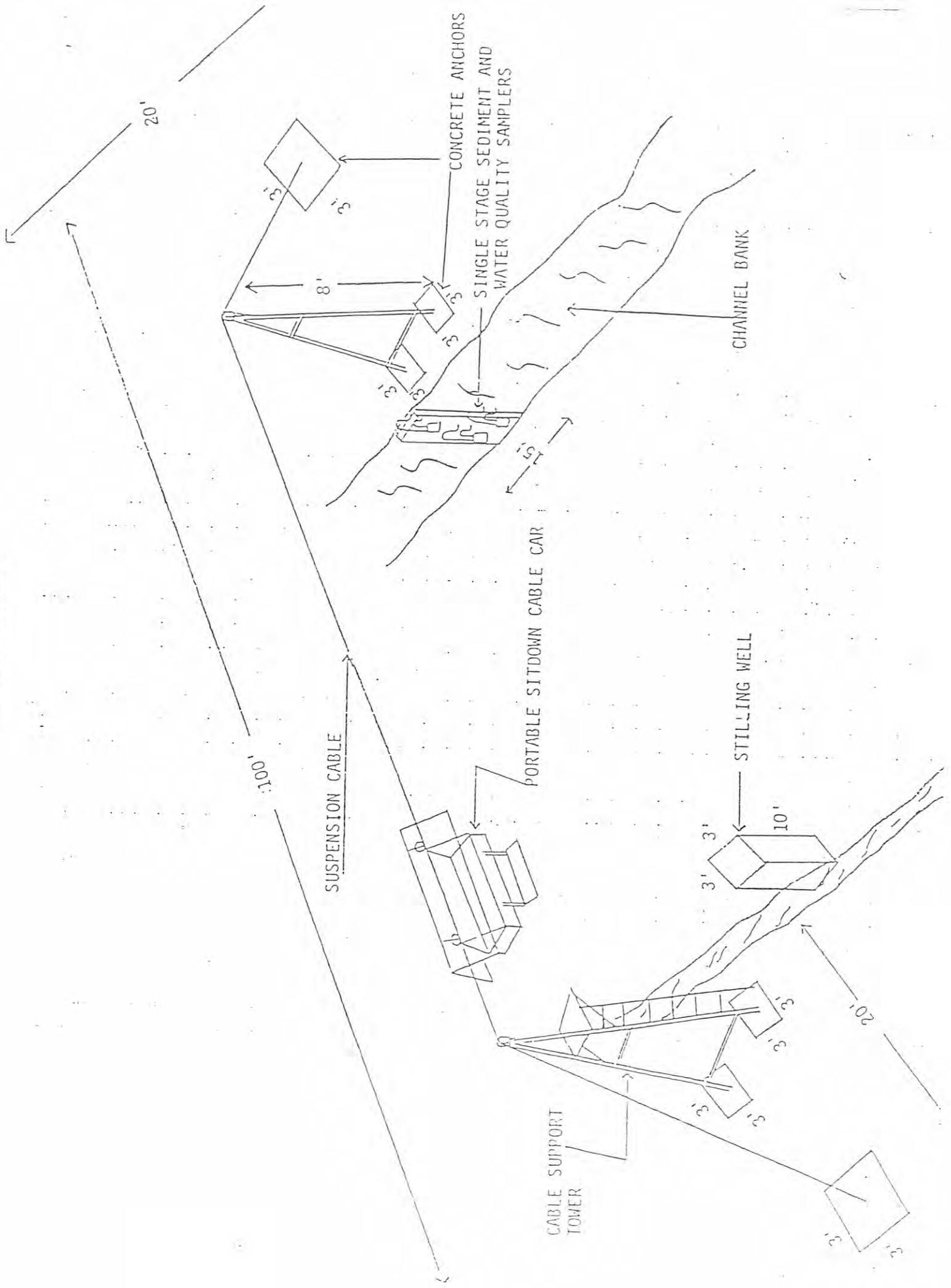


FIGURE 2.

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

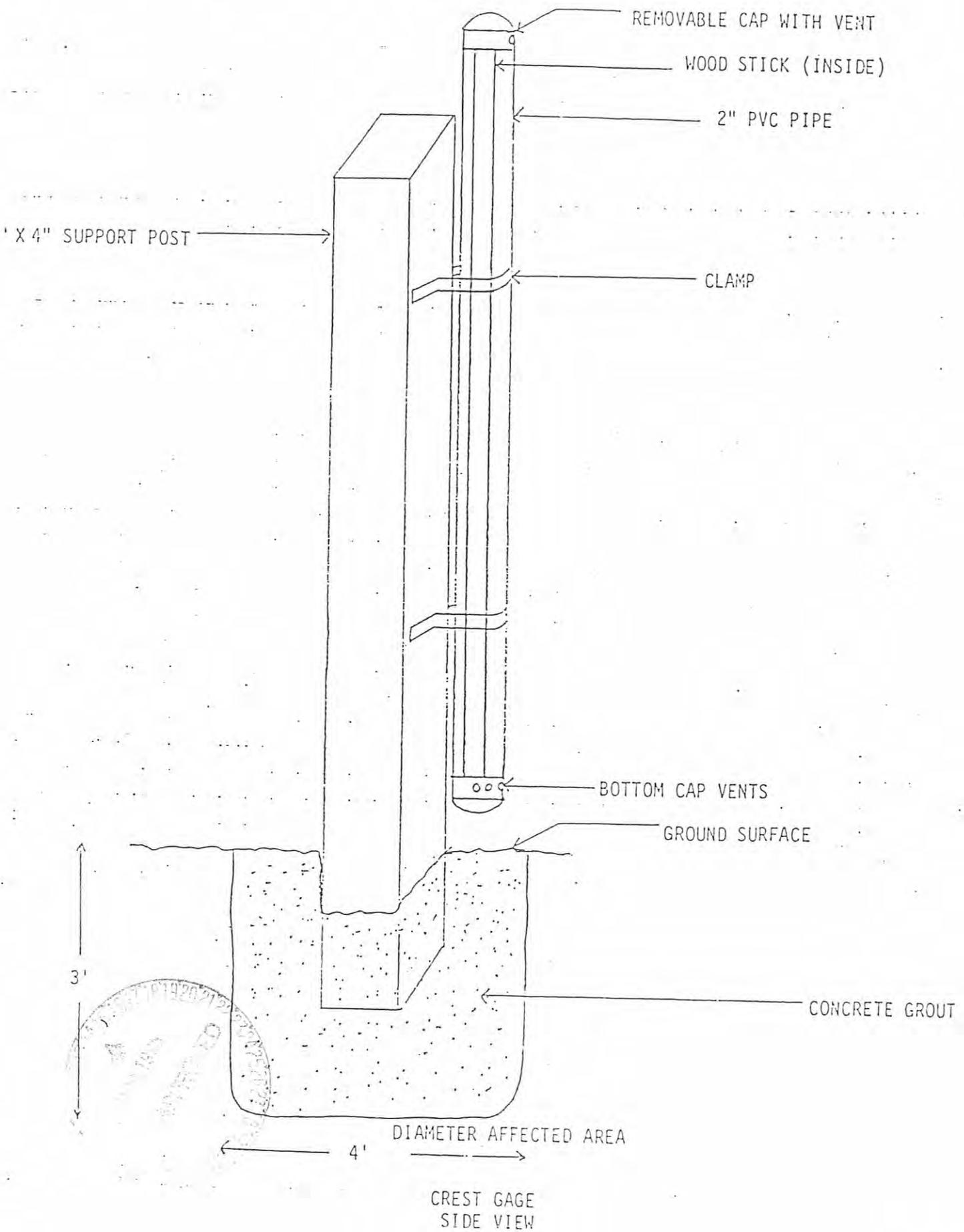




FIGURE 4.

STREAM STAGE S ON WITH CATWALK #16

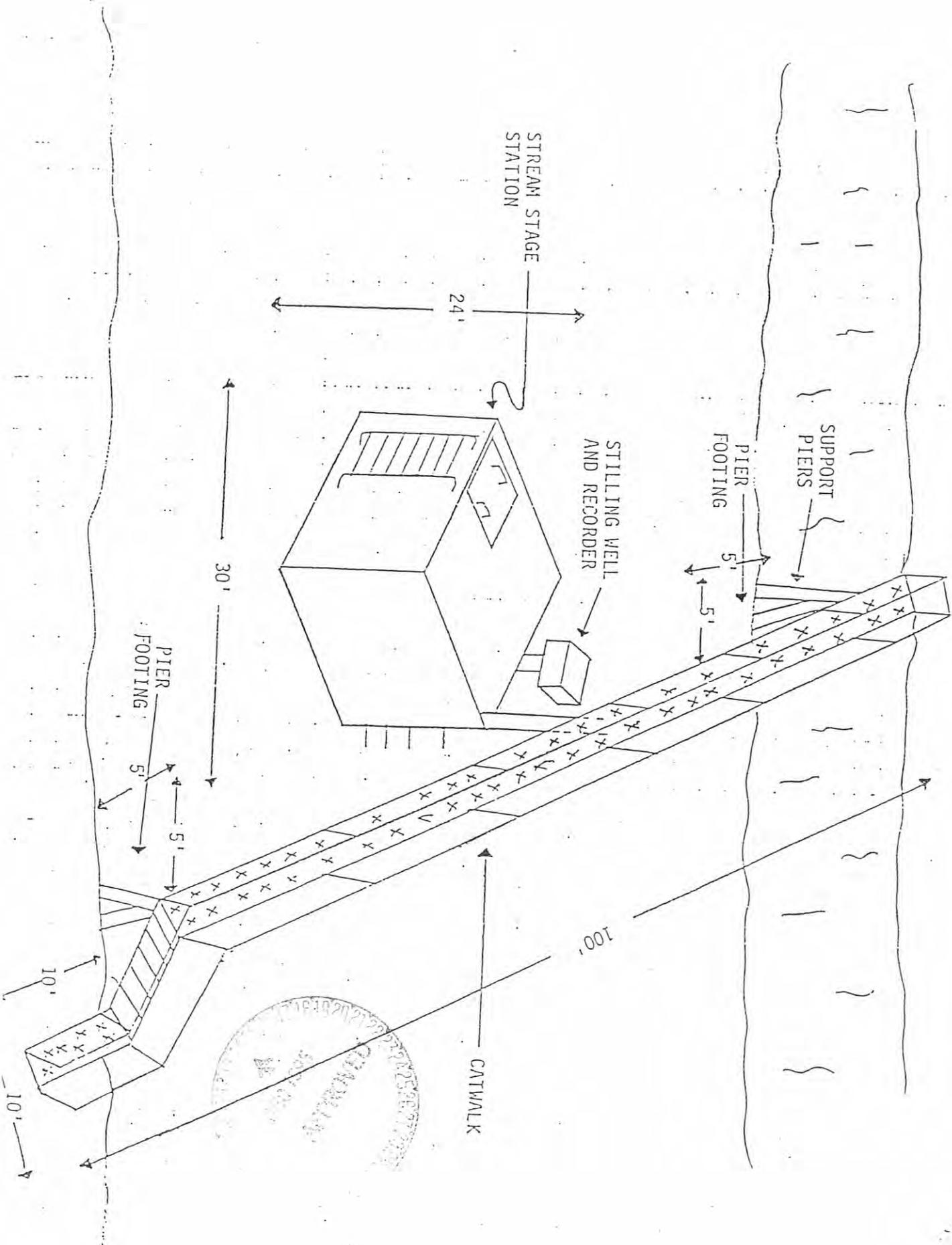
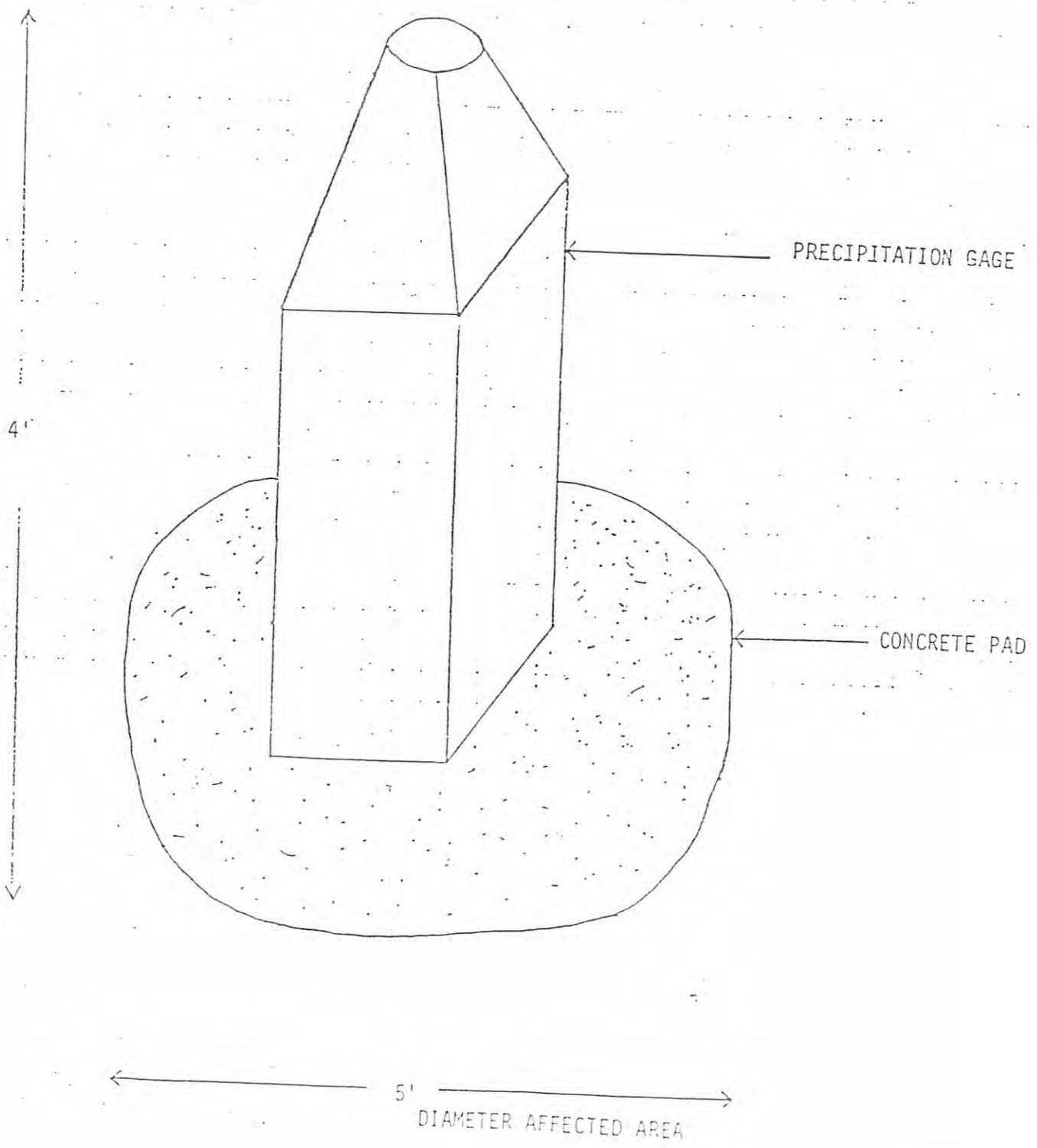
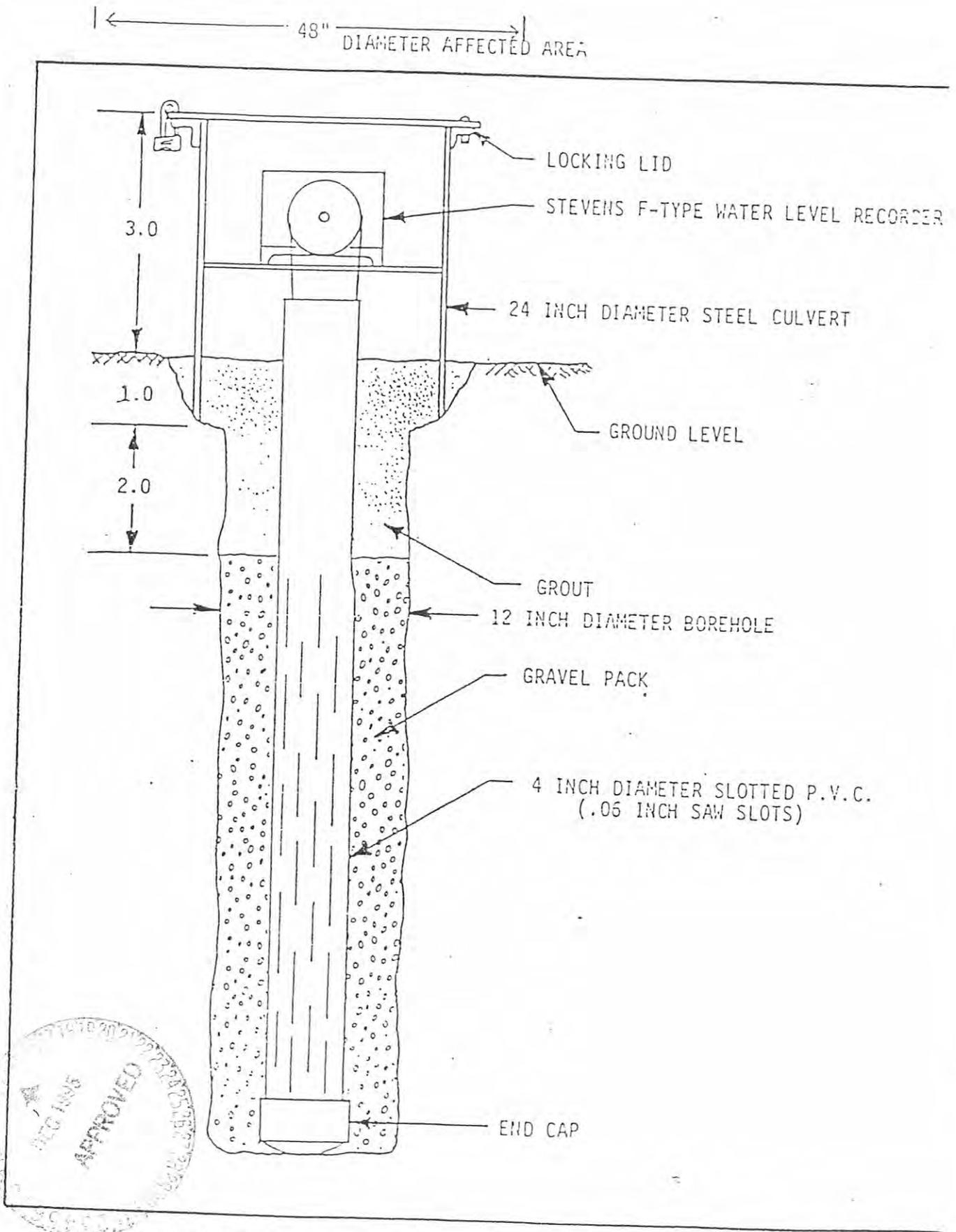


FIGURE 5.

PRECIPITATION GAGES #152 AND 154





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

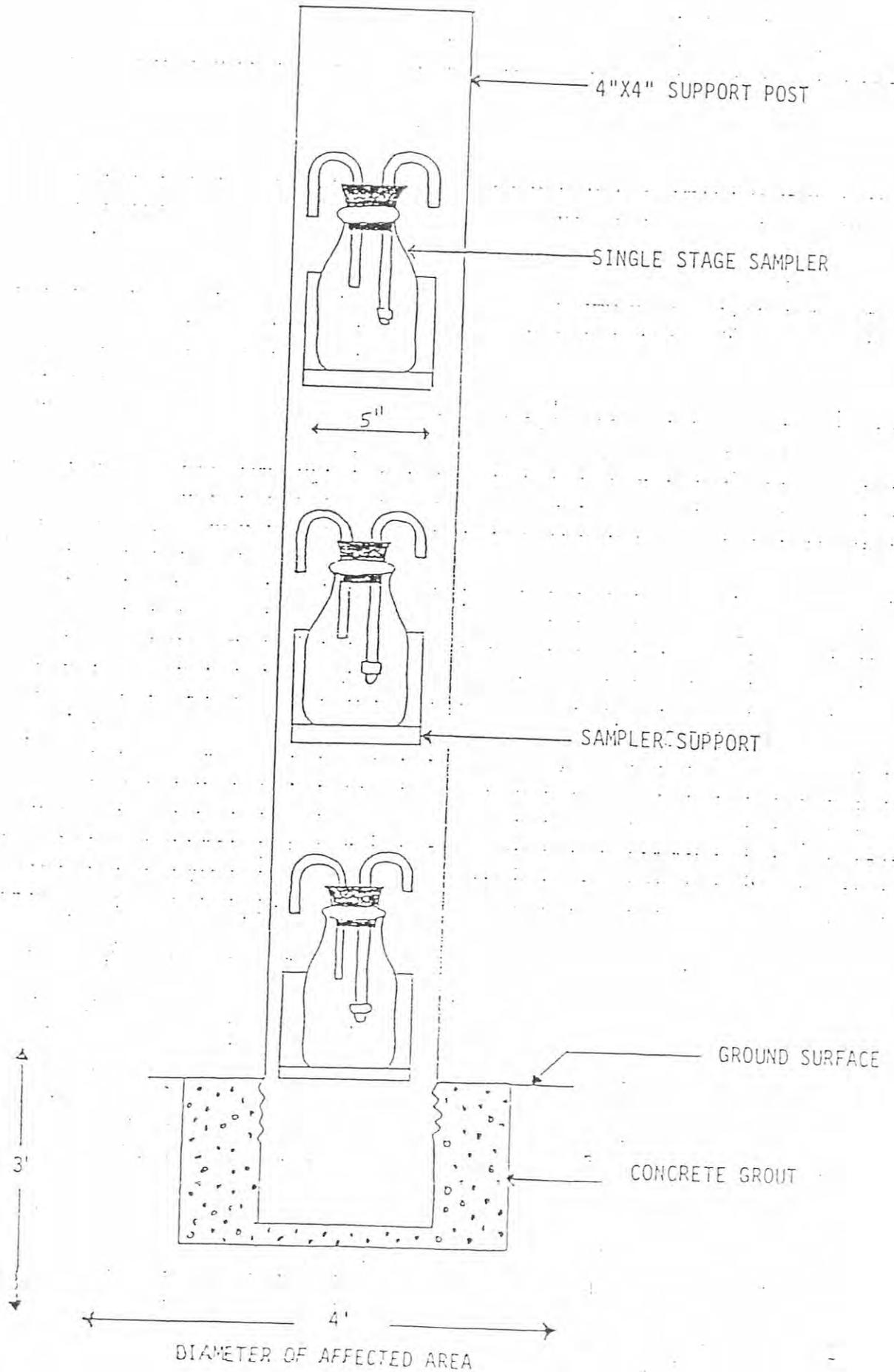
ALLUVIAL WELLS #31, 94, 95, 102 AND 103

FIGURE 6.

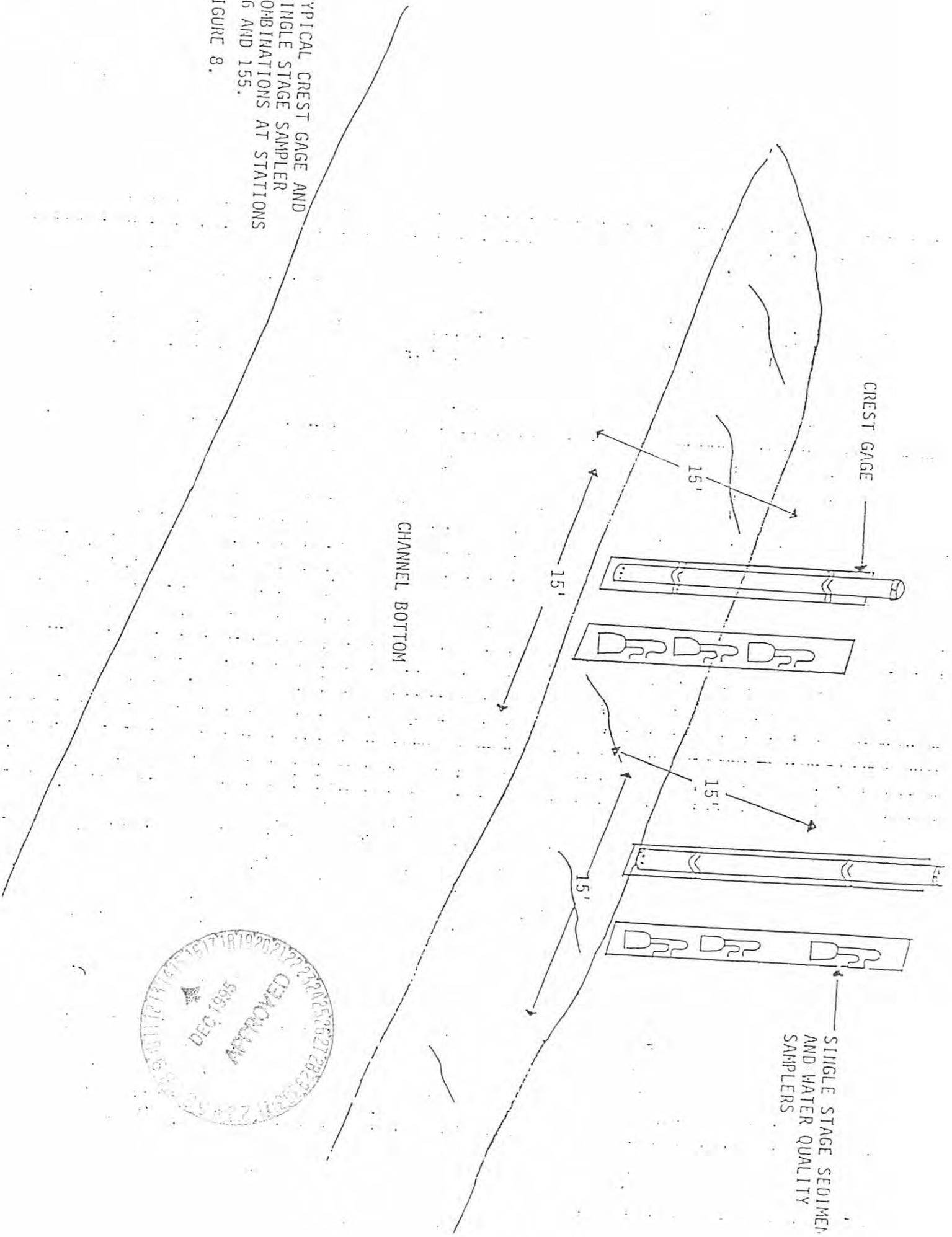


FIGURE 7

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



TYPICAL CREST GAGE AND  
SINGLE STAGE SAMPLER  
COMBINATIONS AT STATIONS  
26 AND 155.



ATTACHMENT 5

CERTIFICATE OF LIABILITY INSURANCE

Revised 12/13/11





# CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 2  
DATE (MM/DD/YYYY)  
02/12/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. 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).

<b>PRODUCER</b> Willis of Tennessee, Inc. c/o 26 Century Blvd. P.O. Box 305191 Nashville, TN 37230-5191	<b>CONTACT NAME:</b> PHONE (A/C NO. EXT): 877-945-7378 FAX (A/C NO): 888-467-2378 E-MAIL ADDRESS: certificates@willis.com
	INSURER(S) AFFORDING COVERAGE INSURER A: ACE American Insurance Company NAIC # 22667-001
<b>INSURED</b> Peabody Energy Corporation and Subsidiaries Attn: Robert Fenley 701 Market Street Suite 700 St. Louis, MO 63101-1826	INSURER B:
	INSURER C:
	INSURER D: 14-02-20-04
	INSURER E:
	INSURER F:

**COVERAGES**                      **CERTIFICATE NUMBER: 21152955**                      **REVISION NUMBER: See Remarks**

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

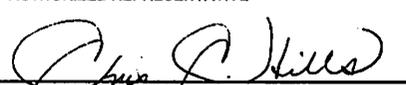
INSR LTR	TYPE OF INSURANCE	ADD'L INSRD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			HDOG2732809A	11/1/2013	11/1/2014	EACH OCCURRENCE	\$ 5,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 5,000,000
							GENERAL AGGREGATE	\$ 6,000,000
							PRODUCTS - COMP/OP AGG	\$ 6,000,000
GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC								
A	AUTOMOBILE LIABILITY			ISAH08815306	11/1/2013	11/1/2014	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS						BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	\$
							\$	
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	EXCESS LIAB						AGGREGATE	\$
	DED						RETENTION \$	\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS	OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)

THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 10/30/2013 WITH ID: 20640047

Covers all operations at the Kayenta 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.

See Attached:

<b>CERTIFICATE HOLDER</b> Office of Surface Mining Reclamation and Enforcements Western Region Attn: Amy McGregor 1999 Broadway, Suite 3320 Denver, CO 80202-3050	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



**ADDITIONAL REMARKS SCHEDULE**

AGENCY Willis of Tennessee, Inc.		NAMED INSURED Peabody Energy Corporation and Subsidiaries Attn: Robert Fenley 701 Market Street Suite 700 St. Louis, MO 63101-1826	
POLICY NUMBER See First Page		EFFECTIVE DATE: See First Page	
CARRIER ACE American Insurance Company	NAIC CODE 22667-001		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

The insurer will notify the regulatory authority whenever substantive changes are made in the General Liability policy including any termination or failure to renew to comply with 30CFR 800.60(c).

**GENERAL ENDORSEMENT**

Named Insured <b>Peabody Energy Corporation</b>			Endorsement Number <b>58</b>
Policy Symbol <b>HDO</b>	Policy Number <b>G2732809A</b>	Policy Period <b>11/01/2013 to 11/01/2014</b>	Effective Date of Endorsement <b>11/01/2013</b>
Issued By (Name of Insurance Company) <b>ACE American Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

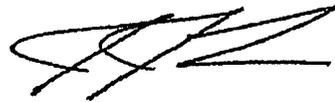
**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

It is agreed effective 11/01/2013 that the following endorsement is added to the policy:

Endorsement #59, ALL-32688 (01/11), Notice To Others Endorsement – Specific Parties



Authorized Representative

**NOTICE TO OTHERS ENDORSEMENT - SPECIFIC PARTIES**

Named Insured <b>Peabody Energy Corporation</b>			Endorsement Number <b>59</b>
Policy Symbol <b>HDO</b>	Policy Number <b>G2732809A</b>	Policy Period <b>11/01/2013 to 11/01/2014</b>	Effective Date of Endorsement <b>11/01/2013</b>
Issued By (Name of Insurance Company) <b>ACE American Insurance Company</b>			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

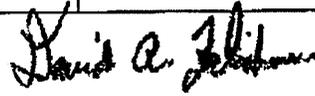
- A. If we cancel the Policy prior to its expiration date by notice to you or the first Named Insured for any reason other than nonpayment of premium, we will endeavor, as set out below, to send written notice of cancellation, via such electronic or other form of notification as we determine, to the persons or organizations listed in the schedule set out below (the "Schedule"). You or your representative must provide us with both the physical and e-mail address of such persons or organizations, and we will utilize such e-mail address or physical address that you or your representative provided to us on such Schedule.
- B. We will endeavor to send or deliver such notice to the e-mail address or physical address corresponding to each person or organization indicated in the Schedule at least 30 days prior to the cancellation date applicable to the Policy.
- C. The notice referenced in this endorsement is intended only to be a courtesy notification to the person(s) or organization(s) named in the Schedule in the event of a pending cancellation of coverage. We have no legal obligation of any kind to any such person(s) or organization(s). Our failure to provide advance notification of cancellation to the person(s) or organization(s) shown in the Schedule shall impose no obligation or liability of any kind upon us, our agents or representatives, will not extend any Policy cancellation date and will not negate any cancellation of the Policy.
- D. We are not responsible for verifying any information provided to us in any Schedule, nor are we responsible for any incorrect information that you or your representative provide to us. If you or your representative does not provide us with the information necessary to complete the Schedule, we have no responsibility for taking any action under this endorsement. In addition, if neither you nor your representative provides us with e-mail and physical address information with respect to a particular person or organization, then we shall have no responsibility for taking action with regard to such person or entity under this endorsement.
- E. We may arrange with your representative to send such notice in the event of any such cancellation.
- F. You will cooperate with us in providing, or in causing your representative to provide, the e-mail address and physical address of the persons or organizations listed in the Schedule.
- G. This endorsement does not apply in the event that you cancel the Policy.

**SCHEDULE**

Name of Certificate Holder	E-Mail Address	Physical Address
The Colorado Office of Surface Mining Reclamation and Enforcement, Western Region		Attn: Amy McGregor 1999 Broadway, Suite 3320 Denver CO 80202-3050

Name of Certificate Holder	E-Mail Address	Physical Address

All other terms and conditions of this Policy remain unchanged.



---

Authorized Representative



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/19/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. 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).

PRODUCER Willis of Tennessee, Inc. c/o 26 Century Blvd. P.O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C, NO, EXT):	877-945-7378	FAX (A/C, NO): 888-467-2378
	E-MAIL ADDRESS:	certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE	NAIC#	
	INSURER A:	ACE American Insurance Company	22667-001
INSURED Peabody Energy Corporation and Subsidiaries Attn: Robert Fenley 701 Market Street Suite 700 St. Louis, MO 63101-1826	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES      CERTIFICATE NUMBER: 19073779      REVISION NUMBER: See Remarks

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSRD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			HDOG2701351A	11/1/2012	11/1/2013	EACH OCCURRENCE	\$ 5,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
							MED EXP (Any one person)	\$ 5,000
							PERSONAL & ADV INJURY	\$ 5,000,000
							GENERAL AGGREGATE	\$ 6,000,000
							PRODUCTS - COMP/OP AGG	\$ 6,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC							\$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			ISAH0871194A	11/1/2012	11/1/2013	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
	UMBRELLA LIAB						EACH OCCURRENCE	\$
	EXCESS LIAB						AGGREGATE	\$
	DED							\$
	RETENTIONS							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			N/A			WC STATUTORY LIMITS	OTHER
							E.L. EACH ACCIDENT	\$
							E.L. DISEASE - EA EMPLOYEE	\$
							E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)  
**THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 10/29/2012 WITH ID: 18784902**

Covers all operations at the Kayenta 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.

<b>CERTIFICATE HOLDER</b>  Office of Surface Mining Reclamation and Enforcements Western Region Attn: Amy McGregor 1999 Broadway, Suite 3320 Denver, CO 80202-3050	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  



# CERTIFICATE OF LIABILITY INSURANCE

Page 1 of 1  
DATE (MM/DD/YYYY)  
10/25/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES OW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. 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).

PRODUCER Willis of Tennessee, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C, NO, EXT):	877-945-7378	FAX (A/C, NO): 888-467-2378
	E-MAIL ADDRESS:	certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: ACE American Insurance Company		22667-001
INSURED Peabody Energy Corporation and Subsidiaries Attn: Robert Fenley 701 Market Street Suite 700 St. Louis, MO 63101-1826	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES      CERTIFICATE NUMBER: 16833017      REVISION NUMBER:

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSRD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY		HD0G25532016	11/1/2011	11/1/2012	EACH OCCURRENCE	\$ 5,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person)	\$ 5,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY	\$ 5,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					GENERAL AGGREGATE	\$ 6,000,000	
	JTOMOBILE LIABILITY		ISAH08692312	11/1/2011	11/1/2012	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000	
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident)	\$	
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident)	\$	
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE	\$	
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE	\$	
	DED	RETENTION S					\$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATU-TORY LIMITS	OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N	N/A			E.L. EACH ACCIDENT	\$	
						E.L. DISEASE - EA EMPLOYEE	\$	
						E.L. DISEASE - POLICY LIMIT	\$	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)  
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: Rick L. Williamson 1999 Broadway, Suite 3320 Denver, CO 80202-3050	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
11/01/2010

Page 1 of 1

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Willis of Tennessee, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C, NO., EXT): 877-945-7378	FAX (A/C, NO.): 888-467-2378	
	E-MAIL ADDRESS: certificates@willis.com		
	INSURER(S) AFFORDING COVERAGE	NAIC#	
	INSURER A: ACE American Insurance Company	22667-001	
INSURED Peabody Energy Corporation and Subsidiaries Attn: Ryan Brown 701 Market Street Suite 700 St. Louis, MO 63101-1826	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

## COVERAGES

CERTIFICATE NUMBER: 14975538

REVISION NUMBER: See Remarks

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L INSRD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	N	N	HDOG2552536A	11/1/2010	11/1/2011	EACH OCCURRENCE \$ 5,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 5,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 6,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS	N	N	ISAH08631992	11/1/2010	11/1/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS \$ OTHER \$ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)

THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 10/28/2010 WITH ID: 14953868

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

## CANCELLATION

Office of Surface Mining Reclamation and Enforcements Western Region Attn: Rick L. Williamson 1999 Broadway, Suite 3320 Denver, CO 80202-3050	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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Coll:3172000 Tpl:1174341 Cert:14975538 © 1988-2010 ACORD CORPORATION. All rights reserved.



## 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.





## **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.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE Page 1 of 2

DATE  
10/29/2007

PRODUCER  
877-945-7378  
  
Willis North America, Inc.  
26 Century Blvd.  
P. O. Box 305191  
Nashville, TN 372305191

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  
Attn: Walter Hawkins  
701 Market Street  
Suite 700  
St. Louis, MO 63101-1826

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: National Union Fire Insurance Company	19445-011
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

### 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	<b>GENERAL LIABILITY</b> <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	4807243	11/1/2007	11/1/2008	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 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
A	<b>AUTOMOBILE LIABILITY</b> <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	4806729  07-11-06-03	11/1/2007	11/1/2008	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 <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

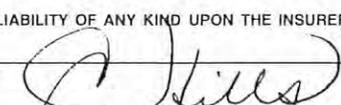
Named Insured: Peabody Western Coal

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

### CANCELLATION

Office of Surface Mining Reclamation & Enforcement  
Attn: Bob Postle  
P. O. Box 46667  
Denver, CO 80201-6667

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
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.



## **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).

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# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE  
09/28/2007

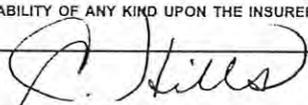
PRODUCER 877-945-7378 Willis North America, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Peabody Energy Corporation Attn: Walter Hawkins 701 Market Street Suite 700 St. Louis, MO 63101-1826		INSURERS AFFORDING COVERAGE	NAIC#
		INSURER A: ACE American Insurance Company	22667-001
		INSURER B:	
		INSURER C:	
		INSURER D:	
		INSURER E:	

## 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	<b>GENERAL LIABILITY</b> <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	HDOG23717773	10/1/2006	11/1/2007	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 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
A	<b>AUTOMOBILE LIABILITY</b> <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	ISAH08228103	10/1/2006	11/1/2007	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 Named Insured: Peabody Western Coal  
  
 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: Bob Postle 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 ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
	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.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE  
09/28/2007

PRODUCER  
877-945-7378  
  
Willis North America, Inc.  
26 Century Blvd.  
P. O. Box 305191  
Nashville, TN 372305191

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  
Attn: Walter Hawkins  
701 Market Street  
Suite 700  
St. Louis, MO 63101-1826

INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: ACE American Insurance Company	22667-001
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

## COVERAGES

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INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
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	<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<table border="1"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATUTORY LIMITS	OTHER												
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	OTHER												

07-10 03-06

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
 Named Insured: Peabody Western Coal  
  
 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: Bob Postle  
 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 ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE *[Signature]*

## **IMPORTANT**

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Peabody Energy Corporation  
Attn: Walter Hawkins  
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INSURERS AFFORDING COVERAGE	NAIC#
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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: Bob Postle  
 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 ~~KNOWLEDGE~~ MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT ~~WHICH WILL BE~~ ~~THE~~ ~~ONLY~~ ~~NOTICE~~ ~~OF~~ ~~CANCELLATION~~ ~~OR~~ ~~NONRENEWAL~~ ~~OR~~ ~~ANY~~ ~~OTHER~~ ~~REASON~~ ~~WHICH~~ ~~THE~~ ~~INSURER~~ ~~IS~~ ~~NOT~~ ~~BOUND~~ ~~BY~~ ~~THIS~~ ~~CERTIFICATE~~ ~~OR~~ ~~ANY~~ ~~OTHER~~ ~~AGREEMENT~~ ~~OR~~ ~~CONTRACT~~ ~~WHICH~~ ~~THE~~ ~~INSURER~~ ~~IS~~ ~~NOT~~ ~~BOUND~~ ~~BY~~ ~~THIS~~ ~~CERTIFICATE~~ ~~OR~~ ~~ANY~~ ~~OTHER~~ ~~AGREEMENT~~ ~~OR~~ ~~CONTRACT~~ ~~WHICH~~ ~~THE~~ ~~INSURER~~ ~~IS~~ ~~NOT~~ ~~BOUND~~ ~~BY~~ ~~THIS~~ ~~CERTIFICATE~~ ~~OR~~ ~~ANY~~ ~~OTHER~~ ~~AGREEMENT~~ ~~OR~~ ~~CONTRACT~~ ~~WHICH~~ ~~THE~~ ~~INSURER~~ ~~IS~~ ~~NOT~~ ~~BOUND~~ ~~BY~~ ~~THIS~~ ~~CERTIFICATE~~ ~~OR~~ ~~ANY~~ ~~OTHER~~ ~~AGREEMENT~~ ~~OR~~ ~~CONTRACT~~ ~~WHICH~~ ~~THE~~ ~~INSURER~~ ~~IS~~ ~~NOT~~ ~~BOUND~~ ~~BY~~ ~~THIS~~ 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## **IMPORTANT**

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

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

## **DISCLAIMER**

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.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
08/24/2007

PRODUCER (918)492-1777 FAX (918)492-0537

Robert C. Bates, LLC  
6846 South Canton, Suite 250  
Tulsa, OK 74136-3400

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 #

IN. Black Mesa Holdings, Inc. &  
Black Mesa Pipeline Operations, LLC  
13710 FNB Parkway  
Omaha, NE 68154-5200

INSURER A: Associated Gas & Electric Ins. Serv. Ltd.

INSURER B:

INSURER C:

INSURER D:

INSURER E:

**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
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	<b>AUTOMOBILE LIABILITY</b> <input 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	07-08-31-02			COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
A	<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$1,000,000	X018811A07	09/01/2007	09/01/2008	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS  
 Excess includes General Liability.

**CERTIFICATE HOLDER**

United States Dept. of Interior  
Office of Surface Mining  
Reclamation and Enforcement  
P.O. BOX 48667  
Denver, CO 80201-6667

**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

Mark Lockhart-Smith - 125

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE  
10/02/2006

Page 1 of 2

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 701 Market Street St. Louis, MO 63101-1826	INSURER A: ACE American Insurance Company		22667-001
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

## 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	HDOG23717773	10/1/2006	10/1/2007	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 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
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	ISAH08228103	10/1/2006	10/1/2007	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 LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

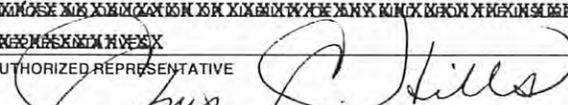
06-10-10-15

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

### CANCELLATION

Office of Surface Mining Reclamation & Enforcement  
 Jerry Gavette  
 P. O. Box 46667  
 Denver, CO 80201-6667

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ~~NOTIFY BY MAIL~~ 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT ~~BY MAIL TO THE CERTIFICATE HOLDER~~  
~~WHICH IS VALIDATION 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**

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.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE  
10/06/2005

PRCDJCEr 877-945-7378  
Willis North America, Inc. - Regional Cert Center  
26 Century Blvd.  
P. O. Box 305191  
Nashville, TN 372305191

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  
701 Market Street  
St. Louis, MO 63101-1826

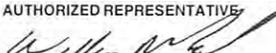
INSURERS AFFORDING COVERAGE	NAIC#
INSURER A: ACE American Insurance Company	22667-001
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

## 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	<b>GENERAL LIABILITY</b> <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	HDOG21713661	10/1/2005	10/1/2006	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 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								
A	<b>AUTOMOBILE LIABILITY</b> <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	ISAH08021892	10/1/2005	10/1/2006	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$								
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<table border="1"> <tr> <td>WC STATU-TORY LIMITS</td> <td>OTH-ER</td> </tr> <tr> <td>E L EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E L DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E L DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER	E L EACH ACCIDENT	\$	E L DISEASE - EA EMPLOYEE	\$	E L DISEASE - POLICY LIMIT	\$
WC STATU-TORY LIMITS	OTH-ER												
E L EACH ACCIDENT	\$												
E L DISEASE - EA EMPLOYEE	\$												
E L DISEASE - POLICY LIMIT	\$												
	<b>OTHER</b>												

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS  
**THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 9/30/2005 WITH ID: 6268956**  
 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	CANCELLATION
Office of Surface Mining Reclamation & Enforcement Jerry Gavette P. O. Box 46667 Denver, CO 80201-6667	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL <del>BY MAIL</del> MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT <del>BY MAIL</del> <del>BY MAIL</del> 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.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
05/12/05

**PRODUCER**  
Aon Risk Services, Inc. of Oklahoma  
6120 South Yale Avenue  
Suite 500  
Tulsa OK 74136

**PHONE** - (918) 496-3900      **FAX** - (918) 496-0460

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.

COMPANIES AFFORDING COVERAGE	
COMPANY A	Federal Insurance Company
COMPANY B	
COMPANY C	
COMPANY D	

**INSURED**  
Black Mesa Pipeline, Inc.  
Black Mesa Pipeline Operations, L.L.C.  
13710 FNB Parkway  
Omaha NE 68154-5200 USA

**COVERAGES** SIR May Apply

THIS IS TO CERTIFY THAT 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. 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	<b>GENERAL LIABILITY</b>	3710-12-84 General Liability	05/01/05	05/01/06	GENERAL AGGREGATE	\$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$1,000,000
					FIRE DAMAGE (Any one fire)	\$100,000
					MED EXP (Any one person)	\$10,000
	<b>AUTOMOBILE LIABILITY</b>				COMBINED SINGLE LIMIT	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	
	<input type="checkbox"/> HIRED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	
					AGGREGATE	
A	<b>EXCESS LIABILITY</b>	7907-38-55 Umbrella Liability	05/01/05	05/01/06	EACH OCCURRENCE	\$5,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$5,000,000
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATUTORY LIMITS	OTH-ER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:	<input type="checkbox"/> INCL <input type="checkbox"/> EXCL			EL EACH ACCIDENT	
					EL DISEASE-POLICY LIMIT	
					EL DISEASE-EA EMPLOYEE	

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**  
Re: Black Mesa Coal Preparation Plant Permit #AZ-0002A. Coverage of persons or property damage by the use of explosives is included. Coverage is provided for bodily injury and property damage as a result of surface coal mining and reclamation operations.

**CERTIFICATE HOLDER**

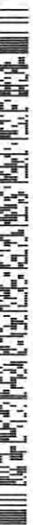
United States Dept. of Interior  
Office of Surface Mining  
Reclamation and Enforcement  
Attention: Jerry Gavette  
P. O. Box 46667  
Denver CO 80201-6667 USA

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Marilyn J. Lane*

Certificate No: 570013606076



# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)  
04/28/05

**PRODUCER**  
Aon Risk Services, Inc. of Oklahoma  
6120 South Yale Avenue  
Suite 500  
Tulsa OK 74136

PHONE - (918) 496-3900      FAX - (918) 496-0460

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.

COMPANIES AFFORDING COVERAGE	
COMPANY A	Federal Insurance Company
COMPANY B	
COMPANY C	
COMPANY D	

**INSURED**  
Black Mesa Pipeline, Inc.  
Black Mesa Pipeline Operations, L.L.C.  
13710 FNB Parkway  
Omaha NE 68154-5200 USA

**COVERAGES** SIR May Apply

THIS IS TO CERTIFY THAT 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. 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	<b>GENERAL LIABILITY</b>	3710-12-84 General Liability	05/01/05	05/01/06	GENERAL AGGREGATE	\$2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$1,000,000
					FIRE DAMAGE (Any one fire)	\$100,000
					MED EXP (Any one person)	\$10,000
	<b>AUTOMOBILE LIABILITY</b>	05-05-05-01			COMBINED SINGLE LIMIT	
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	
	<input type="checkbox"/> HIRED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	
					AGGREGATE	
A	<b>EXCESS LIABILITY</b>	7907-38-55 Umbrella Liability	05/01/05	05/01/06	EACH OCCURRENCE	\$5,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$5,000,000
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>			Jdy	WC STATUTORY LIMITS	OTH. ER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:				<input type="checkbox"/> INCL	
					<input type="checkbox"/> EXCL	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

**CERTIFICATE HOLDER**

Office of Surface Mining  
Attention: Jerry Gavette  
1999 Broadway, Suite 3320  
Denver CO 80202 USA

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE *Marilyn J. Gave*

Certificate No: 57001336332

# MARSH

## CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
CHI-000217684-04

**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.

016862--GL/AL-03/04 G-02

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

### COMPANIES AFFORDING COVERAGE

- COMPANY  
A ACE AMERICAN INSURANCE COMPANY
- COMPANY  
B
- COMPANY  
C
- COMPANY  
D

### 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	<b>GENERAL LIABILITY</b>	HDO G19906735	10/01/03	10/01/04	GENERAL AGGREGATE	\$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 4,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 2,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors				FIRE DAMAGE (Any one fire)	\$ 50,000
	<input checked="" type="checkbox"/> Coverage Included				MED EXP (Any one person)	\$ 5,000
A	<b>AUTOMOBILE LIABILITY</b>	ISA H07943817	10/01/03	10/01/04	COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	<b>GARAGE LIABILITY</b>				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	<b>EXCESS LIABILITY</b>				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATUTORY LIMITS	OTHER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT	\$
	<b>OTHER</b>				EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EACH EMPLOYEE	\$



### 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: 09/25/03

# MARSH

## CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
CHI-000217684-07

**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.

016862--GL/AL-04/05

G-02

**INSURED**

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

**COMPANIES AFFORDING COVERAGE**

COMPANY

A ACE AMERICAN INSURANCE COMPANY

COMPANY

B

COMPANY

C

COMPANY

D

04-12-20-03

**COVERAGES**

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

4

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	<b>GENERAL LIABILITY</b>	HDO G19906000	10/01/04	10/01/05	GENERAL AGGREGATE \$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 4,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors				FIRE DAMAGE (Any one fire) \$ 50,000
	<input checked="" type="checkbox"/> Coverage Included				MED EXP (Any one person) \$ 5,000
A	<b>AUTOMOBILE LIABILITY</b>	ISA HO7932534	10/01/04	10/01/05	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	<b>GARAGE LIABILITY</b>				
	<input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$
					OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	<b>EXCESS LIABILITY</b>				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b>				WC STATUTORY LIMITS OTH-ER
	THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$
	<b>OTHER</b>				EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EACH EMPLOYEE \$

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

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."

See reverse and/or attached

**CERTIFICATE HOLDER**

Office of Surface Mining  
Reclamation and Enforcement  
Attn: Jerry Gavette  
P. O. Box 46667  
Denver, CO 80201-6667

**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

MM4(3/02)

*Alfred A. Peterfeso*

VALID AS OF: 12/14/04

A2-1

# MARSH

# CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
CHI-000217684-04

**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** ACE AMERICAN INSURANCE COMPANY

COMPANY

**B**

COMPANY

**C**

COMPANY

**D**

016862--GL/AL-03/04

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	HDO G 19906735	10/01/03	10/01/04	GENERAL AGGREGATE \$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 4,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors				FIRE DAMAGE (Any one fire) \$ 50,000
	<input checked="" type="checkbox"/> Coverage Included				MED EXP (Any one person) \$ 5,000
	AUTOMOBILE LIABILITY				ISA H07943817
A	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
<input type="checkbox"/> NON-OWNED AUTOS					
GARAGE LIABILITY					AUTO ONLY - EA ACCIDENT \$
<input type="checkbox"/> ANY AUTO					OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
					AGGREGATE \$
EXCESS LIABILITY					EACH OCCURRENCE \$
<input type="checkbox"/> UMBRELLA FORM					AGGREGATE \$
<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS OTH-ER
<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL					EL EACH ACCIDENT \$
OTHER					EL DISEASE-POLICY LIMIT \$
					EL DISEASE-EACH EMPLOYEE \$

04-03-30-03

**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

MM1(3/02)

*Alfred A. Peterfeso*

VALID AS OF: 09/25/03

# 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**

010062--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	HDOG20297475	10/01/02	10/01/03	GENERAL AGGREGATE	\$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 2,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors _____				FIRE DAMAGE (Any one fire)	\$ 50,000
<input checked="" type="checkbox"/> Coverage Included	MED EXP (Any one person)	\$ 5,000				
A	AUTOMOBILE LIABILITY	ISAH07969879	10/01/02	10/01/03	COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE	\$
<input type="checkbox"/> NON-OWNED AUTOS						
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY	\$
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE				EL EACH ACCIDENT	\$
	<input type="checkbox"/> INCL				EL DISEASE-POLICY LIMIT	\$
	<input type="checkbox"/> EXCL				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

# MARSH USA INC.

# CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER  
CHI-000217684-00

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.

016862--GL/AL-01/02 G-02

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

01-10-01-08

### COMPANIES AFFORDING COVERAGE

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

### 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. 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	HDOG20297475	10/01/01	10/01/02	GENERAL AGGREGATE	\$ 4,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 2,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors				FIRE DAMAGE (Any one fire)	\$ 50,000
	<input checked="" type="checkbox"/> Coverage Included				MED EXP (Any one person)	\$ 5,000
A	AUTOMOBILE LIABILITY	ISA HO7969879	10/01/01	10/01/02	COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT	\$
					EL DISEASE-POLICY LIMIT	\$
					EL DISEASE-EACH EMPLOYEE	\$
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)  
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  
Regulation and Enforcement  
Terry Gavette  
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.

MARSH USA INC.  
BY: *Alfred A. Paterfeso*  
MM1(9/99)

VALID AS OF: 09/21/01

**MARSH USA INC.**

**CERTIFICATE OF INSURANCE**

CERTIFICATE NUMBER  
CHI-000217684-00

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.

016862---00-01 G-02

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

00-10-02-11

COMPANIES AFFORDING COVERAGE	
COMPANY <b>A</b>	PACIFIC EMPLOYERS INSURANCE CO.
COMPANY <b>B</b>	
COMPANY <b>C</b>	
COMPANY <b>D</b>	

**COVERAGES** This certificate supersedes and replaces any previously issued certificate. 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. 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	HDO G20576650	10/01/00	10/01/01	GENERAL AGGREGATE	\$ 3,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> Broad Form Vendors				FIRE DAMAGE (Any one fire)	\$ 50,000
	<input checked="" type="checkbox"/> Coverage Included				MED EXP (Any one person)	\$ 5,000
A	AUTOMOBILE LIABILITY	ISA H07968127	10/01/00	10/01/01	COMBINED SINGLE LIMIT	\$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$
	<input type="checkbox"/> HIRED AUTOS					
	<input type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY	\$
					EACH ACCIDENT	\$
					AGGREGATE	\$
	EXCESS LIABILITY				EACH OCCURRENCE	\$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE	\$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER
	THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT	\$
					EL DISEASE-POLICY LIMIT	\$
	OTHER				EL DISEASE-EACH EMPLOYEE	\$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)  
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  
Regulation and Enforcement  
Perry Gavette  
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.

MARSH USA INC.

BY:

*Alfred A. Peterson*

MM1(9/99)

VALID AS OF: 09/26/00

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 LISTED HEREIN.

COMPANIES AFFORDING COVERAGE

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

-99/00 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. 0

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE LISTED 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 LISTED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. 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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> Broad Form Vendors <input checked="" type="checkbox"/> Coverage Included	HDOG19898891  99-09-27-12	10/01/99	10/01/00	GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	ISAHO740524A	10/01/99	10/01/00	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS <input type="checkbox"/> OTHER <input type="checkbox"/> EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (LIMITS MAY BE SUBJECT TO DEDUCTIBLES OR RETENTIONS)  
 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

<p><b>CERTIFICATE HOLDER</b></p> <p>Office of Surface Mining                  Reclamation and Enforcement                  Jerry Gavette                  Broadway, Ste. 3320                  CO 80202-5733</p>	<p><b>CANCELLATION</b></p> <p>SHOULD ANY OF THE POLICIES LISTED 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.</p> <p>J&amp;H MARSH &amp; McLENNAN, INCORPORATED BY:  </p> <p>JHMM1 (2/98) VALID AS OF: 09/21/99</p>
--	--

# ADDITIONAL INFORMATION

DATE (MM/DD/YY)  
09/21/99

**PRODUCER**

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

**COMPANIES AFFORDING COVERAGE**

COMPANY

E

COMPANY

F

016862---99/00

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







# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

26-Sep-96

PRODUCER

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.

WICK JAMES OF NJ, INC.  
 BECKER FARM ROAD  
 ROSELAND, NJ 07068 G-02

**COMPANIES AFFORDING COVERAGE**

COMPANY A	INDEMNITY INS.CO. OF N. AMERICA
COMPANY B	
COMPANY C	
COMPANY D	

INSURED

PEABODY WESTERN COAL COMPANY  
 701 MARKET STREET, SUITE 700  
 ST. LOUIS, MO 63101-1826

**COVERAGES**

THIS IS TO CERTIFY THAT 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. 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	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> BROAD FORM VENDORS COVERAGE INCLUDED	HDO G1 896537-9	10/01/96	10/1/97	GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	ISA HO 712926-9	10/01/96	10/1/97	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTH-ER EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA 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.

**CERTIFICATE HOLDER**

OFFICE OF SURFACE MINING  
 REGULATION AND ENFORCEMENT  
 99 BROADWAY, SUITE 3320  
 DENVER, CO 80202-5733

**CANCELLATION**

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES AUTHORIZED REPRESENTATIVE~~

*John R. Hill*

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)

18-Sep-96

PRODUCER

DGWICK JAMES OF NJ, INC.  
 BECKER FARM ROAD  
 ROSELAND, NJ 07068 G-02

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.

COMPANIES AFFORDING COVERAGE

COMPANY A	INDEMNITY INS.CO. OF N. AMERICA
COMPANY B	
COMPANY C	
COMPANY D	

INSURED

PEABODY WESTERN COAL COMPANY  
 701 MARKET STREET, SUITE 700  
 ST. LOUIS, MO 63101-1826

COVERAGES

THIS IS TO CERTIFY THAT 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. 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	CGO G1 896537-9	10/01/96	10/1/97	GENERAL AGGREGATE \$ 3,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT <input checked="" type="checkbox"/> BROAD FORM VENDORS COVERAGE INCLUDED				PRODUCTS - COMP/OP AGG \$ 2,000,000 PERSONAL & ADV INJURY \$ 1,000,000 EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 50,000 MED EXP (Any one person) \$ 5,000	
A	AUTOMOBILE LIABILITY	SCA HO 712926-9	10/01/96	10/1/97	COMBINED SINGLE LIMIT \$ 1,000,000	
	<input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS				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					WC STATU-TORY LIMITS \$ OTH-ER \$ EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA EMPLOYEE \$	

OTHER @Cancellation: Should any of the above policies be cancelled of substantial changes be Made to the policy before expiration date thereof, the issuing company will mail 30 days written notice to the Certificate Holder named below

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.**

**CERTIFICATE HOLDER**  
 OFFICE OF SURFACE MINING  
 DECLAMATION AND ENFORCEMENT  
 9 BROADWAY, SUITE 3320  
 DENVER, CO 80202-5733

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL endeavor TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY ON THE COMPANY OR ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE *John Smith*



# Old Republic Insurance Company

GREENSBURG, PENNSYLVANIA

THIS CERTIFIES that the Old Republic Insurance Company has issued, to the Insured named herein, policies of insurance which provide coverage as indicated below. SUCH POLICIES ARE SUBJECT TO THE PROVISIONS, CONDITIONS, LIMITATIONS AND EXCLUSIONS CONTAINED THEREIN AND IN ENDORSEMENTS OR RIDERS ATTACHED THERETO. THIS CERTIFICATE OF INSURANCE NEITHER AFFIRMATIVELY NOR NEGATIVELY AMENDS, EXTENDS OR ALTERS THE COVERAGE AFFORDED BY ANY POLICY DESCRIBED HEREIN.

If such policies are canceled or changed during the periods of coverage as stated herein, in such a manner as to affect this certificate, 30 days written notice will be mailed to the party designated below for whom this certificate is issued.

Name and Address of Party to Whom This Certificate is Issued  
 Office of Surface Mines  
 Brooks Towers  
 1020 15th Street  
 Denver, Colorado 80202  
 Attention: Mr. Allan Klein, Administrator of Western  
 Technical Center

POLICY NUMBER ZY-51102	CERTIFICATE NO. 100	POLICY PERIOD FROM 1/1/87	TO 1/1/90
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**DESCRIPTION OF COVERAGE**

**LIMITS**

Comprehensive Automobile Liability

\$ 500,000 Combined Single Limit ~~xxxx~~ Personal  
 Injury Liability and Property Damage Liability

Comprehensive General Liability Including  
 Blanket Contractual Liability and Products-  
 Completed Operations

\$ 500,000 Combined Single Limit ~~xxxx~~ Personal  
 Injury Liability and Property Damage Liability

Covers all operations and the sale and mining of coal, including the use of explosives and damage to water wells, in all states including but not limited to the State of Arizona.

OSM Reference: AZ-0001

Name and Address of Insured  
 Peabody Coal Company  
 301 North Memorial Drive  
 St. Louis, Missouri 63102

Marsh & McLennan, Inc.

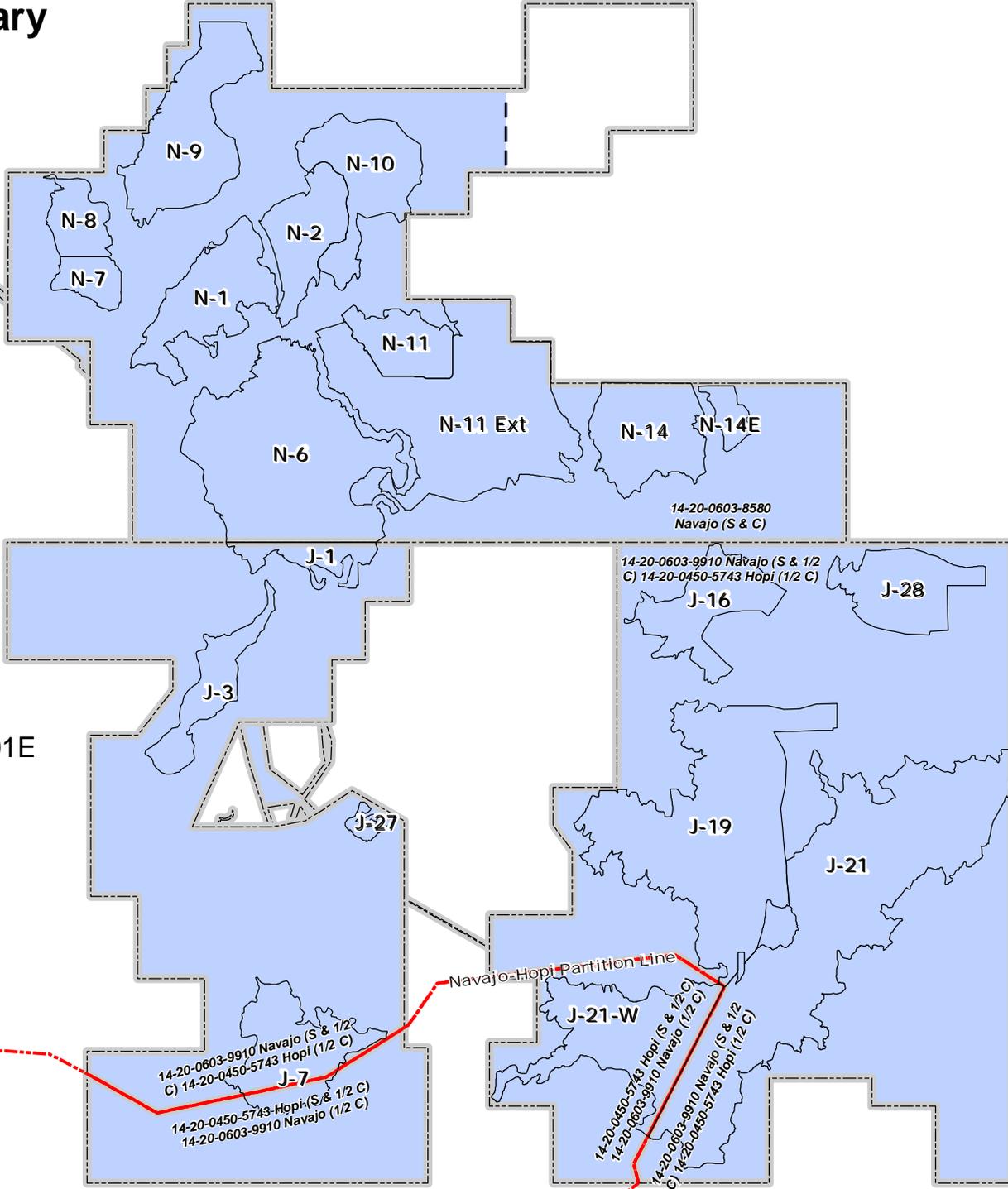
*Walter C. Tilton*  
 Authorized Representative

Dated January 1, 1987

ATTACHMENT 6

Description of Life-of-Mine  
Permit Area

# Proposed Permit Boundary and PWCC Leases



## Legend

-  Coal Resource Areas
-  Navajo/ Hopi Partition Line
-  SRP Right of Way
-  PWCC Lease Line
-  Proposed Permit Line AZ0001E

Revised Date: Thursday, April 26, 2012

## Permit Area Description

This description consists of four parcels that comprise the life-of-mine permit area for the Kayenta 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



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;

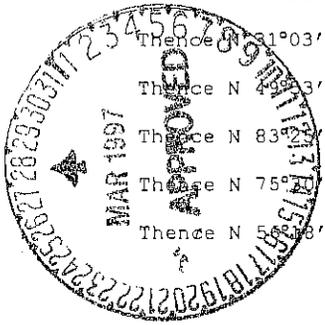
Thence N 31°03'20" E, 104.31 feet;

Thence N 43°08" W, 657.71 feet;

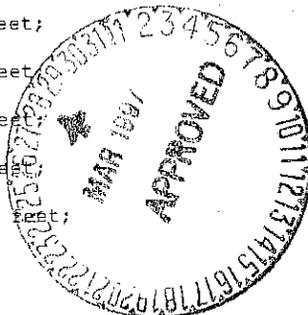
Thence N 83°46" W, 300.65 feet;

Thence N 75°11" W, 270.16 feet;

Thence N 53°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°06'08" 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;



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;

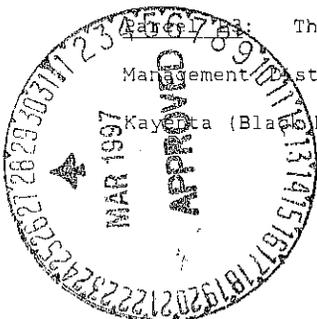
Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

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





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.



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";

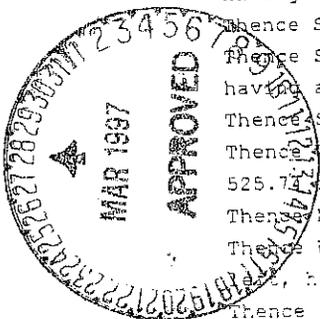
Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

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;

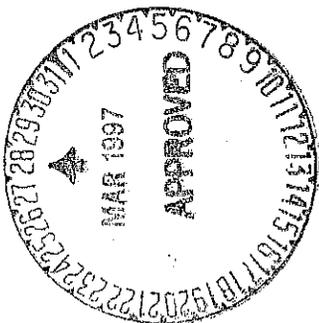
Thence N 89°59'39" W, along said lease line, a distance of 141.50 feet to the True Point of Beginning of this description.

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



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

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



ATTACHMENT 7

CERTIFICATION

CERTIFICATION

Based upon my inquiry of those individuals immediately responsible for obtaining and preparing the information contained in the October 31, 2012 Kayenta Complex Permanent Program Permit AZ-0001E Mine Plan & Facilities Revision application package, 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. All information required by 30 CFR 778.13 is accurate and there has been no change in the information previously submitted and approved in the permit application package.

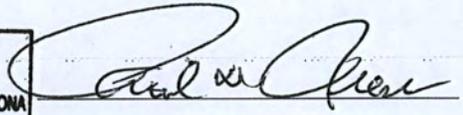
Pursuant to 30 CFR 778.11(d), I certify, swear, or affirm under penalty of the Act (Public Law 95-87) that I am the natural person with the greatest level of effective control over the entire proposed operation. I am aware that, as the person with the greatest level of effective control over this proposed 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 14 day of January, 2013, by Bradley G. Brown, President of Peabody Western Coal Company, a Delaware Corporation, on behalf of the corporation.



  
\_\_\_\_\_  
Notary Public

My Commission Expires:

7/7/2015



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT  
APPLICATION FOR PERMIT TRANSFER

PERMIT AZ-0001D

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

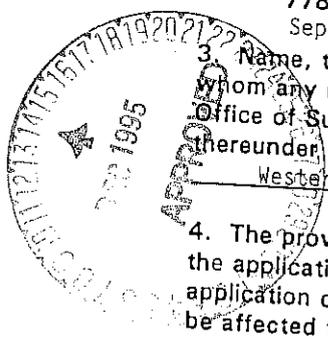
Acres Date - Issued		Estimate of Affected Acres (As of 8/31/95)	
Original Permit	_____	Original Permit	_____
Approved Revisions	_____	Approved Revisions	_____
_____	_____	_____	_____
Total Acres	<u>42,657.2</u>	Total Acres	<u>9,753.0</u>

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.

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 <sup>Vice</sup> 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 <sup>VICE</sup> 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: *Gary L. Melvin*

(corporate seal)

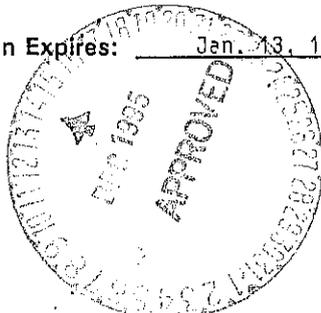
Title: Vice President, Peabody Western Coal Company

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

Witness my hand and official seal.

*Smith Dillon*  
Notary Public

My Commission Expires: Jan. 13, 1998





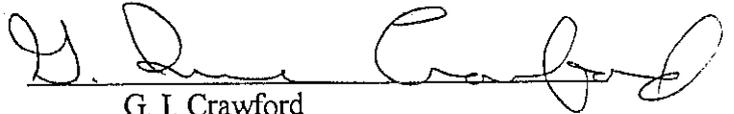
**CERTIFIED COPY OF A RESOLUTION  
DULY ADOPTED BY THE BOARD OF DIRECTORS OF  
PEABODY COAL COMPANY  
ON APRIL 24, 1978**

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

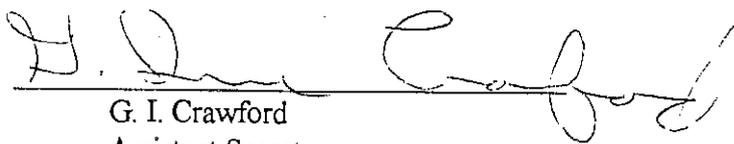
Assistant Secretary

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

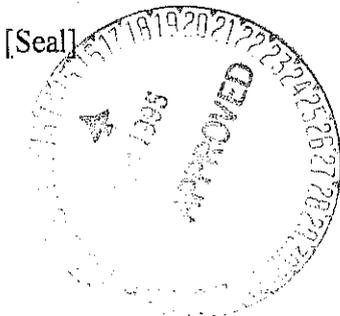
RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly 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



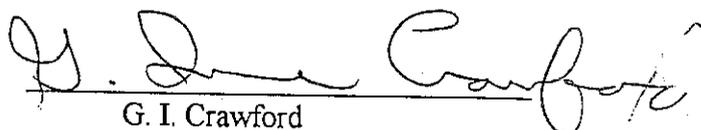
**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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

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

President  
Vice President  
Secretary  
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]



CERTIFICATION

Based upon my inquiry of those individuals immediately responsible for obtaining and preparing the information contained in this permit application package, I certify that such information is true and correct to the best of my information and belief.

Kenneth R. Moore  
Kenneth R. Moore  
President, Arizona Division  
Vice-President, Peabody Coal Co.

State of Arizona        )  
                                  ) ss.  
County of Coconino    )

The foregoing instrument was acknowledged before me this 16 day of December, 1985, by Kenneth R. Moore, Vice-President of Peabody Coal Company, a Delaware Corporation, on behalf of the corporation.

Paul W. Tugger  
Notary Public

My Commission Expires:  
May 1, 1987

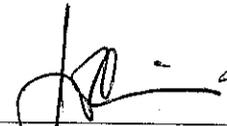


CERTIFICATION

Based upon my inquiry of those individuals immediately responsible for obtaining and preparing the information contained in this N-11 Extension (N-99) permit application package, 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) and (b), the AVS information, regarding ownership and control 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.

  
\_\_\_\_\_  
John L. Wasik  
President,  
Peabody Western Coal Company

State of Arizona            )  
  ) ss.  
County of Navajo         )

The foregoing instrument was acknowledged before me this 9th day of August, 2004, by John L. Wasik, President of Peabody Western Coal Company, a Delaware Corporation, on behalf of the corporation.



Notary Public State of Arizona  
Navajo County  
Loretta Jones  
Expires October 06, 2006

  
\_\_\_\_\_  
Notary Public



My Commission Expires:

October 6, 2006

CERTIFICATION

Based upon my inquiry of those individuals immediately responsible for obtaining and preparing the information contained in this 2005 5-year permit renewal application package, 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) and (b), the AVS information, regarding ownership and control 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.

*Richard M. Whiting*  
Richard M. Whiting  
President  
Peabody Western Coal Company

State of Missouri )  
 ) ss.  
City of Saint Louis )

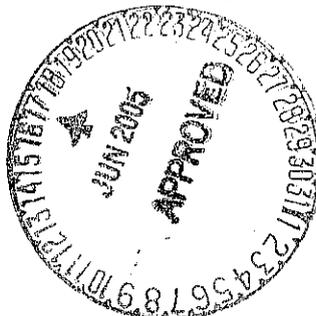
The foregoing instrument was acknowledged before me this 22<sup>nd</sup> day of April, 2005, by Richard M. Whiting, President of Peabody Western Coal Company, a Delaware Corporation, on behalf of the corporation.

DENISE M. HIPPI  
NOTARY PUBLIC - NOTARY SEAL  
STATE OF MISSOURI, ST. LOUIS CITY  
MY COMMISSION EXPIRES AUG. 27, 2006

*Denise M. Hipp*  
Notary Public

My Commission Expires:

August 27, 2006





ATTACHMENT 8

PHOTOGRAPHS

SEP 18 1989

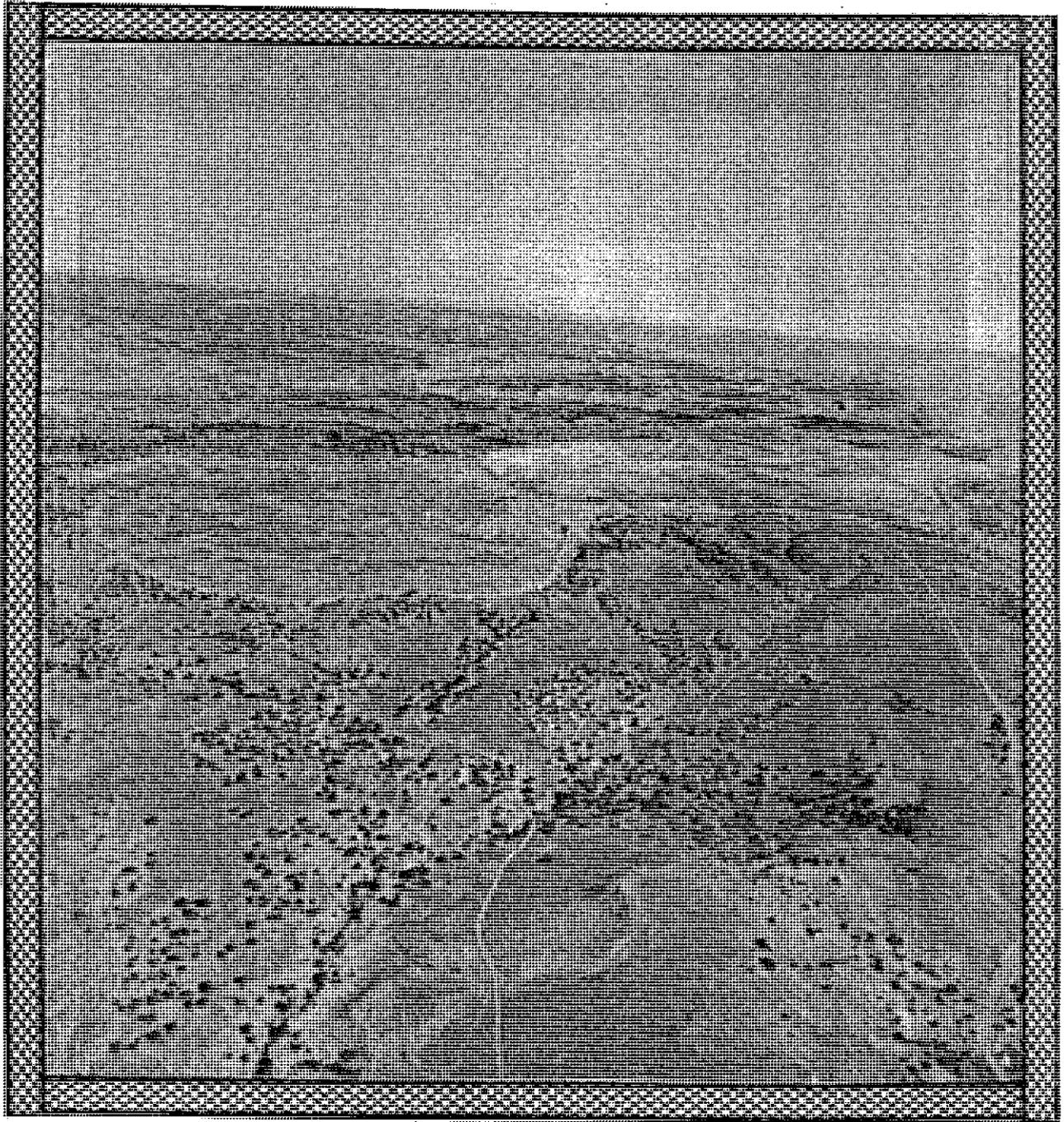


FIGURE 1

Southeast to Northwest view of the Reclaimed J-3  
Mining Area at the Black Mesa Mine

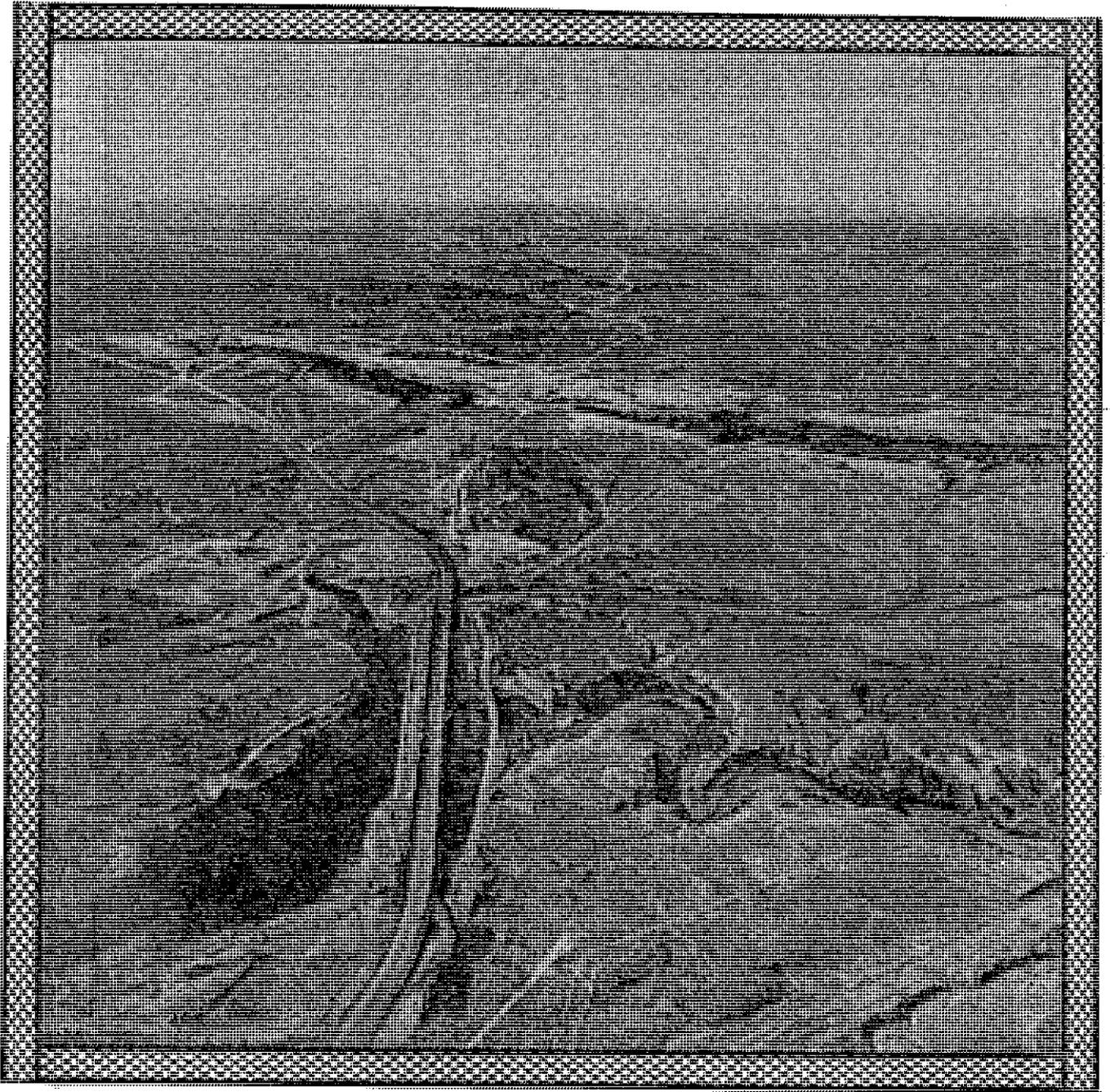


FIGURE 2

North-Northwest to South-Southwest View of the  
J-7 Mining Area at the Black Mesa Mine

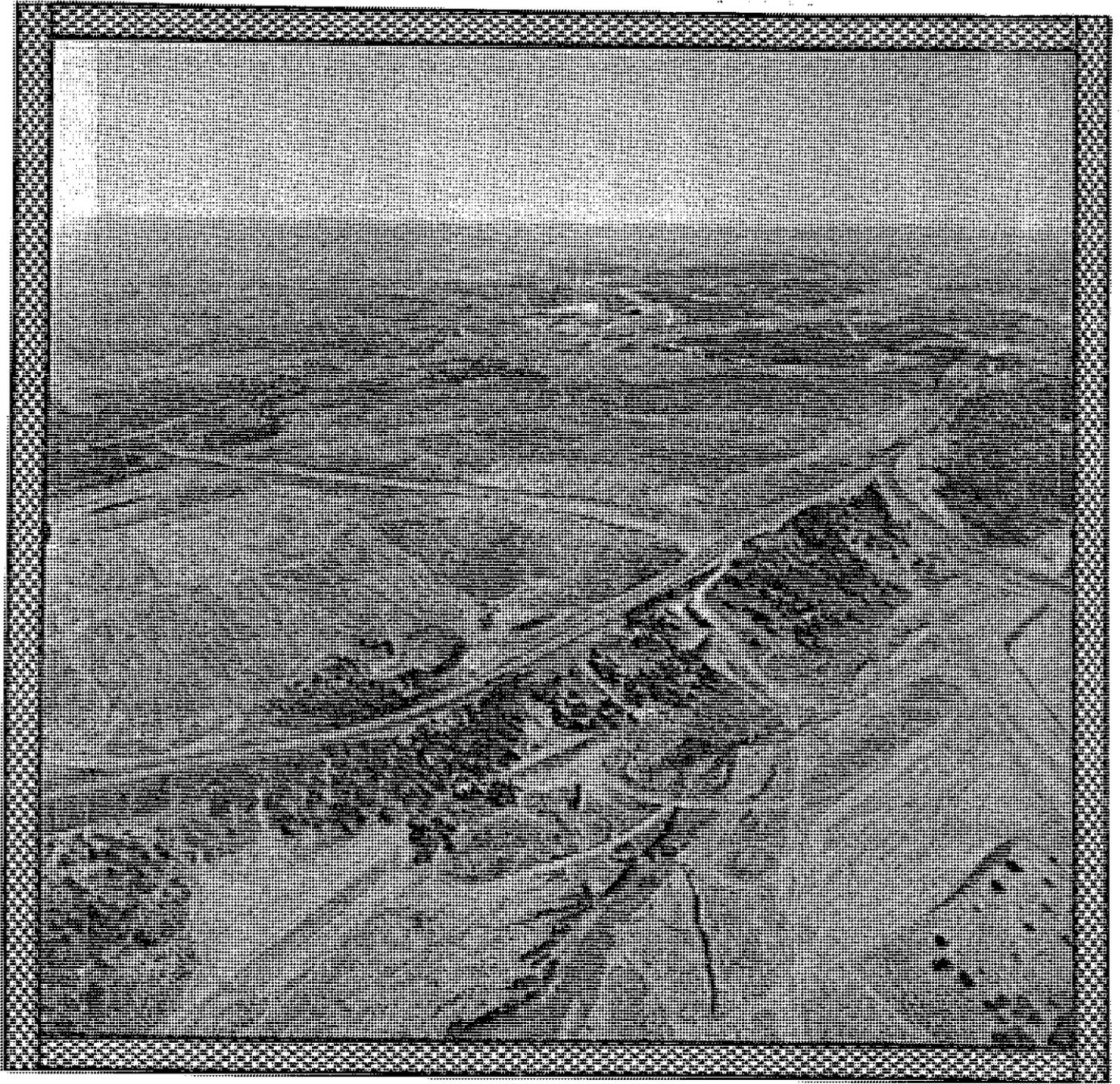


FIGURE 3

North to South View of the N-1 and N-2 Mining Areas and  
Original Preparation Facilities at the Kayenta Mine

ATTACHMENT 9

LEASE ASSIGNMENTS



**TRANSACTION AGREEMENT**  
(Arizona Operations)

This Agreement is made as of this 1st day of September, 1994, by and between PEABODY COAL COMPANY, a Delaware corporation ("PCC") and PEABODY WESTERN COAL COMPANY, a Delaware corporation ("PWCC").

**WITNESSETH:**

WHEREAS, PCC is the owner of the Black Mesa and Kayenta Mines, administrative facilities and other related assets located in Navajo and Coconino Counties, Arizona ("Arizona Operations"); and

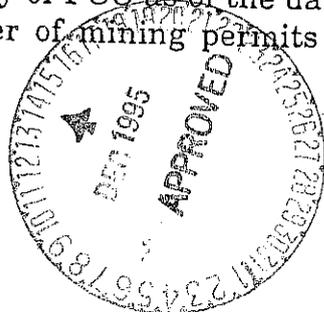
WHEREAS, PWCC is a wholly-owned subsidiary of PCC and PCC, by its Board of Directors, has been authorized and directed to convey the Arizona Operations to PWCC;

NOW, THEREFORE, in order to provide for such conveyance of the Arizona Operations in an orderly manner and to set forth the understanding and agreement of the parties regarding such conveyance and for good and valuable consideration, PCC and PWCC agree and state as follows:

1. **Assets to be Conveyed.** PCC shall transfer and convey to PWCC, by bill of sale, assignment, deed or other suitable conveyance instrument all assets, rights and interests now constituting the Arizona Operations (but excluding any cash or intra-PCC accounts) and the parties agree to execute and deliver all such instruments and to otherwise take all such actions as are reasonably required in order to effect such conveyance. The parties agree to take all reasonable efforts to effect this conveyance as of October 1, 1994, or as soon thereafter as reasonably practicable.

2. **Real Property Interim Right of Entry.** PCC hereby grants unto PWCC, effective October 1, 1994, a right of entry upon all lands which are owned or controlled by PCC as part of the mining operations of the Black Mesa and Kayenta Mines in Arizona, including but not limited to the lands subject to the applicable mining permits and pending applications for the AZ0001, AZ0002A, and AZ0001C permits, until such time as title to such lands has been duly conveyed by PCC to PWCC by sufficient conveyance instruments.

3. **Permit Obligations.** PWCC agrees to assume the obligations and liability of PCC as of the date of the approval by the Office of Surface Mining of the transfer of mining permits for the Black Mesa and Kayenta Mines from PCC to



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. D. Crawford By: W. Howard Kato  
Vice-President

ATTEST:

PEABODY WESTERN COAL COMPANY

G. D. Crawford By: Samuel M. ...  
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").

**WITNESSETH:**

WHEREAS, a Mining Lease designated No. 14-20-0603-8580 was made and entered into on February 1, 1964 between the Navajo Tribe ("Lessor"), as lessor, and Sentry Royalty Company, as lessee (the "Lease");

WHEREAS, Peabody Coal previously has been assigned all of the right, title and interest of Sentry Royalty Company in and to the Lease;

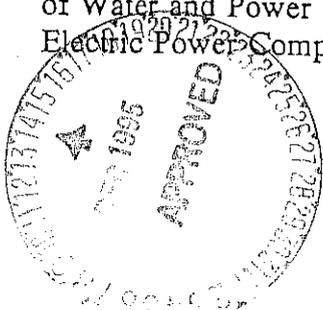
WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article XI of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

WHEREAS, said amendments to the Lease, including said assignment provision, were approved by the Secretary of the Interior on December 14th, 1987;

WHEREAS, in connection with a reorganization involving Peabody Coal, Peabody Coal desires to transfer and assign all of its right, title and interest in and to the Lease to Peabody Western, which company upon completion of such reorganization will be a wholly owned subsidiary of Peabody Holding Company, Inc.;

WHEREAS, by an Acknowledgement of Proposed Lease Assignment Lessor has acknowledged the assignment of the Lease to Peabody Western subject to certain conditions, including the execution of this Assignment;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Navajo Project Coal Supply Agreement, dated as of February 18, 1977 (the "Navajo Agreement"), with Salt River Project Agricultural Improvement and Power District, Nevada Power Company, the Department of Water and Power of the City of Los Angeles, Arizona Public Service Company, and Tucson Electric Power Company, as buyers (collectively, the "Navajo Participants");



WHEREAS, the Navajo Agreement provides for the sale of coal mined from the leased premises to the Navajo Participants for use at the Navajo Generating Station, and the Navajo Participants have certain rights under the Navajo Agreement with respect to the Lease;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Mohave Project Coal Supply Agreement, dated as of May 26th, 1976 (the "Mohave Agreement"), with Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Nevada Power Company, and the Department of Water and Power of the City of Los Angeles, as buyers (collectively, the "Mohave Participants"); and

WHEREAS, the Mohave Agreement provides for the sale of coal mined from the leased premises by Peabody Coal to the Mohave Participants for use at the Mohave Project, and the Mohave Participants have certain rights under the Mohave Agreement with respect to the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western agree as follows:

1. **Assignment of Lease.** Peabody Coal hereby transfers, conveys, assigns sets-over and delivers unto Peabody Western all of its right, title and interest in and to the Lease and any and all other agreements, amendments, documents and instruments made at any time in connection with or relating to the Lease or the premises subject to the Lease (collectively, the "Lease Related Documents").
2. **Assumption of Obligations.** Peabody Western hereby accepts the Lease and the Lease Related Documents herein assigned and assumes all the rights and obligations of Peabody Coal under the Lease and the Lease Related Documents and agrees to be bound by all of the terms and conditions thereof and to fully perform all of Peabody Coal's obligations and liabilities thereunder.
3. **Participant Rights.** This Assignment is subject to the rights and interests of the Mohave Participants and the Navajo Participants in and to the Lease in accordance with the terms of the Lease, the Lease Related Documents and the Mohave and Navajo Agreements (including but not limited to the conditional partial assignments made pursuant to those agreements).
4. **Peabody Coal Guarantee.** In accordance with Article XI of the Lease, Peabody Coal hereby guarantees to Lessor the full and faithful performance by Peabody Western under the Lease and the Lease Related Documents and agrees to be responsible for the performance of all such obligations in the event of a failure by Peabody Western to so perform.



IN WITNESS WHEREOF, Peabody Coal and Peabody Western each have caused this Assignment to be executed as of the day and year first set forth above.

PEABODY COAL COMPANY

ATTEST:

*G. Dan Crawford*  
Assistant Secretary

By: *W. Howard Case*  
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:

*G. Dan Crawford*  
Secretary

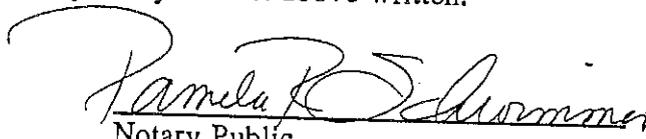
By: *Henry K. Mulvaney*  
Vice-President



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

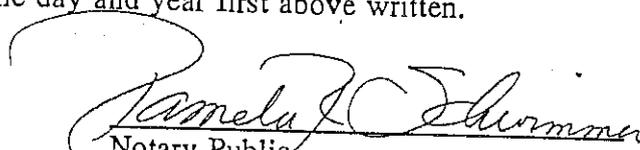
My Commission expires:

9/27/97

State of Arizona )  
 ) ss.  
County of Coconino )

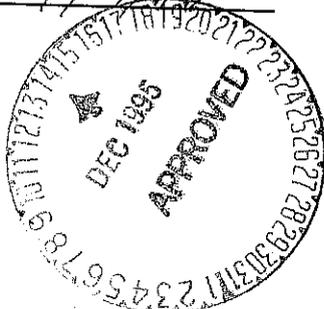
On this 29th day of September, 1994, before me appeared Gary L. Melvin and G. Irene Crawford, to me personally known, who being by me duly sworn, did say that they are Vice President and Secretary of Peabody Western Coal Company, and that the seal affixed to the foregoing instrument is the corporation 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").

**WITNESSETH:**

WHEREAS, a Mining Lease designated No. 14-20-0603-9910 was made and entered into on June 6, 1966 between the Navajo Tribe ("Lessor"), as lessor, and Sentry Royalty Company, as lessee (the "Lease");

WHEREAS, Peabody Coal previously has been assigned all of the right, title and interest of Sentry Royalty Company in and to the Lease;

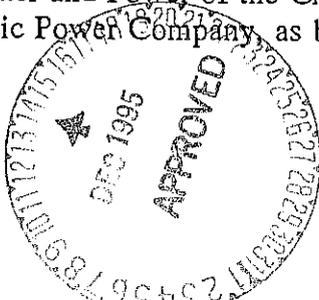
WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article IX of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

WHEREAS, said amendments to the Lease, including said assignment provision, were approved by the Secretary of the Interior on December 14th, 1987;

WHEREAS, in connection with a reorganization involving Peabody Coal, Peabody Coal desires to transfer and assign all of its right, title and interest in and to the Lease to Peabody Western, which company upon completion of such reorganization will be a wholly owned subsidiary of Peabody Holding Company, Inc.;

WHEREAS, by an Acknowledgement of Proposed Lease Assignment Lessor has acknowledged the assignment of the Lease to Peabody Western subject to certain conditions, including the execution of this Assignment;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Navajo Project Coal Supply Agreement, dated as of February 18, 1977 (the "Navajo Agreement"), with Salt River Project Agricultural Improvement and Power District, Nevada Power Company, the Department of Water and Power of the City of Los Angeles, Arizona Public Service Company, and Tucson Electric Power Company, as buyers (collectively, the "Navajo Participants");



WHEREAS, the Navajo Agreement provides for the sale of coal mined from the leased premises to the Navajo Participants for use at the Navajo Generating Station, and the Navajo Participants have certain rights under the Navajo Agreement with respect to the Lease;

WHEREAS, Peabody Coal is a party, as seller, to the Amended Mohave Project Coal Supply Agreement, dated as of May 26th, 1976 (the "Mohave Agreement"), with Southern California Edison Company, Salt River Project Agricultural Improvement and Power District, Nevada Power Company, and the Department of Water and Power of the City of Los Angeles, as buyers (collectively, the "Mohave Participants"); and

WHEREAS, the Mohave Agreement provides for the sale of coal mined from the leased premises by Peabody Coal to the Mohave Participants for use at the Mohave Project, and the Mohave Participants have certain rights under the Mohave Agreement with respect to the Lease;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western agree as follows:

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

2. **Assumption of Obligations.** Peabody Western hereby accepts the Lease and the Lease Related Documents herein assigned and assumes all the rights and obligations of Peabody Coal under the Lease and the Lease Related Documents and agrees to be bound by all of the terms and conditions thereof and to fully perform all of Peabody Coal's obligations and liabilities thereunder.

3. **Participant Rights.** This Assignment is subject to the rights and interests of the Mohave Participants and the Navajo Participants in and to the Lease in accordance with the terms of the Lease, the Lease Related Documents and the Mohave and Navajo Agreements (including but not limited to the conditional partial assignments made pursuant to those agreements).

4. **Peabody Coal Guarantee.** In accordance with Article XI of the Lease, Peabody Coal hereby guarantees to Lessor the full and faithful performance by Peabody Western under the Lease and the Lease Related Documents and agrees to be responsible for the performance of all such obligations in the event of a failure by Peabody Western to so perform.



IN WITNESS WHEREOF, Peabody Coal and Peabody Western each have caused this Assignment to be executed as of the day and year first set forth above.

PEABODY COAL COMPANY

ATTEST:

*Y. Dine Crawford*  
Assistant Secretary

By: *W. Howard Capps*  
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:

*Y. Dine Crawford*  
Secretary

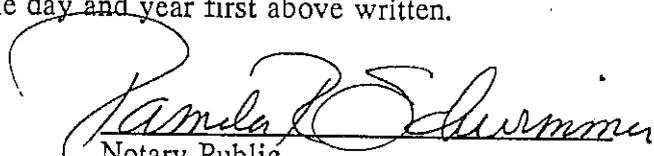
By: *Greg Miller*  
Vice-President



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

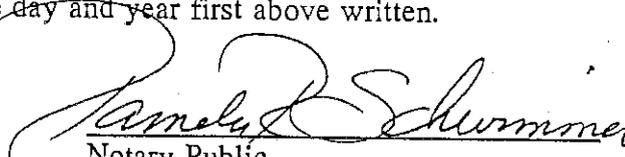
My Commission expires:

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 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;

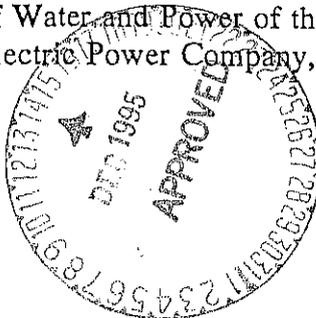
WHEREAS, by certain amendments to the Lease, effective December 14th, 1987, Article IX of the Lease was amended to grant Peabody Coal, as the Lessee, the right to assign its interest in the Lease to an affiliated or subsidiary company, as more particularly set forth in that article as amended;

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;

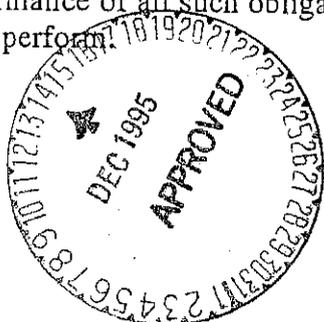
NOW, THEREFORE, in consideration of the mutual covenants herein contained and other valuable consideration the sufficiency of which is hereby acknowledged, Peabody Coal and Peabody Western Coal Company agree as follows:

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 Ransom  
Vice-President

PEABODY WESTERN COAL COMPANY

ATTEST:

G. Dineen  
Secretary

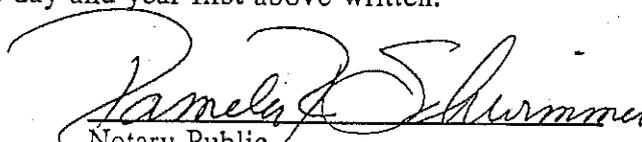
By: James G. ...  
Vice-President



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

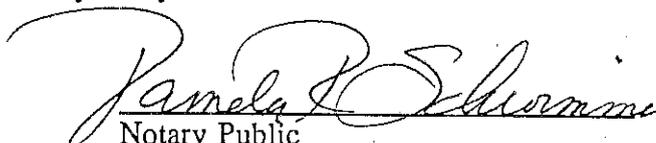
My Commission expires:

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

Revised 06/16/10





**TRAVELERS** 

**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

Attorney-In Fact No. 220251

Certificate No. 002525663

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 Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

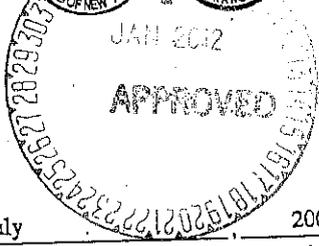
Mark S. Horton, Evelyn P. Green, Vickie Morgan, Kathy Simpson, June W. Hutchings, Tracy L. Weatherholt, Joy Hartsfield, James Thompson, Neal McBay, James R. Zorns, Trish Scheer, Kevin Duks, Lorraine V. Smith, Kelly Napier, Caroline Shore, Douglas Lackey, May Bennett, Pamela Strube, and Joseph Stephens

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



By: George W. Thompson, Senior Vice President

State of Connecticut
City of Hartford ss.

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.



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  
PEABODY WESTERN COAL COMPANY 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 ~~increased (decreased)~~  
by TWO MILLION TWO HUNDRED THIRTY THOUSAND ONE HUNDRED AND NO/100\*\* Dollars (\$ 2,230,000.00),  
to a total sum of TWENTY SEVEN MILLION TWO HUNDRED THIRTY SEVEN 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.

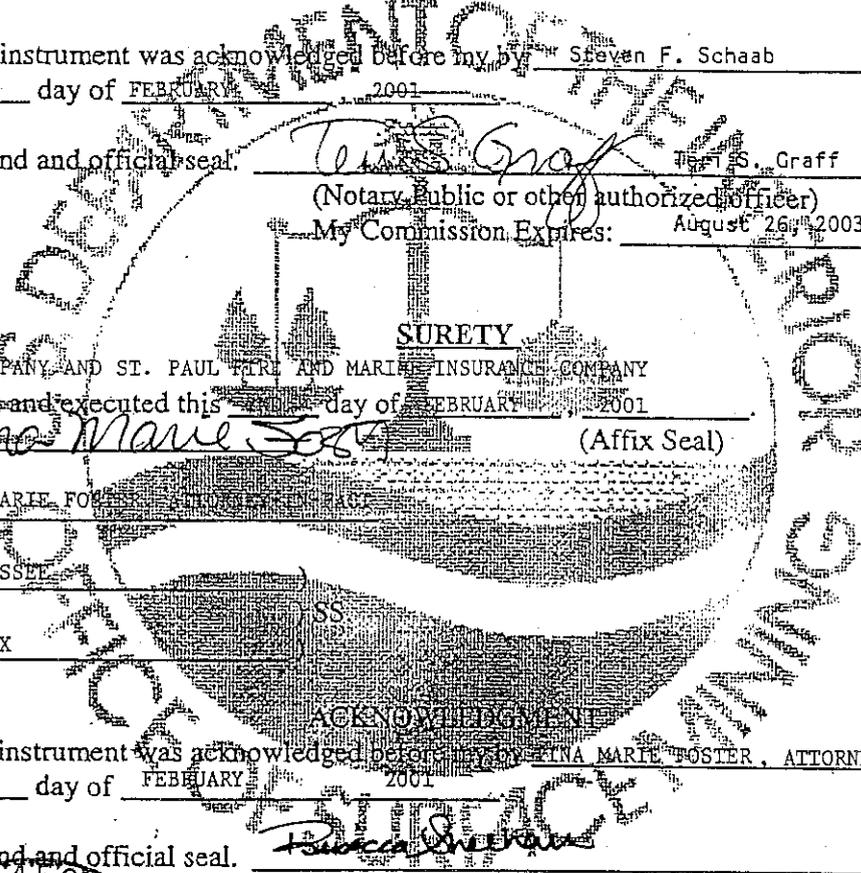
State of Missouri )  
City St. Louis ) SS.  
County of St. Louis )

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 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

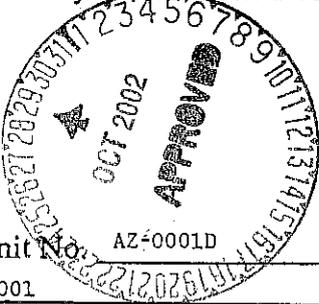
Signed and executed this 2ND day of FEBRUARY, 2001  
BY: Tina Marie Foster (Affix Seal)

TITLE: TINA MARIE FOSTER  
State of TENNESSEE )  
County of KNOX ) SS.

ACKNOWLEDGMENT

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

<sup>1</sup>Where one signs by virtue of Power of Attorney or Corporate Resolution for a Surety Company or corporate Principal, such certified Power of Attorney or Corporate Resolution must be filed with this rider.

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

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington-Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., 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 28<sup>th</sup> 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.



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





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 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. Spelak Attorney-in-Fact

Accepted: US Department of the Interior  
OSMRE  
Obligee

or Peabody Western Coal Company  
Principal

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

By: Walter D. Huff





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, Jane L. Smith, Jennifer L. Sperlak, Scott Pons, and Ryan Blagen

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]
Mario C. Tetreault, Notary Public

**TRAVELERS** 

**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 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

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

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., 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.

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

TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 28<sup>th</sup> day of February, 2009.

*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.



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



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. Spelak  
Attorney-in-Fact

Accepted: US Department of the Interior  
OSMRE  
Obligee

or Peabody Western Coal Company  
Principal

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

By: Walter L. King





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, Jane L. Smith, Jennifer L. Sperlak, Scott Rons, and Ryan Blegert



of the City of Denver, State of Colorado, their true and lawful attorney-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

LPM  
Bond No. 8940880

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. 8940880



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).

Permit No. AZ-0001D

2

Bond No. 8940860567891011



IN WITNESS WHEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

**PRINCIPAL**

Date December 19, 2008

Peabody Western Coal Company  
(Corporation/Permittee)

Affix Seal

By: \_\_\_\_\_  
Corporate Official<sup>1</sup>

Title: \_\_\_\_\_  
Attorney-in-Fact<sup>1</sup>

**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: *Leon F. Hill*

Title: Leon F. Hill  
(Attorney-in-fact<sup>1</sup>)

<sup>1</sup>Where 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.

Permit No. AZ-0001D

Bond No. 8940860

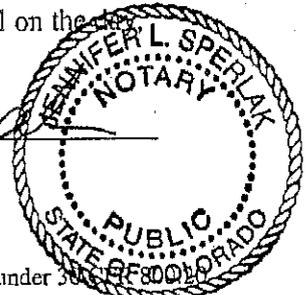


**ACKNOWLEDGEMENT OF CORPORATE SURETY**

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 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 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 842.16, the information collected is a matter of public record. 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



Permit No. AZ-0001D

Bond No. 8940860



**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, any 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 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. Alamba*

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*

the 19th day of December 2008

Eric D. Barnes

Secretary





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).

Permit No. AZ-0001D

2

Bond No. 82154865



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 Official<sup>1</sup>

Title: \_\_\_\_\_  
Attorney-in-Fact<sup>1</sup>

**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-fact<sup>1</sup>)

<sup>1</sup>Where 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.

Permit No. AZ-0001D

Bond No. 82154095



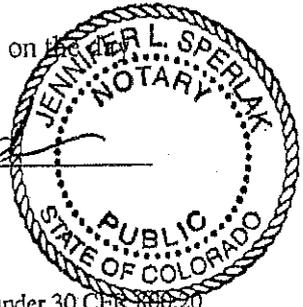
ACKNOWLEDGEMENT OF CORPORATE SURETY

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, 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)

*[Handwritten Signature]*



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





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 Blegen, Leon F. Hill, Scott Rons and Jennifer L. Speriak 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 bail 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

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



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).

Permit No. AZ-0001D

2

Bond No. 105191031456789



IN WITNESS WHEREOF, the Principal and Surety have hereunto set their signatures and seals as of the dates set forth below.

**PRINCIPAL**

Date December 19, 2008

Peabody Western Coal Company  
(Corporation/Permittee)

Affix Seal

By: \_\_\_\_\_  
Corporate Official<sup>1</sup>

Title: \_\_\_\_\_  
Attorney-in-Fact<sup>1</sup>

**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: *Leon F. Hill*

Title: Leon F. Hill  
(Attorney-in-fact<sup>1</sup>)



<sup>1</sup>Where 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.

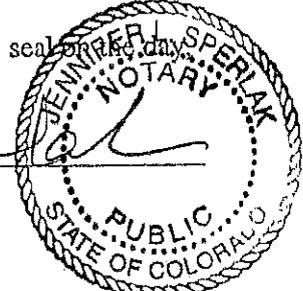
NOTE: If applicable, include the name, address, and phone number of the Agent representing the Surety Company.

**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 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 800.20 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 Biegen



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, contracts, 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 the 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

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

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., 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.

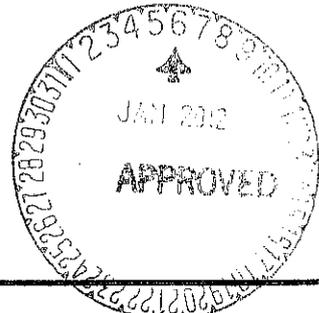
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 19th day of December, 20 08

POWER OF ATTORNEY  
APPROVED BY BOARD

*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](http://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.



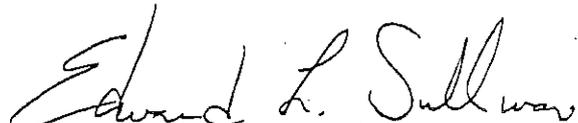
WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

**CERTIFICATE OF INCUMBENCY  
PEABODY WESTERN COAL COMPANY**

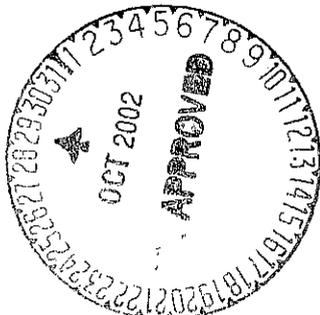
I, Edward L. Sullivan, Secretary of Peabody Western Coal Company, a Delaware corporation, do hereby certify that each of the following persons has been duly elected to the office set opposite his or her name by the Board of Directors of the Company and that each such person occupies such office as of 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

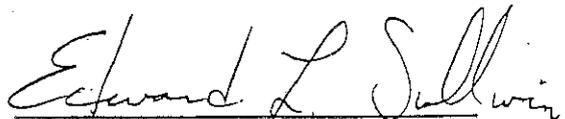
I, Edward L. Sullivan, as Secretary of Peabody Western Coal Company (the "Company"), a Delaware corporation, do hereby certify that the following is a true and accurate copy of the resolution passed by the Board of Directors of the Company on January 4, 1994, and that such resolution has not been rescinded.

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]

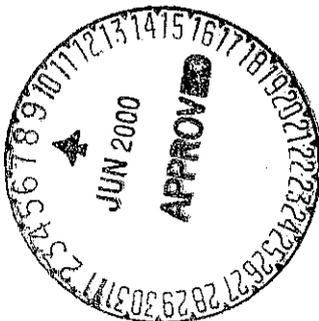


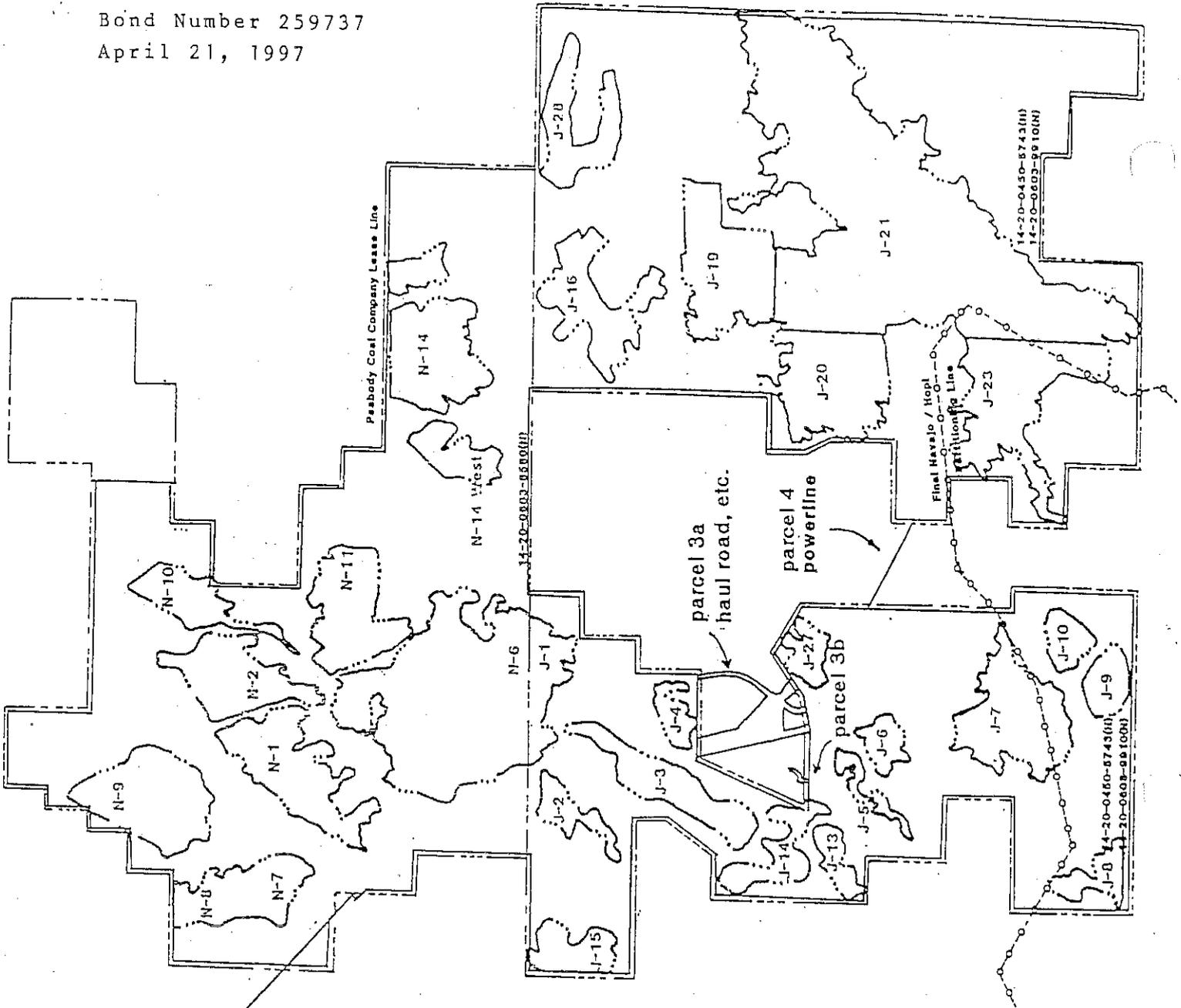
Bond Number 259737  
April 21, 1997

Description of Life-of-Mine  
Permit Area

Seaboard Surety Company

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





rail loadout

parcel 2

conveyor



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.

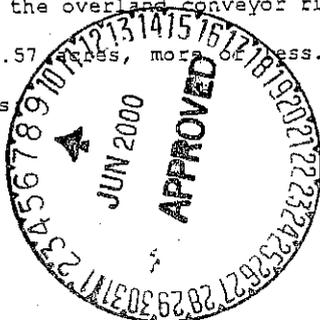
Parcel No. 1: Mining Leasehold Description

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 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 230.00 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, 12,367.21 feet;



Seaboard Surety Company  
By: Janice Fennell  
Janice 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 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, 91.59 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;

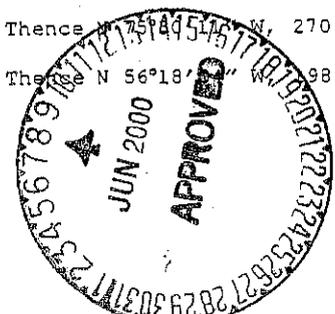
Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 637.71 feet;

Thence N 83°25'45" W, 300.65 feet;

Thence N 75°49'51" W, 270.16 feet;

Thence N 56°18'00" W, 98.53 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: Jarice Fennell  
Jarice 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°45'49" 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;

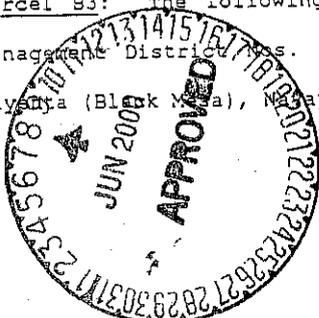
Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

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, 920.88 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 being more particularly described as follows:



Seaboard Surety Company  
By: *Janice Fernell*  
Janice Fernell, 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;

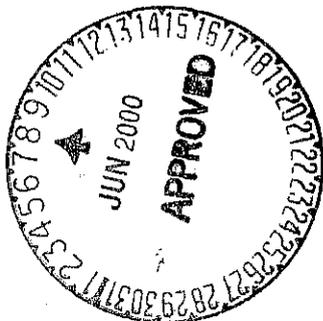
Thence N 18°28'48" E, 895.18 feet;

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*  
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*  
Janice Fennell, Attorney-In-Fact

Bond Number 259737

April 21, 1997

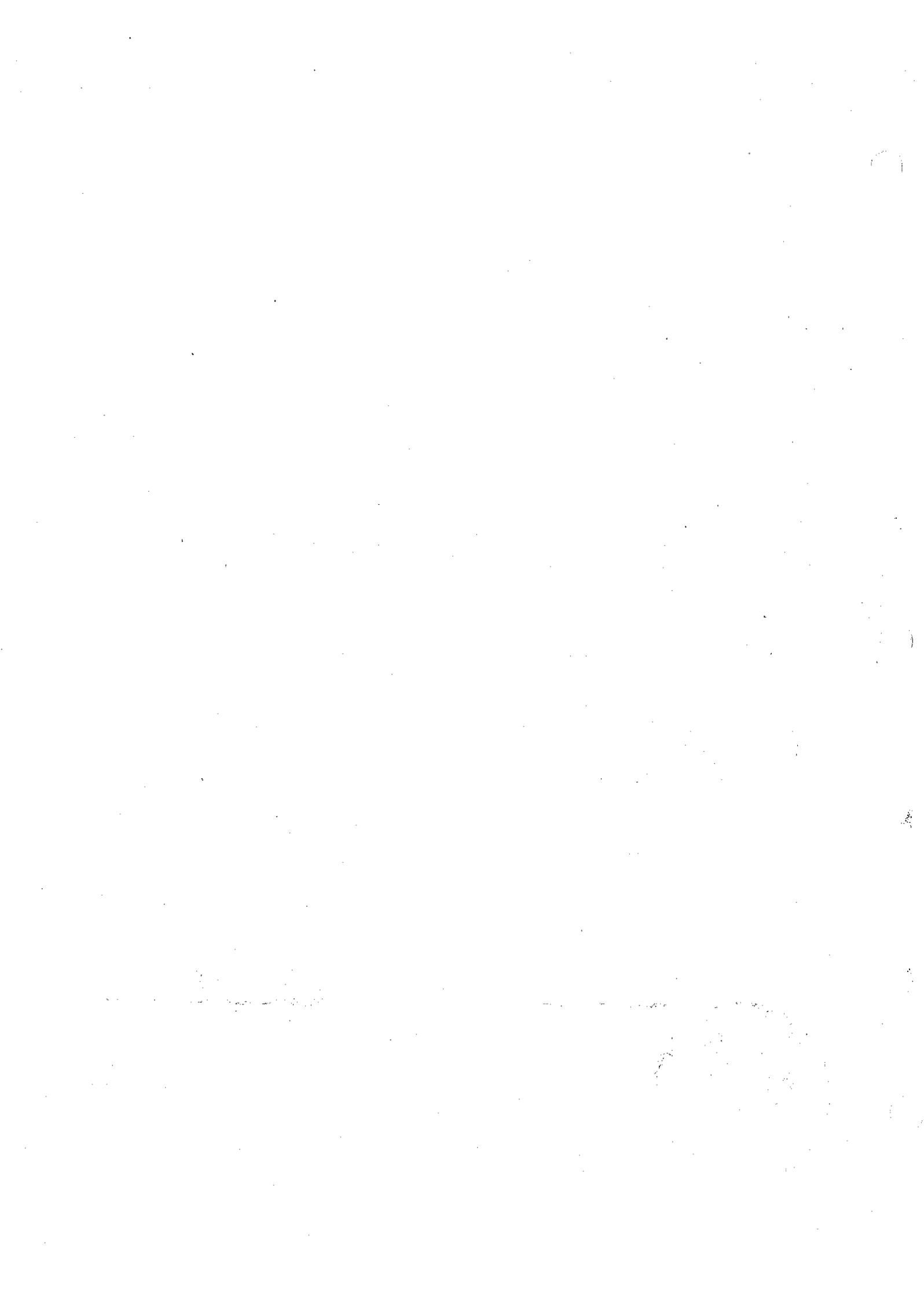
Parcel No. 4: Powerline Right-of-Way Description

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 348404

April 21, 1997

ATTACHMENT 2

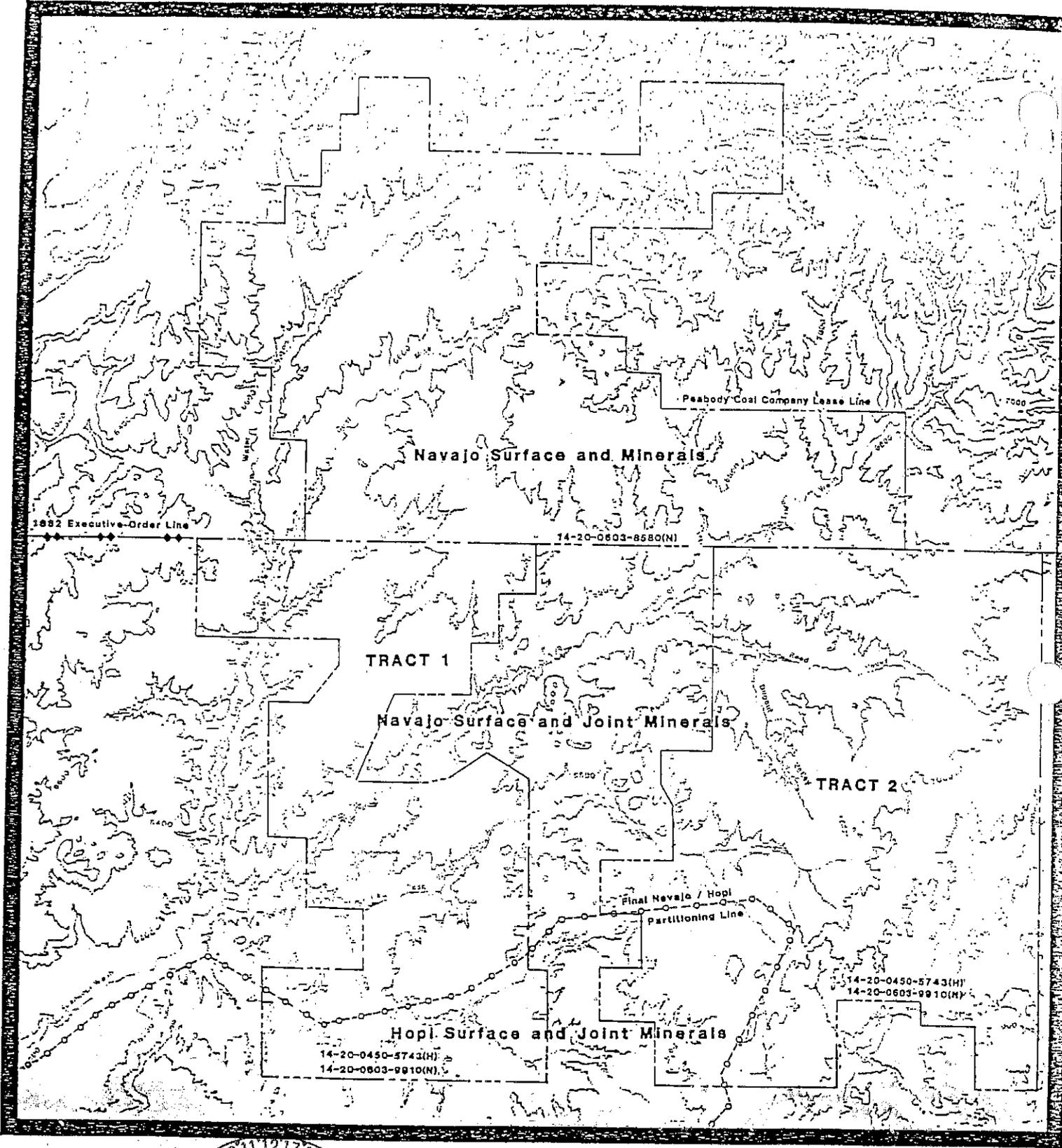
DESCRIPTION OF LEASED LANDS

Seaboard Surety Company

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



April 21, 1997



BLACK MESA LEASES  
PEABODY COAL COMPANY

Seaboard Surety Company  
By: Jarice Fernell  
Jarice Fernell, 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.

T35N 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.

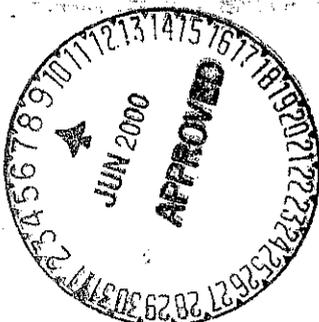
T37N R19E:

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

Lease Number  
14-20-0603-8580

Seaboard Surety Company

By: Janice Fernell  
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

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, ha-  
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

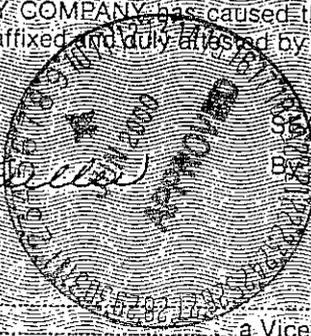
"Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto,  
Insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting undertakings of the Company, and releases, agreements and other  
writings relating in any way thereto or to any claim of 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. Hillier  
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

### 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, 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

Form 957 (Rev. 7/84)



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 NINE MILLION TWO HUNDRED EIGHTY NINE THOUSAND EIGHT HUNDRED THIRTY SIX AND NO/100\*\*\*\*\*  
DOLLARS (\$ 9,289,836.00); 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,  
JULY 3, 1995, SEPTEMBER 26, 1995 AND APRIL 21, 1997

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

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 FIFTEEN MILLION SEVEN HUNDRED THOUSAND AND NO/100\*\*\*\*\* Dollars (\$ 15,700,000.00 ).  
to a total sum of TWENTY FOUR MILLION NINE HUNDRED EIGHTY NINE THOUSAND EIGHT HUNDRED THIRTY SIX AND NO/100\*\*  
Dollars (\$ 24,989,836.00 \*\*), to cover the (additional/reduced) cost of reclaiming  
all affected lands.

\*\*SEABOARD SURETY COMPANY ASSUMES TWENTY FIVE PERCENT (25%) OF THE ABOVE LIABILITY WHICH EQUALS \$6,247,459.00  
AND ST. PAUL FIRE AND MARINE INSURANCE COMPANY ASSUMES SEVENTY FIVE PERCENT (75%) OF THE ABOVE LIABILITY WHICH EQUALS  
\$18,742,377.00

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



PEABODY WESTERN COAL COMPANY

**PRINCIPAL**

Signed and executed this 6TH day of JUNE, 2000  
BY: [Signature] (Affix Seal)

TITLE: D. A. Wagner, President

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

**ACKNOWLEDGMENT**

The foregoing instrument was acknowledged before me by D. A. Wagner  
this 6TH day of JUNE, 2000  
Witness my hand and official seal. [Signature] **TERI S. McCANN**  
NOTARY PUBLIC STATE OF MISSOURI  
CITY OF ST. LOUIS  
MY COMMISSION EXPIRES AUGUST 26, 2003  
(Notary Public or other authorized officer)  
My Commission Expires: August 26, 2003

**SURETY**

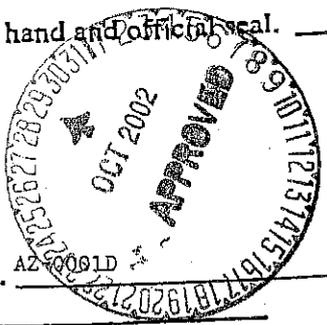
BOARD SURETY COMPANY AND PAUL FIRE AND MARINE INSURANCE COMPANY  
SIGNED AND EXECUTED THIS 6TH day of JUNE, 2000  
BY: [Signature] (Affix Seal)

TITLE: JANICE H. FENNEL, ATTORNEY-IN-FACT

State of TENNESSEE )  
County of KNOX ) SS.

**ACKNOWLEDGMENT**

The foregoing instrument was acknowledged before me by JANICE H. FENNEL, ATTORNEY-IN-FACT  
this 6TH day of JUNE, 2000  
Witness my hand and official seal. [Signature] **TINA MARIE FOSTER**  
(Notary Public or other authorized officer)  
My Commission Expires: NOVEMBER 20, 2002



Permit No. AZ-0001D  
AZ-0001

Bond No. 259737

Where one signs by virtue of Power of Attorney or Corporate Resolution for a Surety Company or corporate Principal, such certified Power of Attorney or Corporate Resolution must be filed with this rider.

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. 20252

Certificate No. 383049

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

Richard G. Anderson, Richard C. Rose, Janice H. Fennell, Frank A. Word, Jr. and Tracy Tucker

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 1st day of December 1999

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.



State of Maryland  
City of Baltimore

*John F. Phinney*  
JOHN F. PHINNEY, Vice President

*Michael R. McKibben*  
MICHAEL R. MCKIBBEN, Assistant Secretary

On this 1st day of December, 1999, before me, the undersigned officer, personally appeared John F. Phinney and Michael R. McKibben, 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.

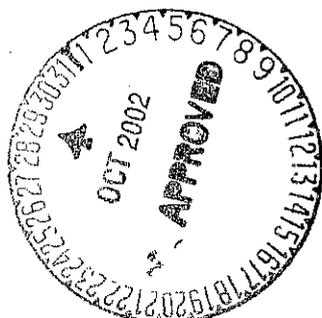
In Witness Whereof, I hereunto set my hand and official seal.

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, Michael R. McKibben, 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.

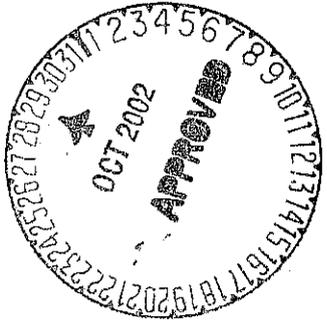
IN TESTIMONY WHEREOF, I hereunto set my hand this 6TH day of JUNE, 2000.



*Michael R. McKibben*  
Michael R. McKibben, 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 INVALID WITHOUT THE RED BORDER**



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

RECLAMATION PERFORMANCE BOND INCREASE/DECREASE RIDER

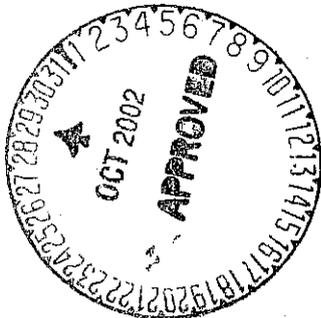
Permit No. AZ-0001D/AZ-0001

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.



RECLAMATION BOND INCREASE/DECREASE RIDER

Permit No. AZ-0001D/AZ-0001

Bond No. 348404

PRINCIPAL

Signed and executed this 20th day of AUGUST, 19 97.

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, 19 97.

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, 19 97.

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, 19 97.

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

ELIZABETH A. HARTZBERG

My Commission Expires: NOVEMBER 29, 1999



Certified Copy

# SEABOARD SURETY COMPANY

3A-8712

No. 13250

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY  
POWER OF ATTORNEY

NOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint Richard C. 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

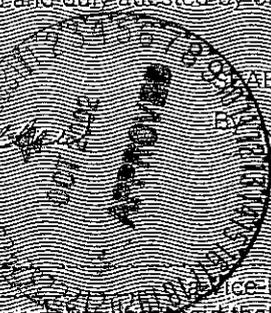
"Policies, bonds, recognizances, stipulations, consents of surety, underwriting, undertakings and instruments relating thereto, insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting, undertakings of the Company and releases, agreements and other writings relating 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 of 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:

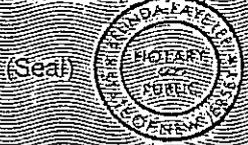
(Seal) *Michael B. Keegan*  
Assistant Secretary



SEABOARD SURETY COMPANY  
BY: *Richard C. Anderson*  
Vice-President

STATE OF NEW JERSEY  
COUNTY OF SOMERSET

On this 5th day of April, 1995, before me personally appeared Michael B. Keegan, 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. 2, 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 20th day of AUGUST, 1997.



*Sara M. Klement*  
Assistant Secretary

Form 957 (Rev. 7/84)

**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

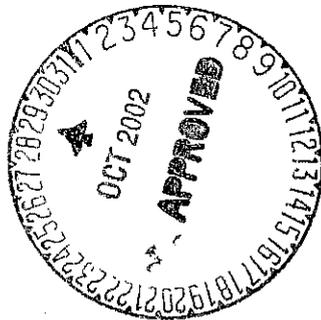
I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

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]



g:legal\resol-pw

**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.

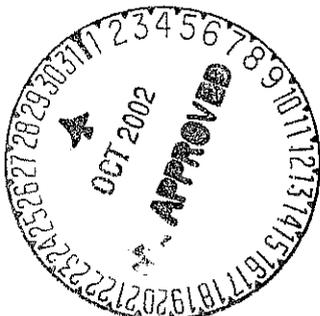
DATED this 20th day of August, 1997.



G. I. Crawford  
Secretary

[Seal]

g:\legal\resol-pw



**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]

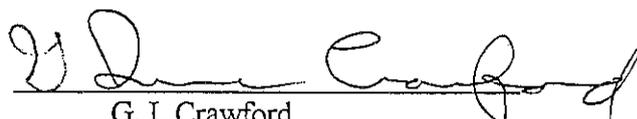


**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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 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)  
) SS.  
County of COCONINO)

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

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

My Commission Expires: 11/2/98

SURETY

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

BY: Janice Fenell

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

State of TENNESSEE)  
) SS.  
County of KNOX)

The foregoing instrument was acknowledged before me by JANICE FENELL, this 20th day of AUGUST, 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 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]*  
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.

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 the 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**

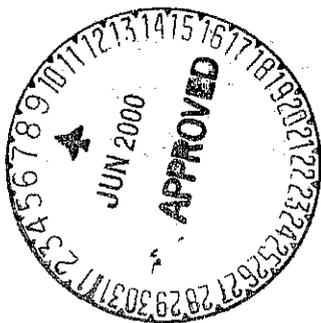
RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, 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

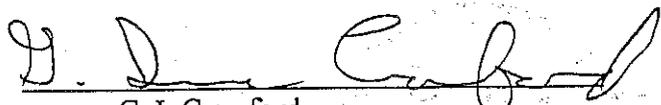
RESOLVED, FURTHER, That any person dealing with the Company may rely on a Certificate of Incumbency executed and sealed by the Secretary or the Assistant Secretary of the Company certifying that such person occupies the office indicated in such certificate as of the date of such certificate, and accordingly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

[Seal]



  
G. I. Crawford  
Secretary

**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

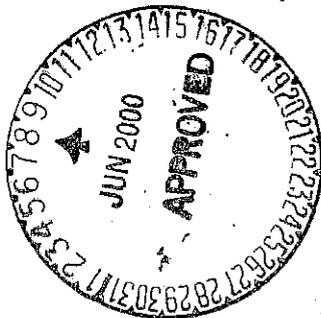
Permit No. AZ-0001D/AZ-0001

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 Hartford AS PRINCIPAL, in the sum of Twenty Eight Million Three Hundred Four Thousand One Hundred Eighty Eight and No/100 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.

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. 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. Elizabeth A. Hartzberg  
(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

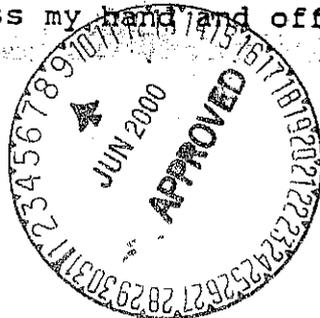
TITLE: Attorney-In-Fact (Corporate Seal)

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



Certified Copy

# SEABOARD SURETY COMPANY

3A-8712

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, has 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) Adelene M. Feller  
Assistant Secretary



By Michael B. Keegan  
Vice-President

STATE OF NEW JERSEY  
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.



**BEINDA FAYE LEE**  
NOTARY PUBLIC OF NEW JERSEY  
My Commission Expires Sept. 7, 1998

Beinda 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."

**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.



Jeanne M. Klenert  
Assistant Secretary

Form 957 (Rev. 7/84)

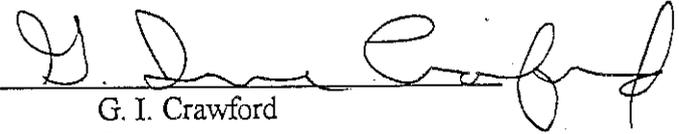
**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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  
G. L. Melvin  
G. I. Crawford  
M.T. Lewis

President  
Vice President  
Secretary  
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]



g:\legal\resol-pw

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

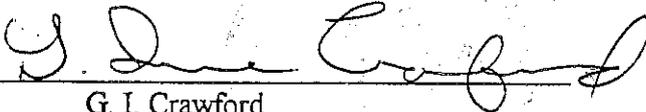
RESOLVED, That the President or any Vice President, or any Vice President of the Company, is hereby authorized to execute, acknowledge and deliver, and where appropriate or desirable, the Secretary or the Assistant Secretary is hereby authorized to attest or otherwise authenticate, any application, form, 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]

RECLAMATION BOND GENERAL PURPOSE RIDER

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

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/ AZ-0001

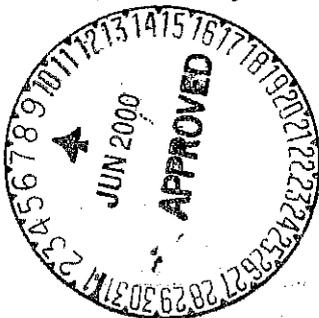
To be attached to and form a part of Surety Company Bond  
No. 348404 written by Seaboard Surety Company  
AS SURETY, on behalf of Peabody Western Coal Company  
AS PRINCIPAL, in the sum of Eight Million Eight Hundred Thousand and No/100 - - - -  
DOLLARS (\$ 8,800,000.00), in favor of the United States,  
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, 1997 <sup>1982</sup>, 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 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. Scott J. Miller  
(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 9264222

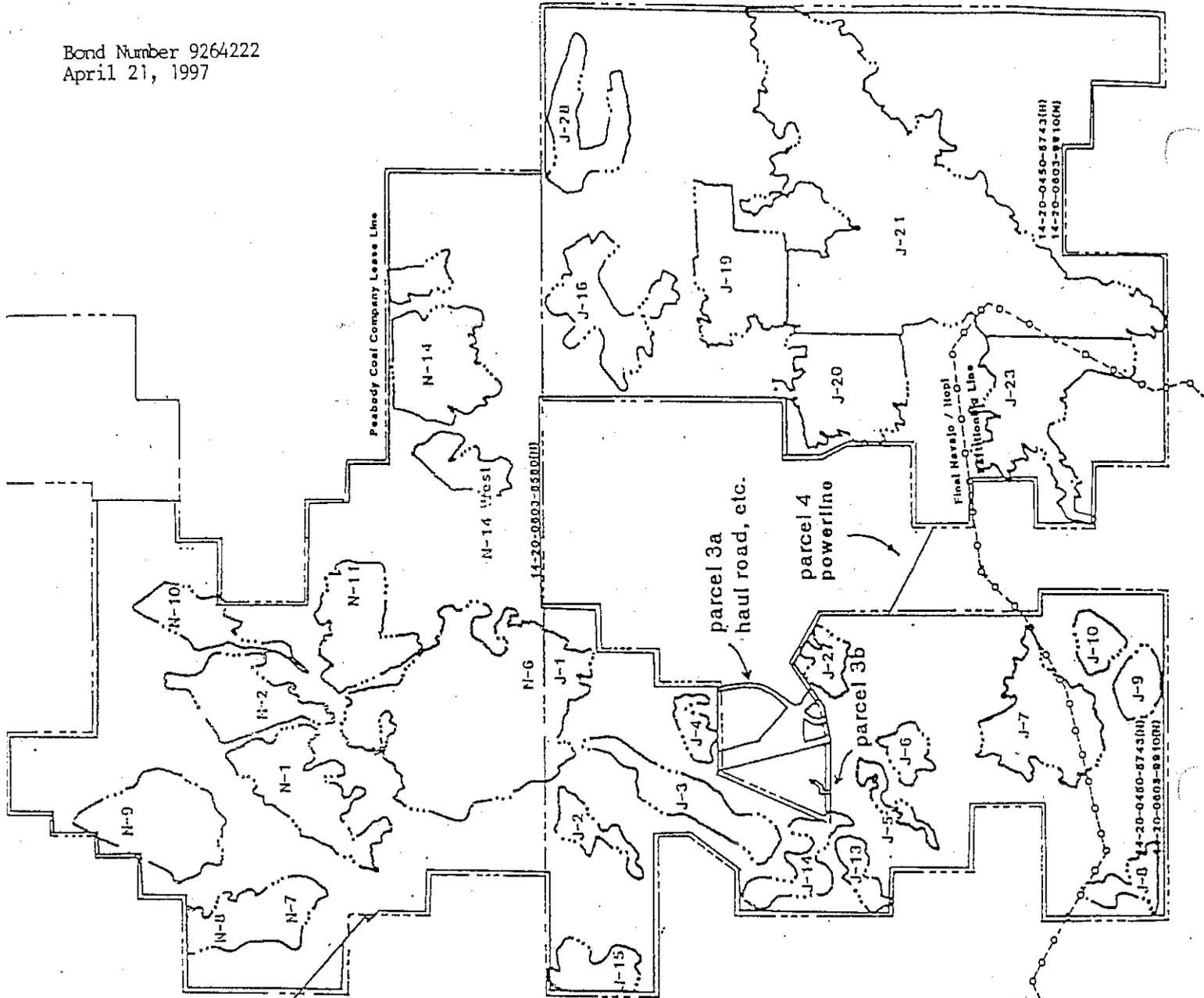
April 21, 1997

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



rail loadout

parcel 2

conveyor



Permit Boundary

PERMIT BOUNDARIES

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

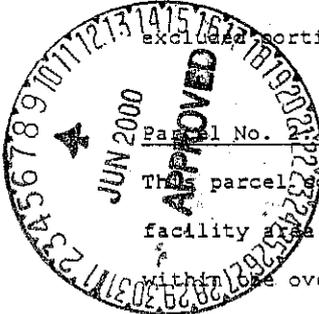
A portion of the life-of-mine permit area includes the Navajo Mining Lease 14-20-0603-8580, and Tracts Nos. 1 and 2 of Navajo and Hopi Joint Mineral Ownership Mining Leases 14-20-0603-9910 and 14-20-0450-5743, respectively, in their entirety, as described in Attachment 2, except a portion of the Navajo 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: Janice H. Fennell  
Janice 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 800.00 feet to the Point of Beginning.

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

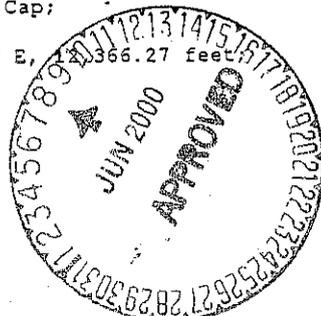
Parcel A: The following is a description of a parcel of land situated within Land Management District No. 08 of the Navajo Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, State of Arizona, and is being more particularly described as follows:

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, 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, 300.55 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;

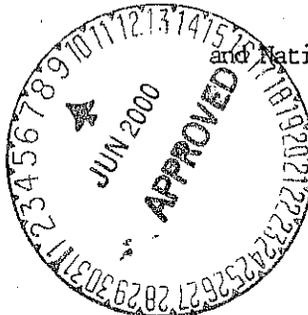


Continental Casualty Insurance Company and National Fire Insurance Company of Hartford

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;

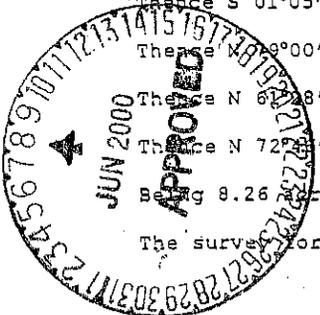
Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

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, 408.71 feet;  
 Thence S 72°56'11" E, 1,159.50 feet;

Thence S 01°05'19" E, 132.81 feet;  
 Thence S 89°00'24" W, 249.07 feet;  
 Thence N 82°28'04" W, 132.28 feet;  
 Thence N 72°23'06" 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, 829.42 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 293.45 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 05, 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°28'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

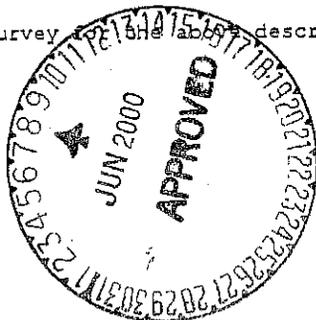
Thence S 19°27'50" E, 1,275.91 feet to the Point of Beginning.

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

Continental Casualty Insurance Company  
and National Fire Insurance Company of Hartford

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

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



April 21, 1997

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

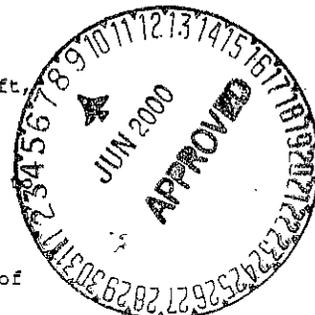
Following is a description of a parcel of land located on the Navajo Reservation and is also a portion of protracted Section 9, Township 35 North, Range 18 East, Gila and Salt River Meridian, Navajo County, Arizona which is more particularly described by metes and bounds as follows:

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 97°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.

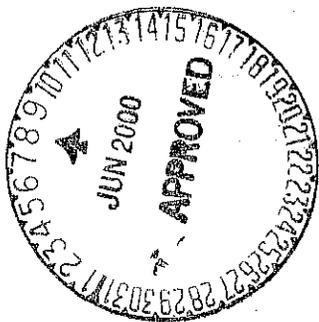


Continental Casualty Insurance Company and National Fire Insurance Company of Hartford
By: Janice H. Fennell, Attorney-In-Fact

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.



Continental Casualty Insurance Company  
and National Fire Insurance Company of Hartford

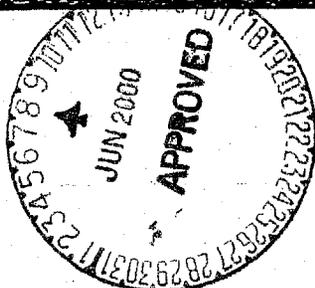
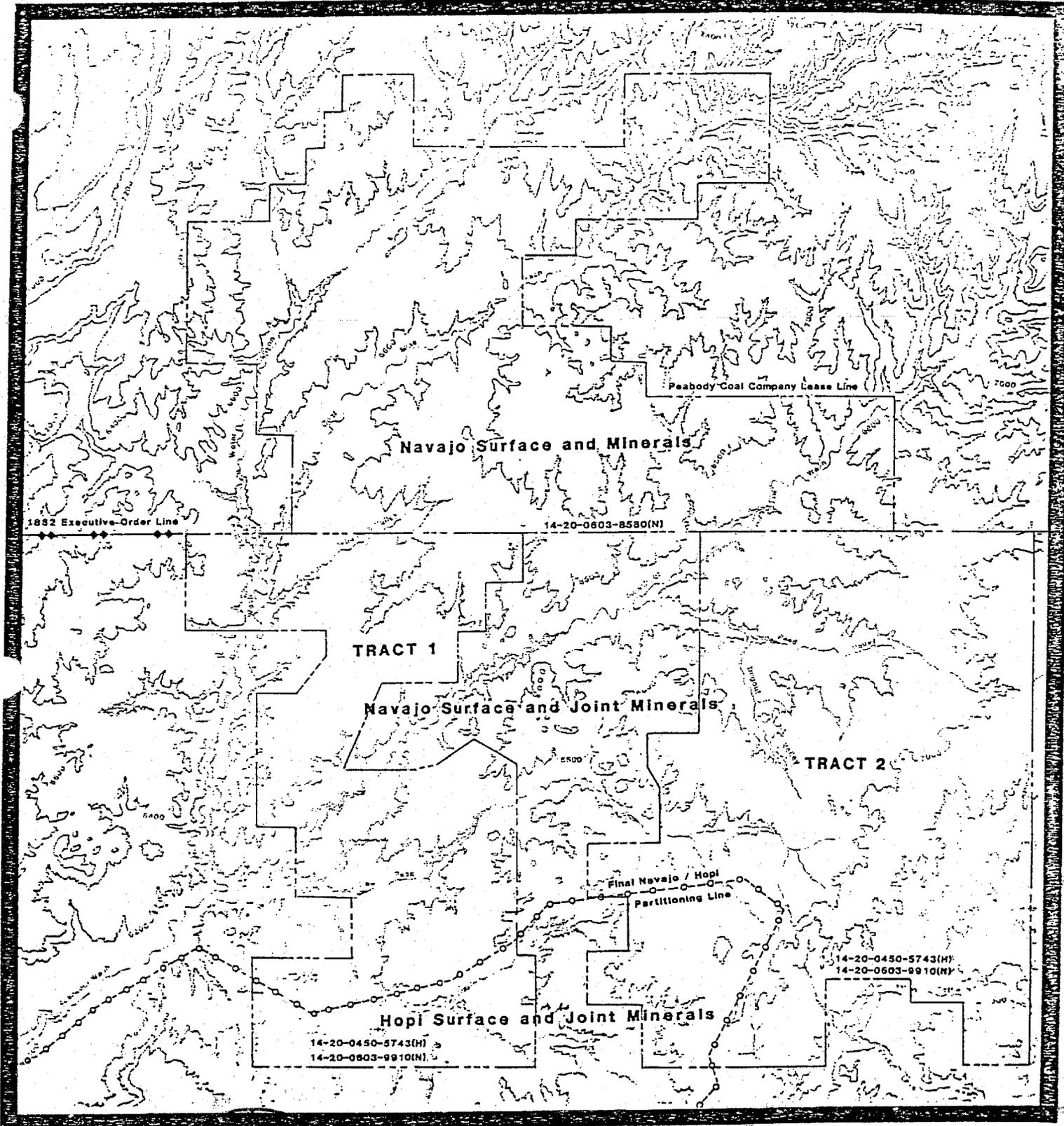
By: Janice H. Fennell  
Janice H. Fennell, Attorney-In-Fact

ATTACHMENT 2

DESCRIPTION OF LEASED LANDS



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

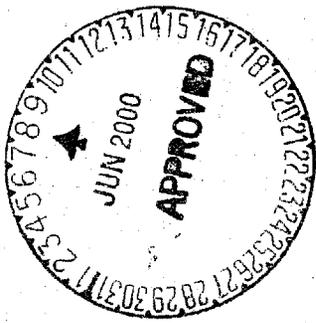
26, 27, 28, 29, 30, 31, 32, 33, 34, 35

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: 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



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

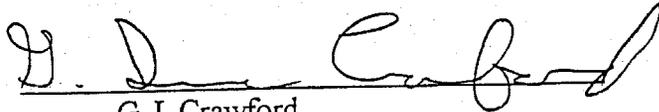
**CERTIFIED COPY OF A RESOLUTION  
DULY ADOPTED BY THE BOARD OF DIRECTORS OF  
PEABODY WESTERN COAL COMPANY  
ON JANUARY 4, 1994**

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

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

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

DATED this 21st day of April, 1997.



G. I. Crawford  
Secretary

[Seal]



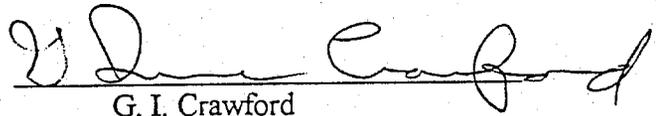
**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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

W. H. Carson  
G. L. Melvin  
G. I. Crawford  
C. W. Tilly  
M. T. Lewis

President  
Vice President  
Secretary  
Treasurer & Assistant Secretary  
Assistant Treasurer

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

  
G. I. Crawford  
Secretary

[SEAL]



RECLAMATION BOND GENERAL PURPOSE RIDER

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

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

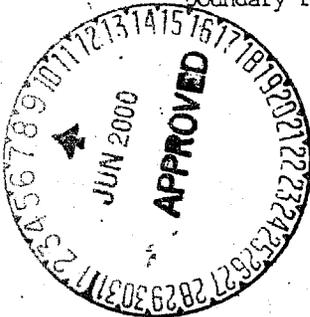
To be attached to and form a part of Surety Company Bond  
No. 9264224 written by Continental Casualty Insurance Company  
National Fire Insurance Company of Hartford  
AS SURETY, on behalf of Peabody Western Coal Company  
AS PRINCIPAL, in the sum of Eighteen Million Two Hundred Sixty One Thousand Six 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.

RECLAMATION BOND GENERAL PURPOSE RIDER

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)  
) SS.  
County of Coconino)

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

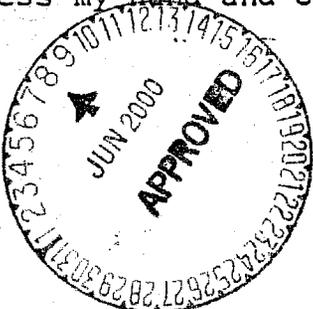
TITLE: Janice H. Fennell, Attorney-In-Fact (Corporate Seal)

State of Tennessee)  
) SS.  
County of Knox)

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

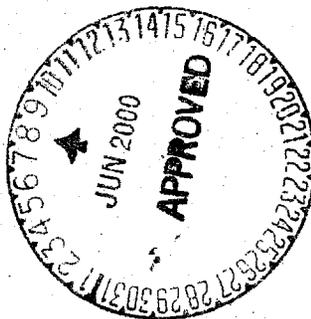


Bond Number 9264224

April 21, 1997

Description of Life-of-Mine

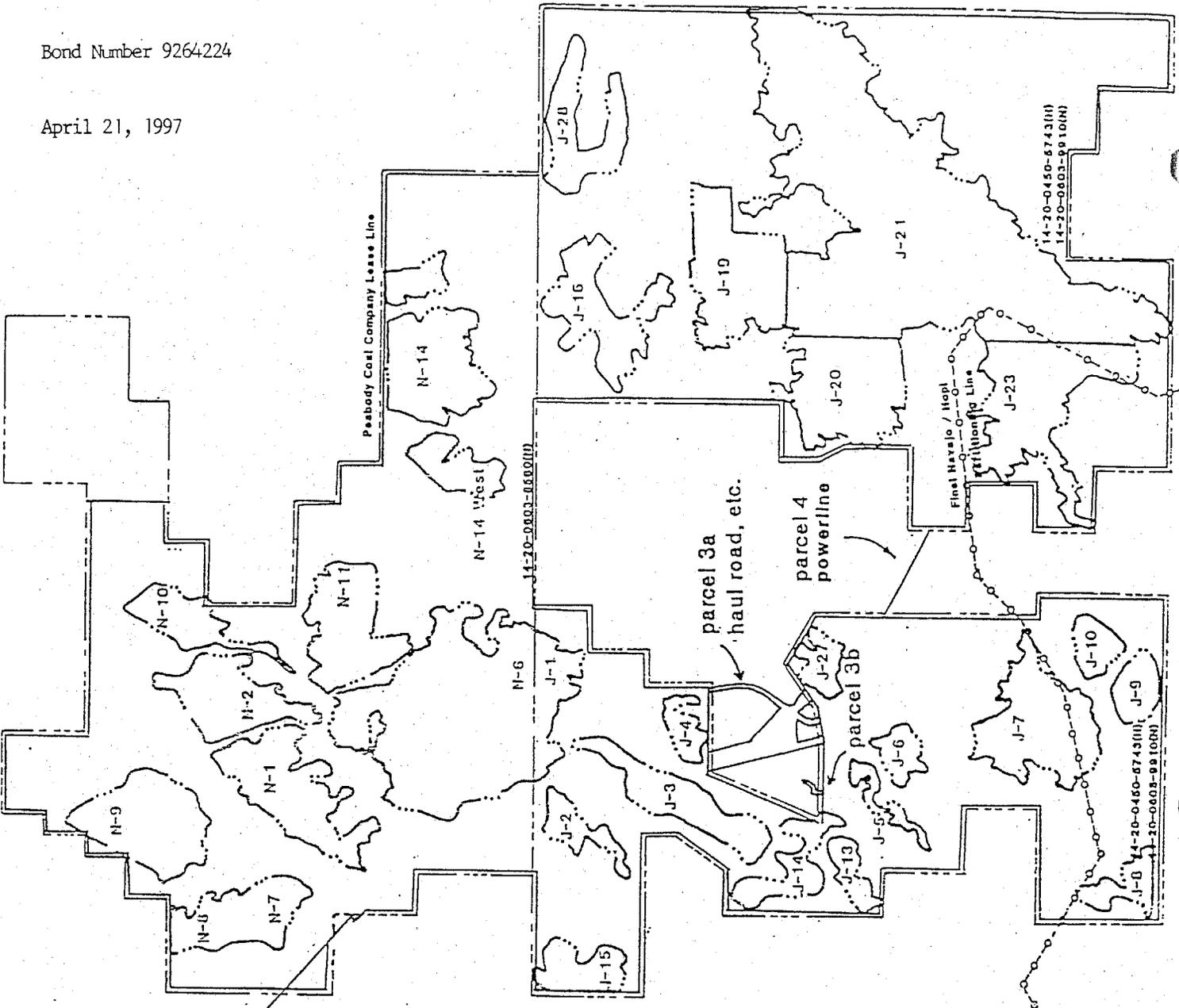
Permit Area



Continental Casualty Insurance Company  
and National Fire Insurance Company of Hartford

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

April 21, 1997



14-20-0450-6743(II)  
14-20-0803-99 10(N)

J-10  
J-9  
14-20-0450-6743(II)  
14-20-0803-99 10(N)

rail loadout



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

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

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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;



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Janice H. Fennell, Attorney-In-Fact

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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.

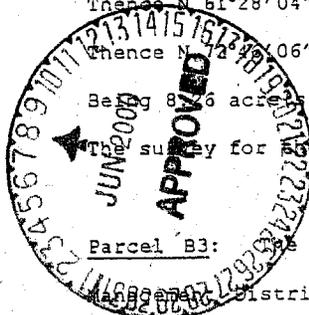
Thence N 61°41'11" E, 156.59 feet;  
 Thence S 73°01'26" E, 1,321.05 feet;  
 Thence S 73°37'52" E, 408.71 feet;  
 Thence S 72°56'11" E, 1,159.50 feet;  
 Thence S 01°05'19" E, 132.81 feet;  
 Thence N 79°00'24" W, 249.07 feet;  
 Thence N 61°28'04" W, 132.28 feet;

Thence N 74°40'06" W, 2,663.30 feet to the Point of Beginning.

Being 8.76 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

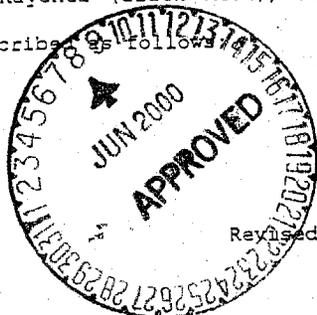
This parcel contains the coal haulage road, buried waterline, underground telephone line, 69KV transmission line, sedimentation Ponds MW-A and MV-B, utilities access and maintenance roads, and water well monitoring road right-of-ways as described in Attachment 3b. The total nonoverlapping area contained 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



Revised 09/25/96

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, 24,700.69 feet;

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

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

Thence N 89°59'39" W, 319.71 feet;

Thence N 17°32'34" W, 3,800.01 feet;

Thence N 13°47'51" W, 3,022.99 feet;

Thence S 89°57'58" E, 1,481.20 feet;

Thence S 08°25'47" E, 2,996.97 feet;

Thence S 52°18'31" E, 2,590.25 feet;

Thence N 35°26'54" E, 2,471.01 feet;

Thence N 11°34'01" W, 579.33 feet;

Thence N 04°48'25" W, 1,976.86 feet;

Thence N 89°57'58" E, 300.03 feet;

Thence S 17°31'51" E, 1,181.49 feet;

Thence S 01°28'41" W, 1,355.00 feet;

Thence S 34°48'05" W, 2,899.45 feet;

Thence S 45°02'43" E, 1,176.18 feet;

Thence S 56°34'51" W, 735.21 feet;

Thence N 29°03'31" W, 971.29 feet;

Thence S 18°31'12" W, 1,130.25 feet;

Thence S 79°23'08" W, 299.88 feet;

Thence N 04°48'12" E, 425.40 feet;

Thence N 18°28'48" E, 895.18 feet;

Thence S 81°36'55" W, 1,758.19 feet;

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

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

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



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 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 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 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";

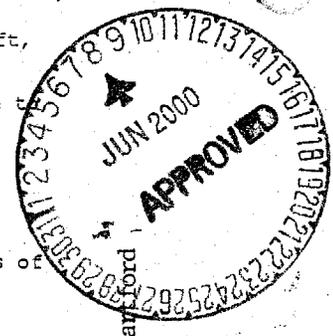
Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

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.

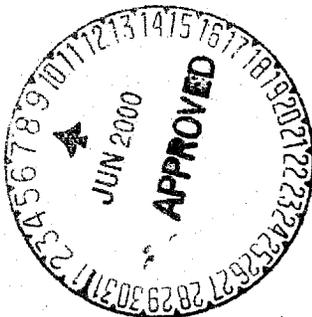


Continental Casualty Insurance Company  
and National Fire Insurance Company of Hartford  
By: Jarice H. Fennell  
Jarice H. Fennell, Attorney-In-Fact

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.



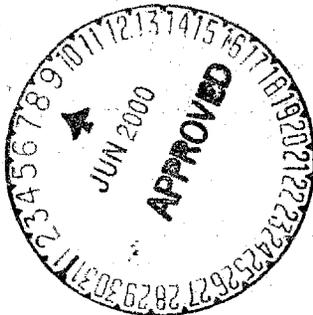
Continental Casualty Insurance Company  
and National Fire Insurance Company of Hartford  
By: Janice H. Fennell  
Janice H. Fennell, Attorney-In-Fact

Bond Number 9264224

April 21, 1997

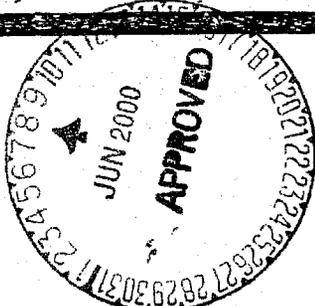
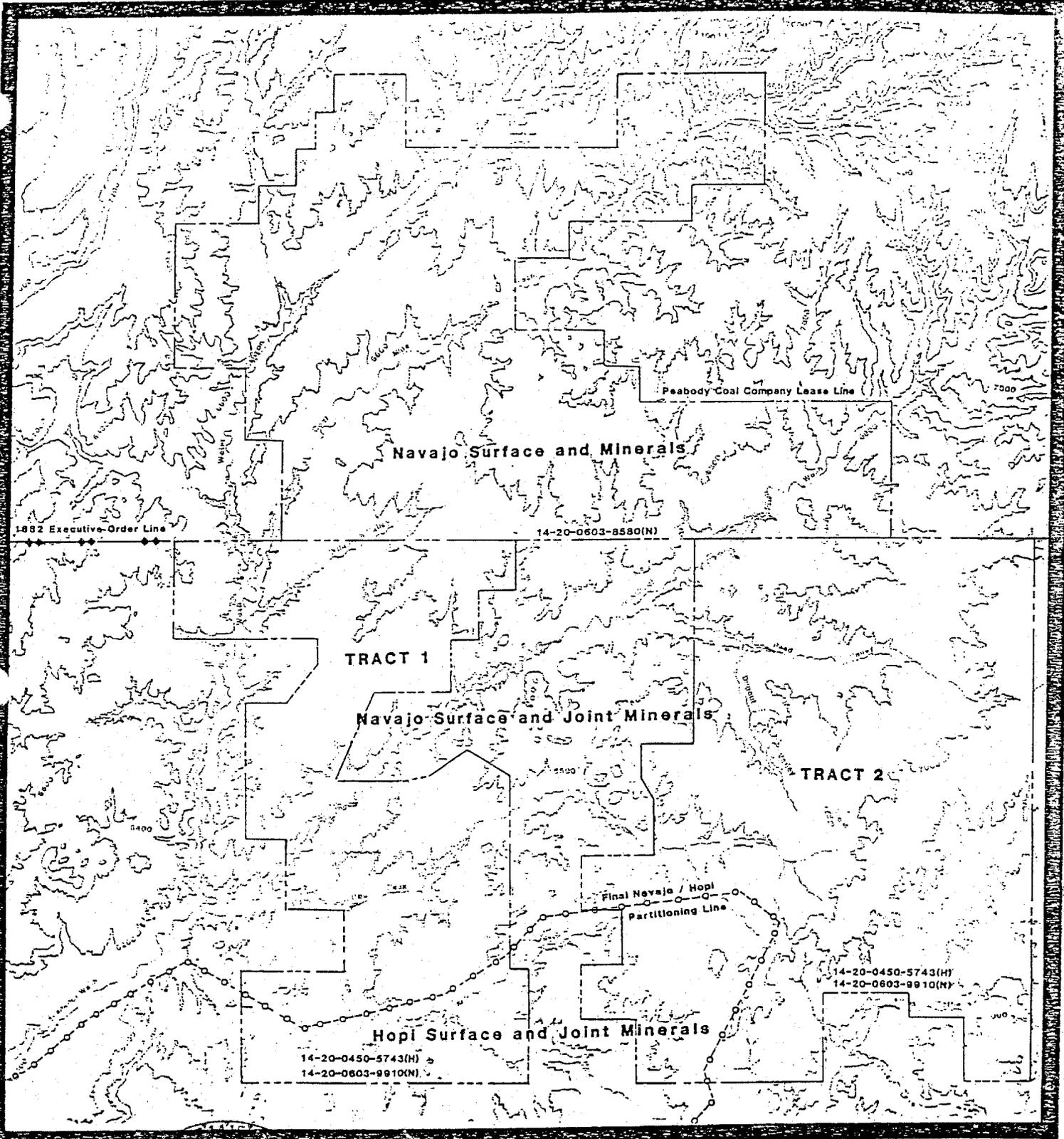
ATTACHMENT 2

DESCRIPTION OF LEASED LANDS



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

April 21, 1997



**BLACK MESA LEASES  
PEABODY COAL COMPANY**

Continental Casualty Insurance  
Company and National Fire Insurance  
Company of Hartford

By: Janice H. Fernell  
Janice H. Fernell, 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.

T35N 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: Jamie H. Fennell  
Jamie 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: Jarlice H. Fennell  
Jarlice 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."

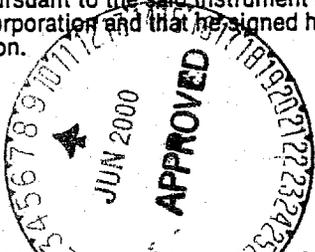
In Witness Whereof, CONTINENTAL CASUALTY COMPANY has caused these presents to be signed by its Group Vice President and its corporate seal to be hereto affixed this 6th day of December, 1994.

State of Illinois } ss  
County of Cook }



CONTINENTAL CASUALTY COMPANY  
*[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.

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.

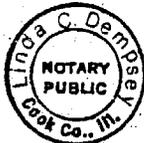
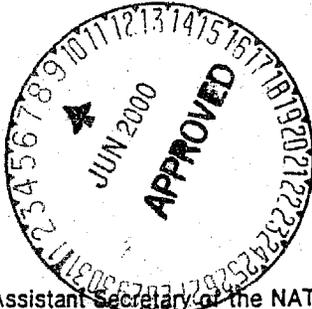
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



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.

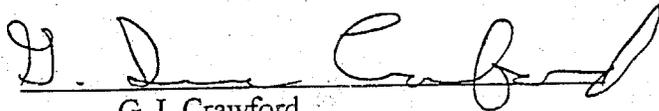
**CERTIFIED COPY OF A RESOLUTION  
DULY ADOPTED BY THE BOARD OF DIRECTORS OF  
PEABODY WESTERN COAL COMPANY  
ON JANUARY 4, 1994**

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**

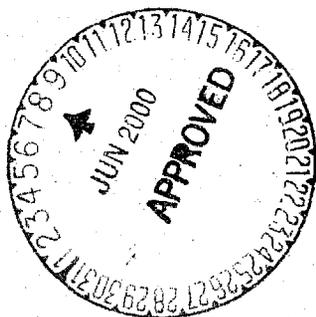
I, G. I. Crawford, Secretary of PEABODY WESTERN COAL COMPANY, do hereby certify, having been sworn and under oath, that the following persons were duly elected to the office set opposite each name by the Director of the Company and that such persons occupy such offices as of the date set forth below.

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 GENERAL PURPOSE RIDER

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

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond  
No. 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.

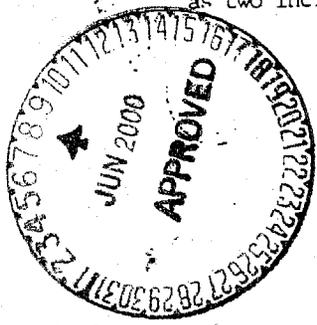
irty Six and No/100

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 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. Brita Nelson  
(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

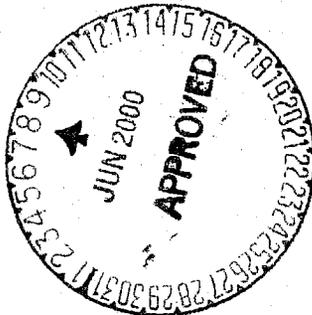
April 21, 1997

Description of Life-of-Mine

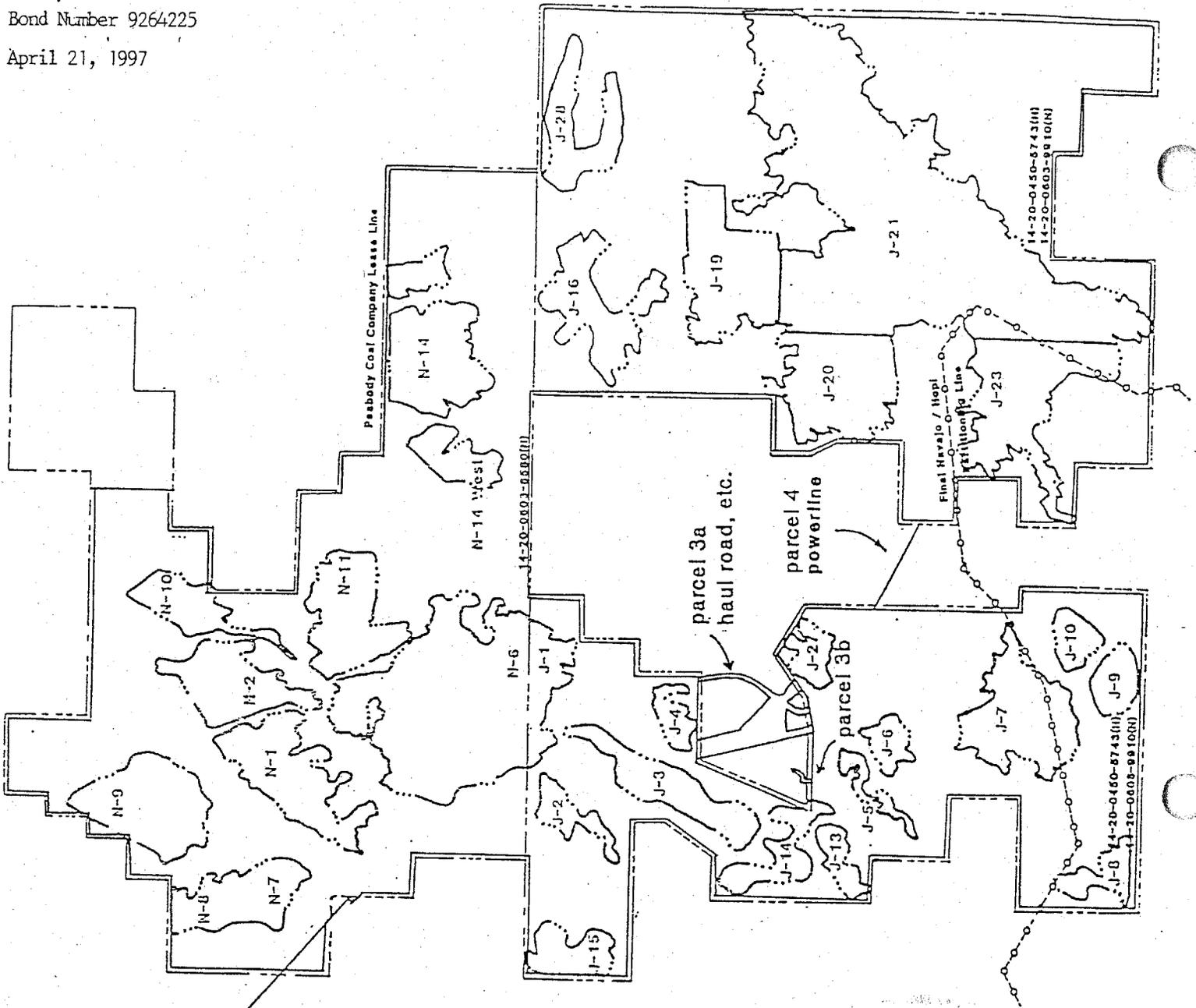
Permit Area

National Fire Insurance Company of Hartford

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



April 21, 1997



rail loadout

parcel 2  
conveyor



Permit Boundary

PERMIT BOUNDARIES

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.

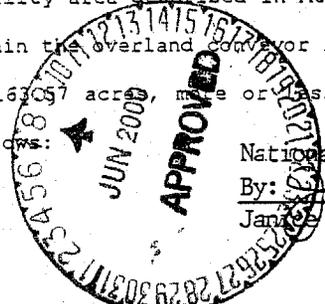
Parcel No. 1: Mining Leasehold Description

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 163057 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 901.55 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, 12,366.72

National Fire Insurance Company of Hartford  
By: Jarvis H. Fennell  
Jarvis 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 48°29'30" W, 983.22 feet;

Thence N 16°54'24" E, 269.91 feet;

Thence N 52°19'00" W, 1,416.63 feet;

Thence N 46°21'51" W, 1,022.96 feet;

Thence N 79°35'57" W, 163.05 feet;

Thence N 46°16'36" W, 111.07 feet;

Thence N 15°03'29" E, 81.59 feet;

Thence N 49°52'27" W, 1,227.62 feet;

Thence S 35°46'32" W, 63.55 feet;

Thence N 62°11'13" W, 186.43 feet;

Thence N 31°03'20" E, 104.31 feet;

Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.53 feet;



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



National Fire Insurance Company of Hartford  
 By Jamie H. Fennell  
 Jamie 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;

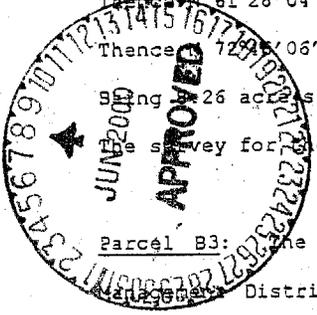
Thence N 57°21'49" W, 6,908.98 feet to the Point of Beginning of the herein described parcel of land.

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;

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

Thence N 61°28'04" W, 132.28 feet;  
 Thence S 72°25'06" W, 2,663.30 feet to the Point of Beginning.

Being 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

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.

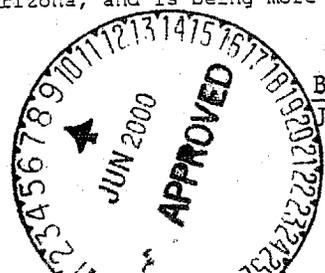
The survey for the above-described tract of land was initiated in July of 1994.

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

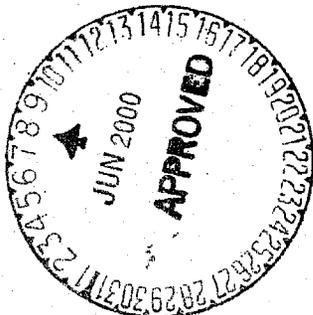
April 21, 1997

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. 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 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 (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°31'53" 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.

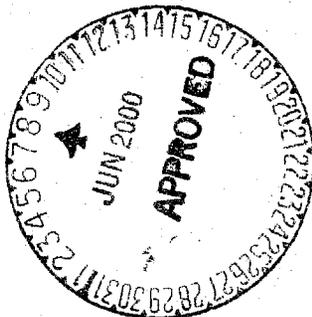


National Fire Insurance Company of Hartford  
By: Janice M. Fennell  
Janice M. Fennell, Attorney-In-Fact

Bond Number 9264225  
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

Bond Number 9264225

April 21, 1997

ATTACHMENT 2

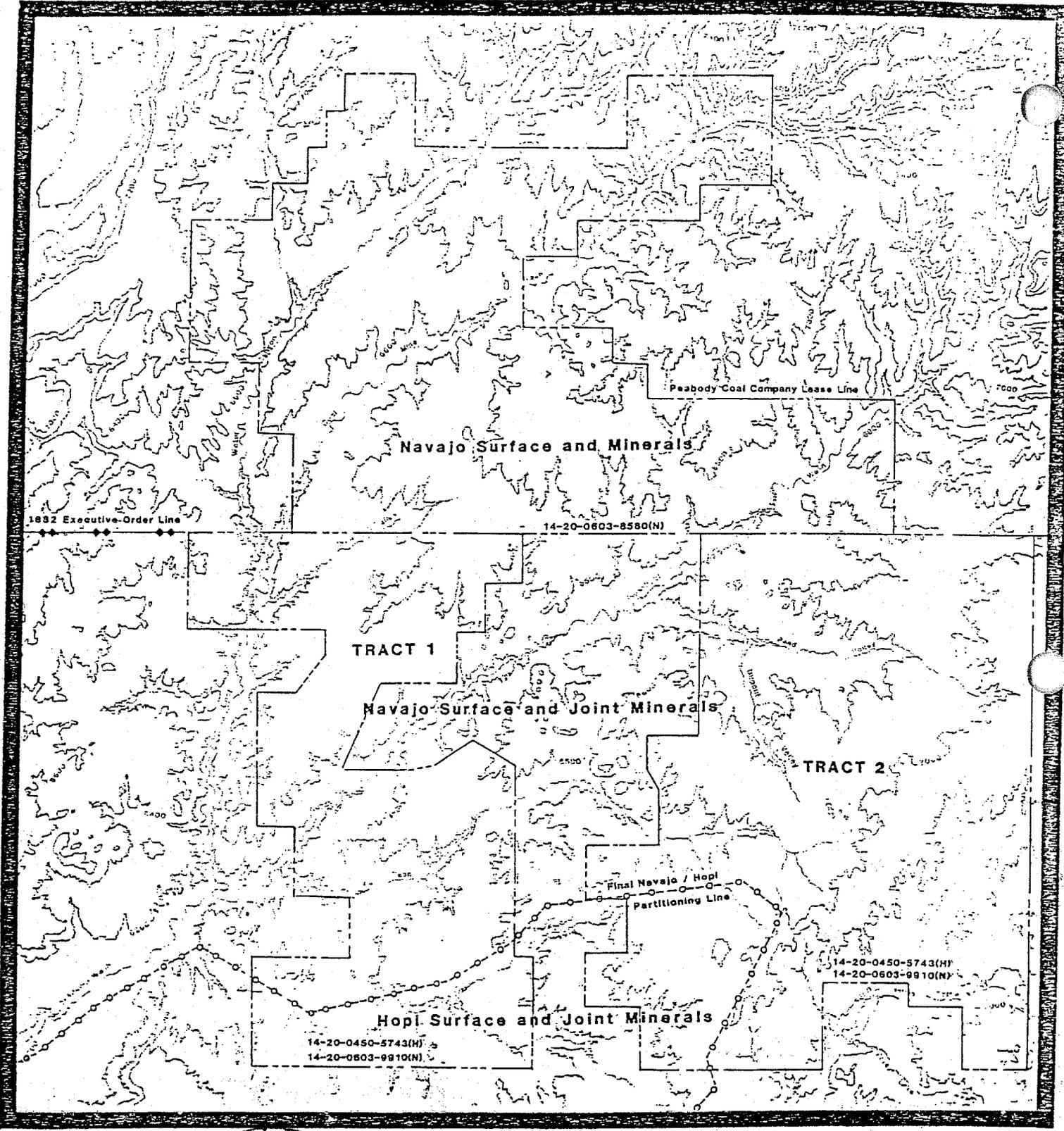
DESCRIPTION OF LEASED LANDS



National Fire Insurance Company of Hartford

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

April 21, 1997



**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.

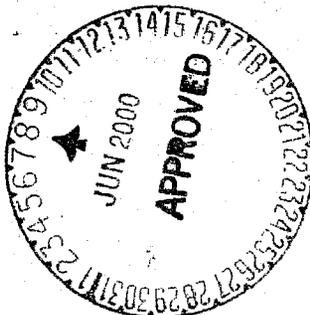
T36N R19E:

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

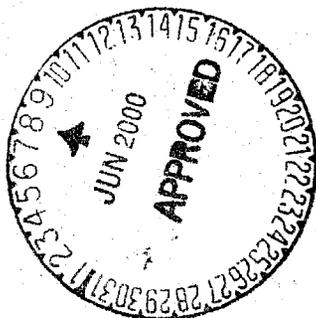
Beginning at the Department of Interior's Bureau of Land Management Mile Post 23.5, a brass plate marked Navajo, EO 1882, 23.5 M, and located on the 36°30' north parallel of latitude, thence east along said 36°30' parallel a distance of 16,092.64'; thence south 3,719.18'; thence west 2,770.00'; thence 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: Jamie H. Fennell  
Janice H. Fennell, Attorney-In-Fact

National Fire Insurance Company of Hartford



For All the Commitments You Make™

Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the 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.

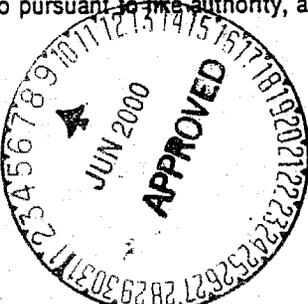
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD



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 the 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.

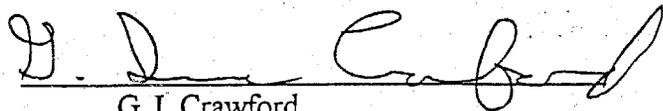
**CERTIFIED COPY OF A RESOLUTION  
DULY ADOPTED BY THE BOARD OF DIRECTORS OF  
PEABODY WESTERN COAL COMPANY  
ON JANUARY 4, 1994**

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.

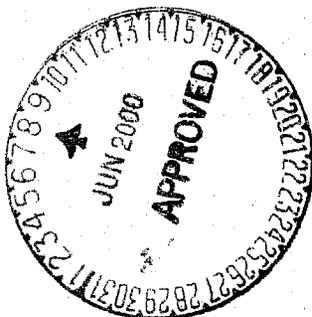
I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.



G. I. Crawford  
Secretary

[Seal]

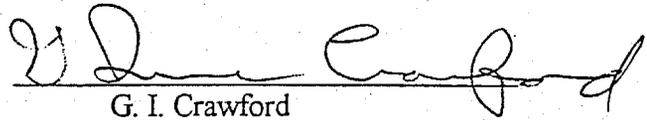


**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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]



RECLAMATION BOND GENERAL PURPOSE RIDER

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

RECLAMATION PERFORMANCE BOND GENERAL PURPOSE RIDER

Permit No. AZ-0001D/AZ-0001

To be attached to and form a part of Surety Company Bond  
No. 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

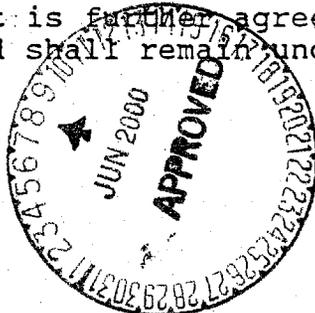
Whereas, the OSMRE issued Permit to Mine number AZ-0001D/AZ-0001 and  
dated on July 6, 1995, and renewals and revisions numbered and  
dated January 29, 1982, and dated N/A pursuant to the application of the Principal,

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. 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



Bond Number 9264241

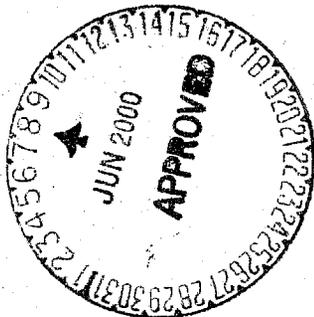
April 21, 1997

Description of Life-of-Mine

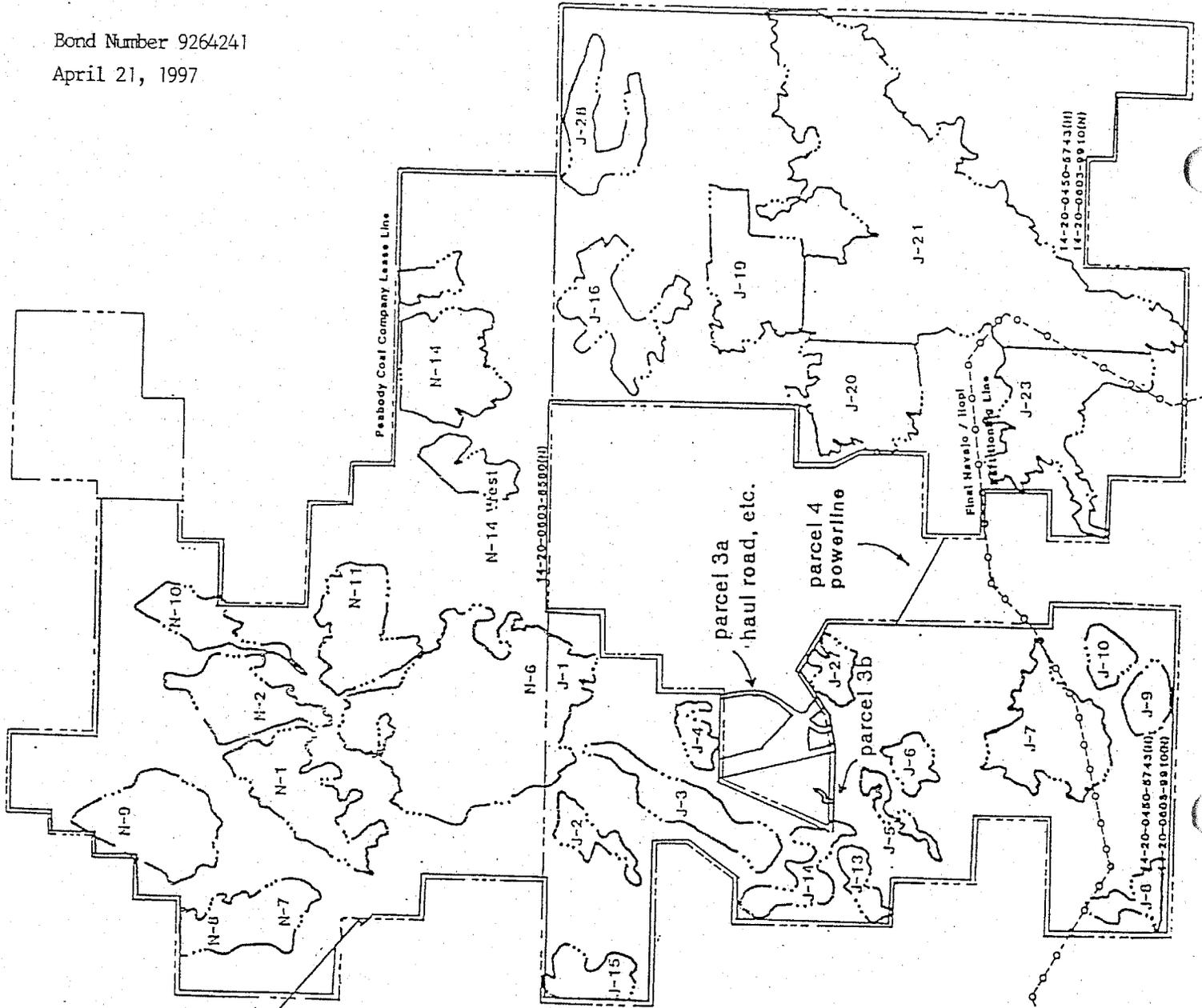
Permit Area

National Fire Insurance Company of Hartford

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



April 21, 1997



Permit Boundary \_\_\_\_\_

PERMIT BOUNDARIES

National Fire Insurance Company of Hartford  
 By: *Jay H. Pennell*  
 Jay H. Pennell, 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  
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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 200.00 feet to the Point of Beginning.

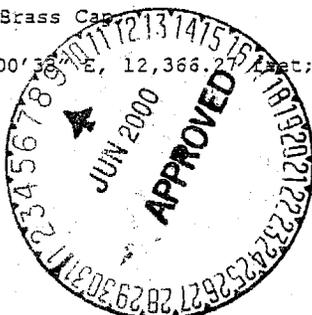
The four sub-parcels within the overland conveyor site is more particularly described as follows:

Parcel A: The following is a description of a parcel of land situated within Land Management District No. 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;



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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;

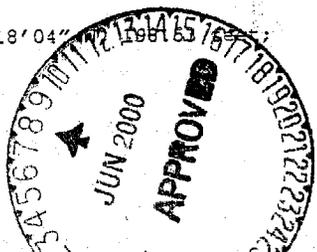
Thence N 49°53'08" W, 657.71 feet;

Thence N 83°25'46" W, 300.65 feet;

Thence N 75°30'11" W, 270.16 feet;

Thence N 56°18'04" W, 198.65 feet;

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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, 1,093.60 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;



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Janice H. Fernell, Attorney-In-Fact

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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.

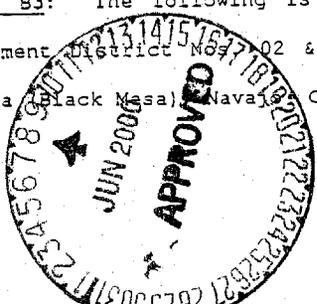
Thence N 61°41'11" E, 156.59 feet;  
 Thence S 73°01'26" E, 1,321.05 feet;  
 Thence S 73°37'52" E, 408.71 feet;  
 Thence S 72°56'11" E, 1,159.50 feet;  
 Thence S 01°05'19" E, 132.81 feet;  
 Thence N 79°00'24" W, 249.07 feet;  
 Thence N 61°28'04" W, 132.28 feet;  
 Thence N 72°46'06" W, 2,663.30 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

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



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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, 929.42 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 Indian Reservation in the vicinity of Kayenta (Black Mesa), Navajo County, Arizona, and is being more particularly described as follows:

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



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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.

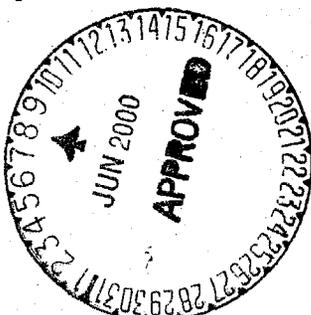
This tract contains 278.91 acres, more or less, in area.

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.



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";

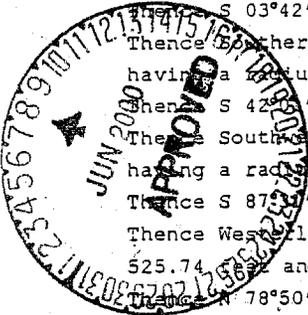
Thence S 00°17'54" W, a distance of 173.19 feet to the beginning of a curve;

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.



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

Bond Number 9264241

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

Bond Number 9264241

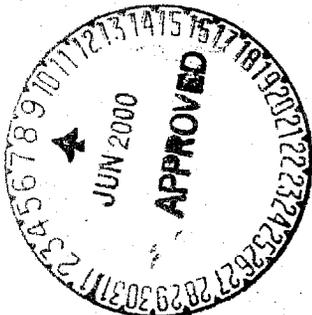
April 21, 1997

ATTACHMENT 2

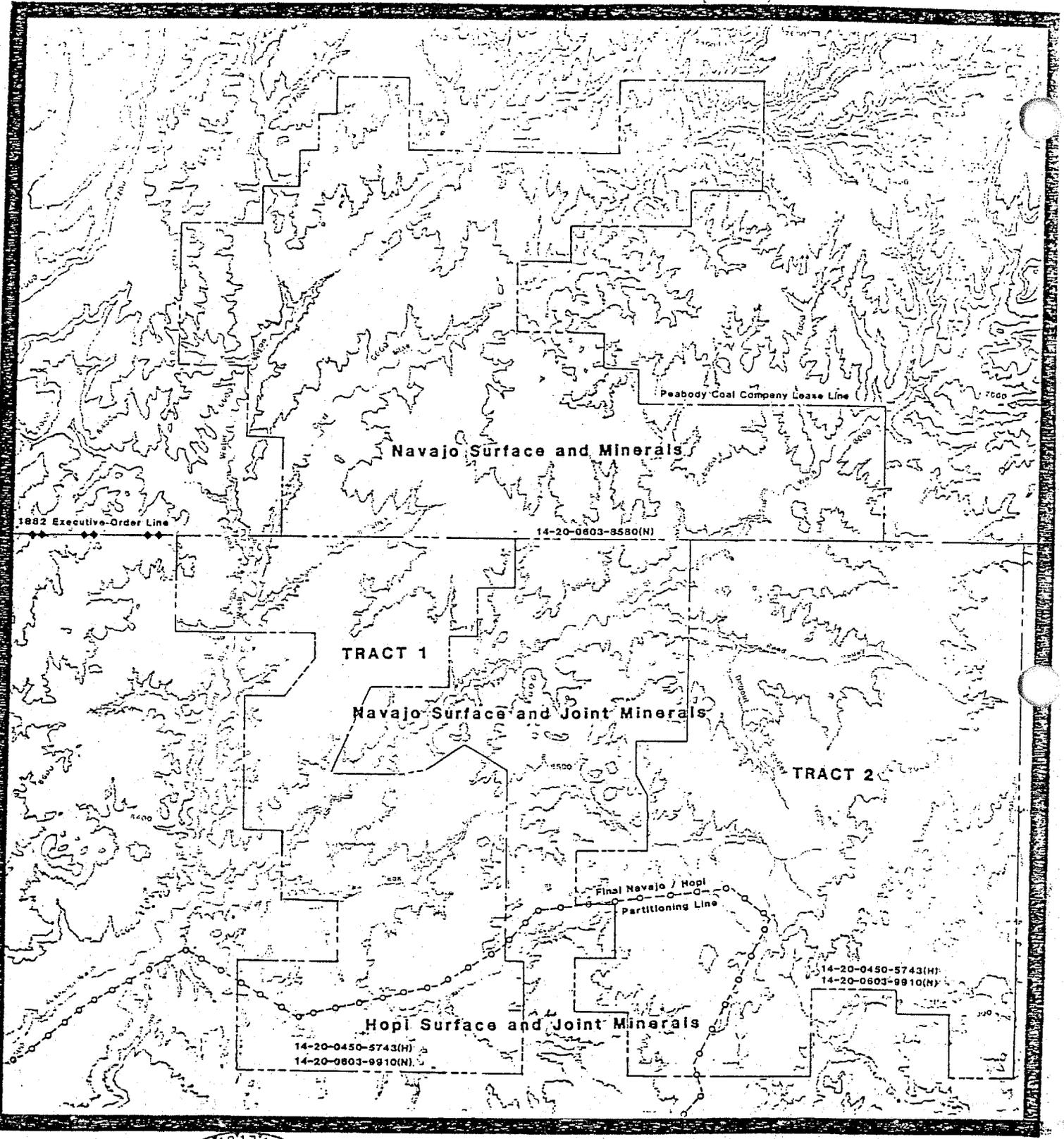
DESCRIPTION OF LEASED LANDS

National Fire Insurance Company of Hartford

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



April 21, 1997



**BLACK MESA LEASES  
PEABODY COAL COMPANY**

National Fire Insurance  
Company of Hartford  
By Janice H. Fernell  
Janice H. Fernell,  
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 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.

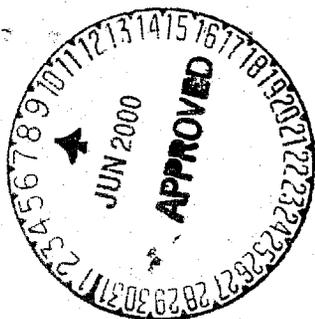
**T36N R19E:**

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



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



National Fire Insurance Company of Hartford



For All the Commitments You Make

Office/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That the 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.

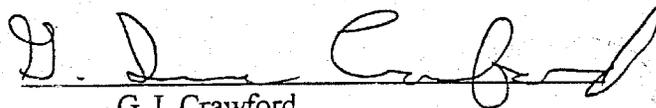
**CERTIFIED COPY OF A RESOLUTION  
DULY ADOPTED BY THE BOARD OF DIRECTORS OF  
PEABODY WESTERN COAL COMPANY  
ON JANUARY 4, 1994**

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.

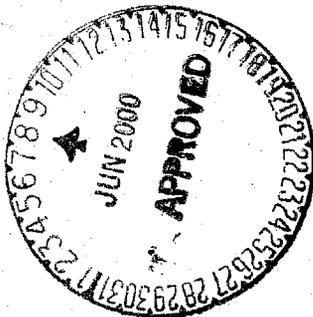
I hereby certify that the foregoing resolution was duly adopted by the Board of Directors of Peabody Western Coal Company, a Delaware corporation on January 4, 1994, and that said resolution has not been amended or revoked and remains in effect as of date set forth below.

DATED this 21st day of April, 1997.



G. I. Crawford  
Secretary

[Seal]

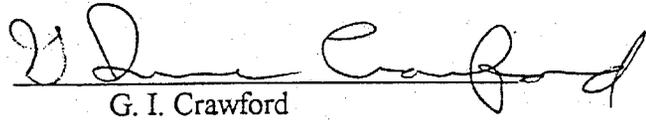


**CERTIFICATE OF INCUMBENCY**  
**Peabody Western Coal Company**

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]

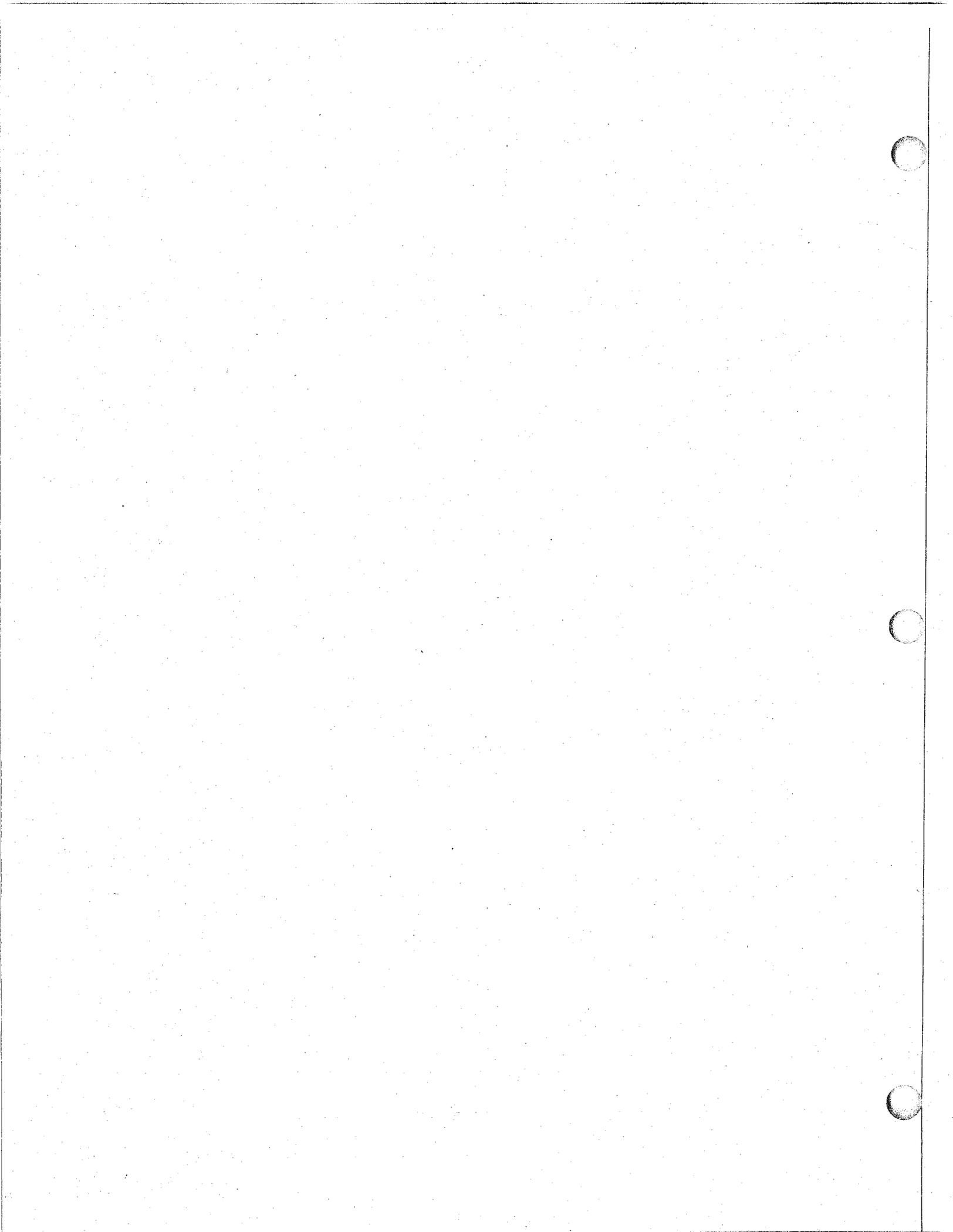


ATTACHMENT 11

PROOF OF PUBLICATION



Revised 06/16/10



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

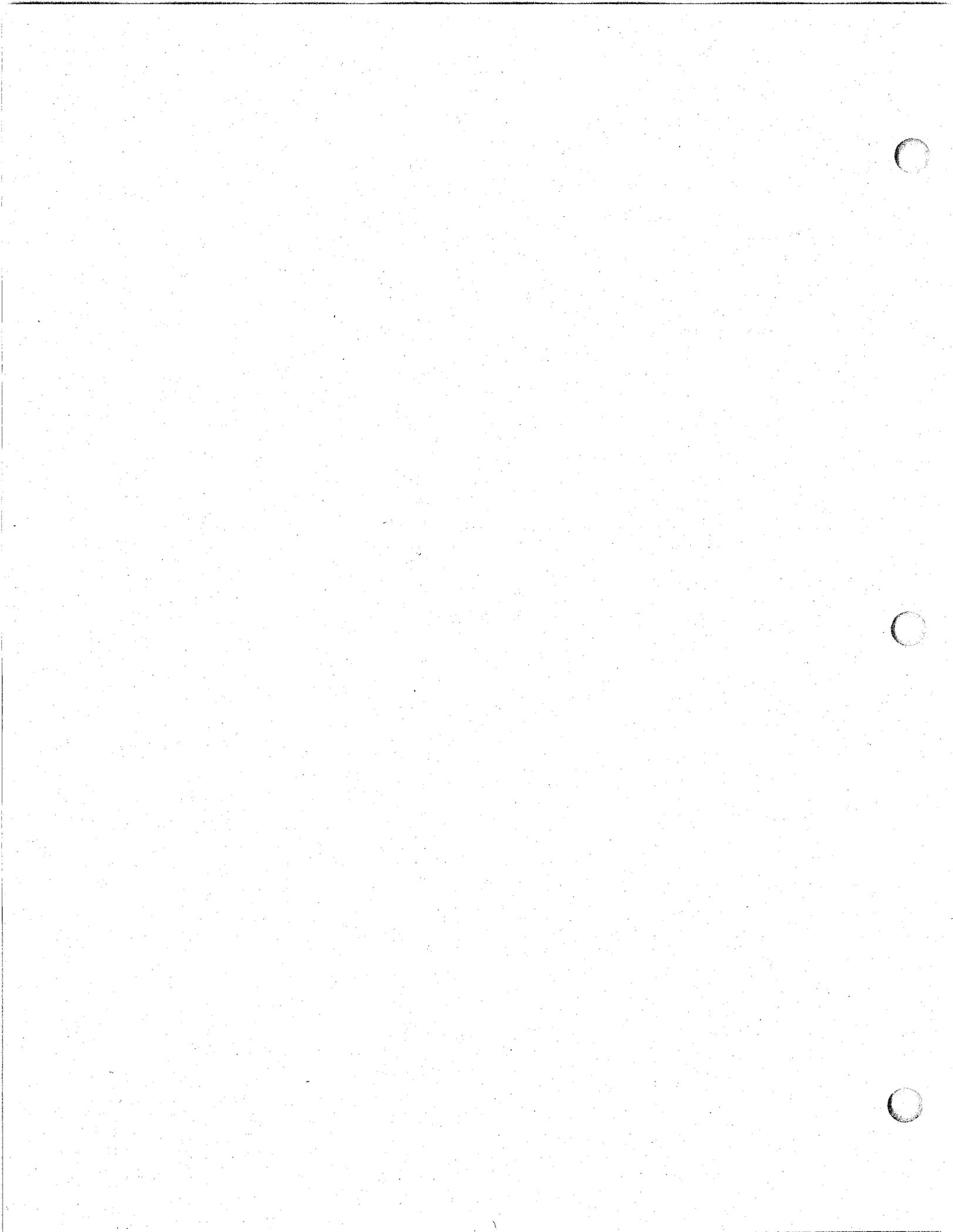
Permit Renewal - 2005

Navajo-Hopi Observer  
Navajo Times  
Hopi Tutuveni

Permit Renewal - 2010

Navajo-Hopi Observer  
Navajo Times





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

**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-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:

- 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-0001D area is located in northeastern Arizona near the northern edge of Black Mesa within the protected boundaries of Townships 36 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 Basins Meridian:
  - T36N, R19E - Sections 13, 14, 24, 25, and 36;
  - T36N, R19E - Sections 1-5 and 7-36;
  - T36N, R17E - Sections 1-4, 11, and 12;
  - T36N, R18E - Sections 1-18, 20, and 22-28;
  - T36N, R19E - Sections 19-22, 25-30, and 32-36;
  - T37N, R19E - 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.wrcosm.gov>. Paper copies of the application are available for public and/or inspection at the following five listed locations:
 

Navajo Nation Minerals Department	Forest Lake Chapter House
Office of Surface Mining	Navajo Route 41
Window Rock Boulevard	20 miles north of Pinon
Window Rock, AZ 86615	Pinon, AZ 86510

 Office of Surface Mining Reclamation and Enforcement  
 305 Marquette NW, Suite 1200  
 Albuquerque, NM 87102  
 The Hopi Tribe  
 Office of Mining and Mineral Resources  
 Highway 284  
 mile east of Kykatomov  
 Kykatomov, AZ 86039  
 Office of Surface Mining  
 Western Region  
 1999 Broadway, Suite 3320  
 Denver, CO 80202-3050
  - 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:  
 Ms. Dannie Winterminger  
 Office of Surface Mining Reclamation and Enforcement  
 1999 Broadway, Suite 3320, Denver, CO 80202-3050  
 (303) 283-6048 email: [kayentarenewal@osmra.gov](mailto:kayentarenewal@osmra.gov)

Persons having an interest in or who 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.



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.

*Duane A. Beyal*  
for Duane A. Beyal  
Editor

STATE OF ARIZONA    :}  
  :}

COUNTY OF APACHE    :}

SUBSCRIBED AND SWORN TO before me this

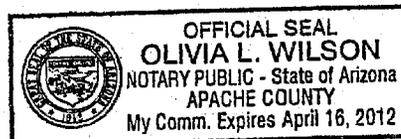
\_\_\_\_\_ 8th \_\_\_\_\_ day of \_\_\_\_\_ April \_\_\_\_\_, 2010.



*Olivia L. Wilson*  
\_\_\_\_\_  
Notary Public

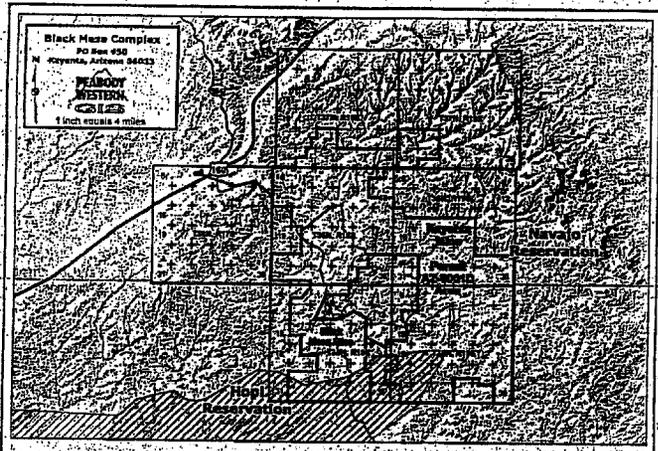
My Commission Expires:

\_\_\_\_\_ April 16, 2012 \_\_\_\_\_



NAVAJO TIMES  
**SECTION**

NAVAJO TIMES  
**SECTION**



### 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 6, 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 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;
  - 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.wrcc.osmre.gov>. Paper copies of the application are available for public and/or inspection at the following five listed locations:

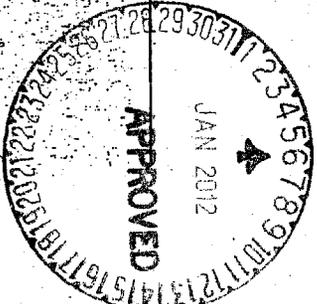
- |  |  |
|--|--|
| Navajo Nation Minerals Department<br>Office of Surface Mining<br>Window Rock Boulevard<br>Window Rock, AZ 86515  | Forest Lake Chapter House<br>Navajo Route 41<br>20 miles north of Pinon<br>Pinon, AZ 86510                                   |
| Office of Surface Mining<br>Reclamation and Enforcement<br>505 Marquette NW, Suite 1200<br>Albuquerque, NM 87102 | The Hopi Tribe<br>Office of Mining and Mineral Resources<br>Highway 264<br>1 mile east of Kykotsmovi<br>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 Wintarringer  
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 requestor and must state whether the requestor desires to have the conference conducted in the locality of the proposed operation.



NAVAJO TIMES  
**SECTION**

NAVAJO TIMES

NAVAJO TIMES  
**SECTION**

NAVAJO TIMES



**REQUEST FOR PROPOSAL**

The Office of Educational Research & Statistics (OERS) is requesting sealed proposals from independent, qualified and professional publishing firms to produce a Division information booklet. The Office of Educational Research & Statistics is designing and organizing the booklet that will provide an overview of all the Departments within the Division of Dine Education. The booklet will include written program description, illustrations, and statistics. Information has already been collected and layout has been done with PageMaker publishing software. The booklet will be made available to the public schools.

Scope of Work involves printing 4,000-5,000 copies of a 30 pages booklet with heavy front and back covers. Production specifications include 80# gloss text, pictures, and graphs, four color processing on 8.5 x11 page. Sealed proposals must be received by 5:00 p.m. on July 30, 2004 at the Division of Dine Education Bldg. Morgan Blvd., Office of Educational Research & Statistics Rm. 220. We will accept proposals through certified mail addressed to Division of Dine Education, Office of Educational Research & Statistics, P.O. Box 670, Window Rock, Arizona 86515 by the closing date.

The Office of Educational Research & Statistics would like to invite all interested and qualified organizations to respond to the RFP. If you have questions or need more information contact Evelina Woody or Rebecca Izzo-Wanymules at (928) 871-7465 or 871-7616.

To be Published in The NAVAJO  
TIMES July 29, 2004.

NAVAJO HOUSING AUTHORITY  
RE-BID-INVITATION FOR BID

**ANNOUNCEMENT IS BROUGHT TO YOU  
COUNTY ELECTION DEPARTMENT:**

**CONGRESS - DISTRICT #1 - (1) One Seat**

- ▼ - Term expiring January 1, 2007 - (1) One
- ▼ - Term expiring January 5, 2009 (Three Seats) - (3) Seats
- #2 - (1) One Seat**
- #5 - (1) One Seat**
- DISTRICT #2 - (2) Two Seats**
- DISTRICT #5 - (2) Two Seats**

**S**  
**DISTRICTS I, II & III - (1) One Seat Each**

**COURT - Term expiring 2006 - (1) One Seat**  
  
- (1) One Seat

**DISTRICT - Term expiring 2006 - (1) One Seat**

**RE OPEN FROM 6:00 AM TO 7:00 PM**

**NOTE BY AUGUST 9, 2004 TO BE ELIGIBLE TO VOTE IN  
SEPTEMBER 7, 2004 PRIMARY ELECTION**

Trained translators at every polling place. Voters requiring  
may use the person of their choice to help.

**FOR MORE INFORMATION, CONTACT:**

Shirley L. Pew, Elections Director  
P.O. Box 428  
St. Johns, AZ 85936  
(928) 355-4368 or (928) 337-7537

**IN THE FAMILY COURT OF  
THE NAVAJO NATION  
JUDICIAL DISTRICT OF  
CHINLE, AZ**

In the Matter of:  
Tony J. Chee,  
DOB: Nov. 5, 1985  
CHANGE TO: Christopher J. Chee  
DOB: Nov. 5, 1985  
CH-FC-982-04

**NOTICE FOR  
LEGAL PUBLICATION**

To all Creditors and Other Inter-  
ested Parties:

Notice is hereby given that Christopher J. Chee, has petitioned this Court to change his name and to be exclusively known as Christopher J. Chee. A hearing will be held on the Petition on the 9th day of August, 2004, at the hour of 1:00 p.m., at the Chinle Family Courtroom in Chinle, AZ

If you wish to object or intervene in this petition, you must file an answer to the Petition and serve a copy on Petitioner or Petitioner's counsel if any, at: P.O. Box 1374, Lukachukai, AZ 86507. You may obtain a copy of the Petition from Petitioner or Petitioner's counsel, if any. If you do not file an answer to the Petition, your answer and claims may be barred from being heard.

Issued this 29th day of June, 2004.

Family Court Clerk  
To be Published in The NAVAJO  
TIMES July 29 and August 5, 2004.

**IN THE PEACEMAKING  
PROGRAM OF THE  
NAVAJO NATION  
JUDICIAL DISTRICT OF  
SHIPROCK, NEW MEXICO**

In the Matter of Peacemaking of:  
Richard John, C#031,663,  
Deceased.  
No. SR-PM-FC-04-042

**LEGAL NOTICE**

To Whom It May Concern:

Notice is hereby given, that Lena John, C#031,625, has filed a request to probate in the estate of Richard

**PUBLIC NOTICE**

The U.S. Office of Surface Mining (OSM) is reviewing an application for a significant revision of the mining and reclamation plan for Peabody Western Coal Company's Black Mesa-Kayenta Mines. The revision application proposes:

- the addition of about 20,157 acres to the currently approved permit area for the Kayenta Mine (about 42,773 acres) to incorporate the Black Mesa Mine into the permit (i.e., the administrative delay for permitting the Black Mesa Mine would be terminated and the Black Mesa Mine would be permitted under the permanent Indian Lands Program).
- the addition of about 90 to 130 acres to the permit area for a coal transportation corridor from the J23 coal resource area to the Black Mesa preparation facilities, which will require a new surface right-of-way.
- new mine plans extending operations at both mines for at least 20 years beyond 2005.
- an increase in the rate of coal production at the Black Mesa Mine, and a resultant increase in water use for coal slurry transportation, to accommodate anticipated increased coal demand at the Mohave Generating Station (MGS) after 2007.
- a coal washing facility for the Black Mesa Mine to meet the anticipated future coal quality requirements of MGS after 2007.
- new environmental baseline information for future coal resource areas to augment the existing environmental baseline studies and ongoing environmental monitoring results.
- an analysis of the probable hydrologic consequences of using a water supply other than the Navajo aquifer for coal slurry transportation, as well as a significant part of the mines' operational needs.

**OSM IS EXTENDING THE PERIOD FOR SUBMITTING  
COMMENTS, OBJECTIONS, OR REQUESTS FOR AN  
INFORMAL CONFERENCE UNTIL SEPTEMBER 15, 2004.**

You may send written comments or objections about the proposed revision to OSM. You also may request that OSM hold an informal conference on the application. Your request for an informal conference must be in writing and must include:

- your name and mailing address;
- a brief summary of the issues to be raised by you; and
- whether you desire to have the informal conference conducted near the Black Mesa-Kayenta Mines.

Your comments, objections, or request for an informal conference must be sent by September 15, 2004 to:

Jerry D. Gavette,  
Black Mesa-Kayenta Mines Team Leader  
Office of Surface Mining  
P.O. Box 46667  
Denver, Colorado 80201-6667

Mr. Gavette's telephone number in Denver is 303-844-1400 x1496. You may also call OSM, toll-free, at 1-877-274-4025 or e-mail comments, objections or request for an informal conference to [Blackmesacomments@osmre.gov](mailto:Blackmesacomments@osmre.gov).

The Black Mesa-Kayenta Mines are located at the Navajo and Hopi Reservations in northeastern Arizona near the northern edge of Black mesa, about 25 miles southwest of Kayenta, Arizona.

**You may review a complete copy of the  
revision application at:**

- Navajo Nation Minerals Department  
Office of Surface Mining  
Window Rock Boulevard, Window Rock, AZ 86515
- The Hopi Tribe Office of Mining and Mineral Resources  
Located on Highway 264  
about 1 mile east of Kykotsmovi, Arizona.
- The Forest Lake Chapter House  
Located on Navajo Route 41 in Pinon, Arizona
- The Office of Surface Mining Albuquerque Field Office  
505 Marquette NW, Suite 1200  
in Albuquerque, New Mexico
- The Office of Surface Mining Western  
Regional Coordinating Center  
1999 Broadway, Suite 3320 in Denver, Colorado

The applicant for the revision is Peabody Western Coal Company, P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033.

# NAVAJO TIMES

NEWSPAPER OF THE NAVAJO PEOPLE

P.O. BOX 310, WINDOW ROCK, ARIZONA 86515  
(928) 871-6641 OR (928) 871-6642

# INVOICE

BILLING ...	INVOICE NO.
07/29/'04	L-9825

<b>BILL TO</b>
Office of Surface Mining WRCC - Denver P.O. Box 46667 Denver, CO 80201-6667 Attn: Karen Pierson

P.O. NO.	TERMS
	NET 30 Days

DATES/DESCRIPTION	COL. IN...	RATE	CHARGES
Per Column : Legal Ad / Public Notice - Revision of Peabody Western Coal Co. Black Mesa/Kayenta Published on July 29, 2004	20	10.00	200.00
Notarized Affidavit	1	2.00	2.00
Subtotal			202.00
Navajo Nation Sales Tax		3.00%	6.06
Credit Card Payment			-208.06
<p><b>NAVAJO TIMES</b> HWY 264 ROUTE 12 WINDOW ROCK, AZ 86515</p> <p>TIME 2:27 PM DATE 07/21/04 TERMS 00002MV9 MERH 000227947530993 TRAN TYPE SALE #XXXXXXXXXXXX1165 CARD TYPE MASTERCARD SEQ # 003 AUS CODE Z CC M TICKET # 000000C110 AUTH CODE 001542@ ORDER # C109</p> <p><b>TOTAL \$208.06</b></p> <p>CUSTOMER COPY</p>			

Thank you for your prompt payment!

**Total** \$0.00

**PAID**  
*Credit Card*

**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:

**NOTICE OF FILING OF APPLICATION FOR PERMIT TRANSFER BLACK MESA AND KAYENTA MINES NAVAJO COUNTY, ARIZONA:** Applications have been filed with the Office of Surface Mining Reclamation and Enforcement for transfer of permits..PEABODY COAL COMPANY was published in said Navajo Times on the following date(s):

July 14, 1994

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 7th

day of October, 1994.

*Ella M. Damon*  
Notary Public

My Commission Expires:

August 11, 1998



# Navajo Times

## legal notices

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

### NOTICE OF FILING OF APPLICATIONS FOR PERMIT TO TRANSFER BLACK MESA AND KAYENTA MINES, NAVAJO COUNTY, ARIZONA

Pursuant to 30 CFR Part 774, notice is hereby given that applications have been filed with the Office of Surface Mining Reclamation and Enforcement for transfer of permits covering mining operations at the Black Mesa and Kayenta Mines, Navajo County, Arizona. The applications propose transfer of permits AZ-0001, AZ-0002A, and AZ-0001C from Peabody Coal Company (permittee) to Peabody Western Coal Company, 1300 South Yale, Flagstaff, Arizona 86001 (applicant). Permit AZ-0001 was issued on February 8, 1982. Permit AZ-0002A was issued on December 21, 1984, and was renewed in December, 1989. Permit AZ-0001C was issued on July 6, 1990. These applications for transfer do not propose any revisions to the operations and reclamation plans previously approved by the regulatory authority.

The Black Mesa and Kayenta Mine permit areas are 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 operations are 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 in all or portions of Township 35 North, Range 18 East, Sections 13, 24, 25, and 36; Township 35 North, Range 19 East, Sections 5 through 9, 13 through 18, 19 through 24, 25 through 30, 31 through 36; Township 36 North, Range 17 East, Sections 2

through 5, 11 and 12; Township 36 North, Range 18 East, Sections 1 through 6, 7 through 12, 13 through 18, 20, 23, and 24; Township 36 North, Range 19 East, Sections 15 through 18, 19 through 22, 25 through 30, and 32 through 36; and, Township 37 North, Range 18 East, Sections 28, 29, and 32 through 36; Gila and Salt River Base Meridian.

The AZ-0002A permit area is located in all or portions of Township 35 North, Range 19 East, Sections 1 through 4, 10 through 12, 13 through 15, and 22; and, Township 36 North, Range 19 East, Sections 33 through 36; Gila and Salt River Base Meridian.

The AZ-0001 permit area is located in all or portions of Township 35 North, Range 18 East, Sections 3 through 5, 8 through 11, 14 through 17, 20 through 23, 26 through 29, and 31 through 35; and, Township 36 North, Range 18 East, Sections 9 and 10, 14 through 17, 20 through 23, 26 through 30, and 31 through 35; Gila and Salt River Base Meridian.

Copies of the applications for transfer of Permits AZ-0001, AZ-0002A, and AZ-0001C are available for inspection at the following locations: 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; Western Navajo Agency, Bureau of Indian Affairs, U.S. Route 160, Tuba City, AZ 86045; Bureau of Indian Affairs, 3rd and Hill Streets, Gallup, NM 87305; Bureau of Indian Affairs, Hopi Agency, P.O. Box 158, Keams Canyon, AZ 86034.

Any persons having interest which is or may be adversely affected by a decision on the transfers may submit written comments on the applications to the Office of Surface Mining Reclamation and Enforcement at the address listed below on or before 5:00 p.m. thirty (3) days from the date of publication of this notice.

For further information, contact Mr. Rick Williamson, Office of Surface Mining Reclamation and Enforcement, Western Support Center, 1999 Broadway, Suite 3320, Denver, Colorado 80202-5733, (303)672-5606. To be published in the NAVAJO TIMES July 14, 1994.

# Navajo

## the classifieds

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

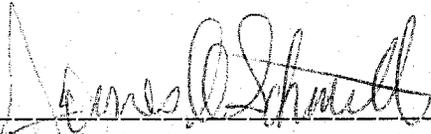


# PUBLISHER'S AFFIDAVIT

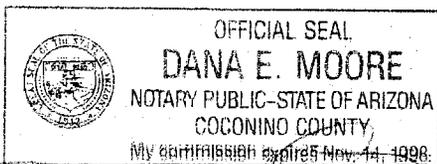
STATE OF ARIZONA  
County of Coconino

I, Jim Schmitt, Publisher of the Navajo-Hopi Observer, a weekly newspaper published at Flagstaff, Coconino County, Arizona, certify that the ad attached hereto was printed in the newspaper aforesaid on the following dates:

March 22, 29, April 5, 12, 1995  
for Peabody Coal Co

  
\_\_\_\_\_  
Signature

5-5-95  
\_\_\_\_\_  
Date



  
5-5-95

## 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.



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 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.

# 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.

*Sue Shinneman*

Subscribed and sworn to before me \_\_\_\_\_

*Mary Sisk*, Notary Public



**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 Lickson*  
Notary Public

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

**Legal No. 7065  
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, 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

**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, R19E  
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 the 30TH day of MARCH, 19 95.

\_\_\_\_\_  
\_\_\_\_\_  
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\_\_\_\_\_

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.

Freida Hubbard  
Affiant.

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

Diane Chavez  
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 Sup-

## 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 area:

Peabody Western Coal Company  
1300 South Yale  
Flagstaff, AZ 86001

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

Office of Surface Mining  
Western Support Center  
1999 Broadway, Suite 3320  
Denver, CO 80202-5733

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

Bureau of Indian Affairs  
Old Clubhouse Building #3  
Window Rock, AZ 86515

Bureau of Indian Affairs  
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 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

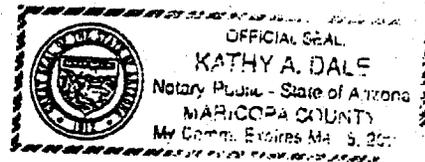
TYPE OF DOCUMENT: Public Notice

AUTHORIZED SIGNATURE Kathleen Timms

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 15<sup>th</sup> 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

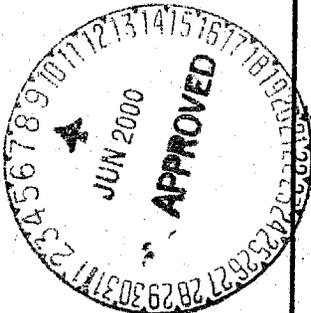
Office of Surface Mining  
Western Regional Coordinating Center  
1999 Broadway, Suite 3320  
Denver, CO 80202-5733

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

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: kayentaminernewal@osmre.gov





**NAVAJO TIMES CLASSIFIEDS**

**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
--	---

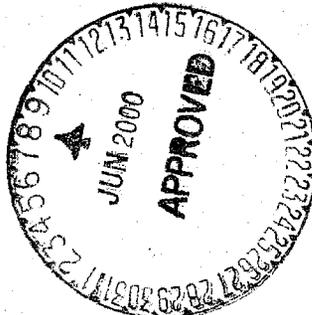
Office of Surface Mining  
Western Regional Coordinating Center  
1999 Broadway, Suite 3320  
Denver, CO 80202-5733

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: kayentaminerenewal@osmre.gov.



**AFFIDAVIT OF PUBLICATION**

State of Arizona )  
 ) ss.  
County of Navajo, )

I, E. Bradley Martin, being duly sworn, depose and say I am Editor at THE HOPI TUTUVENI, a newspaper of general circulation published at Kykotsmovi, County of Navajo and State of Arizona that 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-001D covering mining operations at Kayenta Mine, Navajo County, Arizona: attached hereto, was published in said newspaper, THE HOPI TUTUVENI, in 2 issues, and said notice was published in the regular issue of the paper during the period of the time of supplement, the publication was dated March 21, 2000 and April 4, 2000.

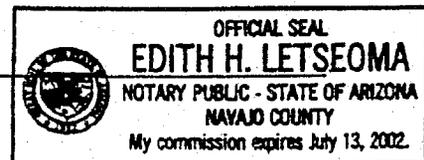
Publication Date: The Hopi Tutuveni, Vol. 10, No. 6, and March 21, 2000.  
The Hopi Tutuveni, Vol. 10, No. 7, and April 4, 2000

EB Martin Dated April 5, 2000  
Signature

SUBSCRIBED AND SWORN TO before me this 5th day of April, 2000

Edith H. Letseoma  
NOTARY PUBLIC

My commission expires July 13, 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 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

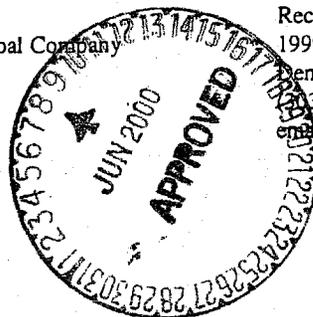
Office of Surface Mining  
Western Regional Coordinating Center  
1999 Broadway, Suite 3320  
Denver, CO 80202-5733

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: kayentaminer renewal@osmre.gov



AFFIDAVIT OF PUBLICATION

Navajo-Hopi Observer  
417 W. Santa Fe Ave, Flagstaff, AZ 86001  
928-226-9696 or fax 928-226-1115

STATE OF ARIZONA  
COUNTY OF COCONINO

I, Doug Wells, 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,  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) 02/18/2004
- 2) 02/25/2004
- 3)
- 4)

THE NAME OF THE ADVERTISER:  
PEABODY WESTERN COAL COMPANY

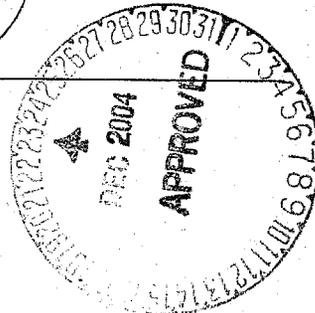
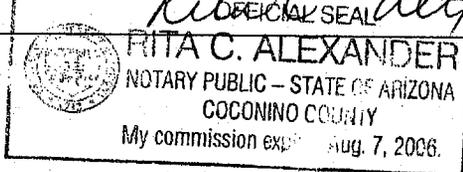
FILE NUMBER: 5620 CUST. NUMBER: 9258

TYPE OF DOCUMENT: Public Notice - Updated Five Year Mine Plan Proposal for N11 Extension Mining Area, redesignated as N99 Coal Resource Area.

AUTHORIZED SIGNATURE \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 11 DAY OF March, 2004

NOTARY SIGNATURE \_\_\_\_\_



2/25/04



# NAVAJO-HOPI OBSERVER



### PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter I, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Peabody Western Coal Company, Inc. (2000-2005) has submitted the proposal that includes the N11 Extension mining area (as designated for the N11 Extension area) with one (1) shaft for mining, reclamation and closure plan. Western Regional Coordinating Center (OSM, WRCC). This proposal updates existing permit permit AZ-00010 covering mining operations at Navajo Mine, Navajo County, Arizona.

The permit revision does not affect any terms and conditions of the existing coal leases and the new coal leases are described with the revision. The revision includes needed information for the N11 coal resource area including the mine plan, support facilities, jurisdictional permit and affected lands map, sediment and water control facilities information, baseline environmental studies for N11, ownership and control information, hydrologic impact assessments, and the hard rock section. Cultural and archaeological data was collected and mitigation commitments were made for the N11 Extension area. The N11 Extension area is located on the Navajo Indian Reservation, Navajo County, Arizona. The N11 Extension area is located on the Navajo Indian Reservation, Navajo County, Arizona. The N11 Extension area is located on the Navajo Indian Reservation, Navajo County, Arizona.

The proposed revision is available for public review at the following address: Peabody Western Coal Company, Inc., P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033. The proposed revision is available for public review at the following address: Peabody Western Coal Company, Inc., P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033.

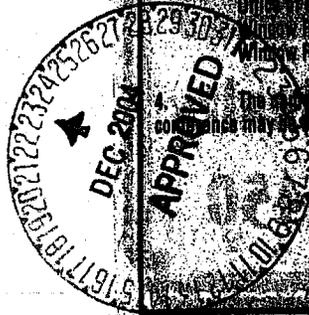
The name and business address of the applicant is:  
Peabody Western Coal Company  
P. O. Box 650  
Navajo Route 41  
Kayenta, Arizona 86033

# NOT FOR SALE

2. The proposed N11 Extension mining area is located on the Navajo Indian Reservation, Navajo County, Arizona. The proposed N11 Extension mining area is located on the Navajo Indian Reservation, Navajo County, Arizona. The proposed N11 Extension mining area is located on the Navajo Indian Reservation, Navajo County, Arizona.

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3. Location of shafts, control facilities, and other information is available at the following address: Peabody Western Coal Company, Inc., P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033. Location of shafts, control facilities, and other information is available at the following address: Peabody Western Coal Company, Inc., P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033.



For more information, contact the Office of Surface Mining, Reclamation and Enforcement, Western Region, at the following address: Office of Surface Mining, Reclamation and Enforcement, Western Region, 1000 North 1st Street, Phoenix, Arizona 85004. For more information, contact the Office of Surface Mining, Reclamation and Enforcement, Western Region, at the following address: Office of Surface Mining, Reclamation and Enforcement, Western Region, 1000 North 1st Street, Phoenix, Arizona 85004.

AFFIDAVIT OF PUBLICATION

Navajo-Hopi Observer  
417 W. Santa Fe Ave, Flagstaff, AZ 86001  
928-226-9696 or fax 928-226-1115

STATE OF ARIZONA  
COUNTY OF COCONINO

I, Doug Wells, 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,  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) 03/03/2004
- 2) 03/10/2004
- 3)
- 4)

THE NAME OF THE ADVERTISER:  
PEABODY WESTERN COAL COMPANY

FILE NUMBER: 6210 CUST. NUMBER: 9258

TYPE OF DOCUMENT: PUBLIC NOTICE - Five-Year Updated Plan for N11 Extension Mining Area  
And updated information for N99 Coal Resource Area.

AUTHORIZED SIGNATURE \_\_\_\_\_

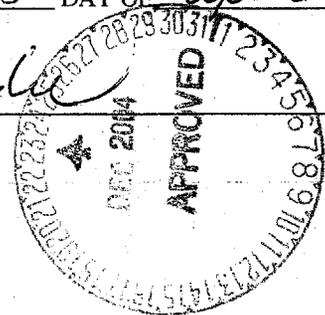
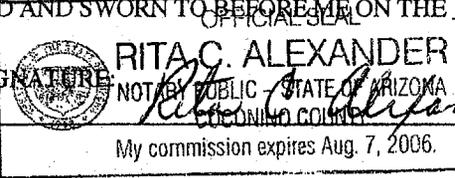
*Doug Wells*

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 15 DAY OF April, 2004

NOTARY SIGNATURE \_\_\_\_\_

**RITA C. ALEXANDER**  
NOTARY PUBLIC - STATE OF ARIZONA  
COCONINO COUNTY

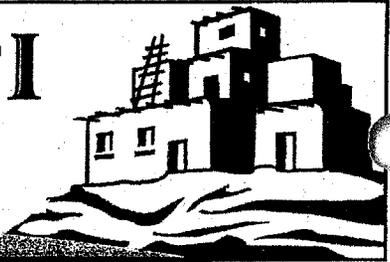
My commission expires Aug. 7, 2006.



3/3/04



# NAVAJO-HOPI OBSERVER



## PUBLIC NOTICE

Pursuant to the Federal National Historic Preservation Act (NHPA), Title 54, Chapter 47, Section 503.17, the National Historic Preservation Act, 54 USC 50317, notice is hereby given that the Navajo Nation and Hopi Tribe have been designated as the lead agencies for the NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes.

The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

Cultural Property Inventory was performed by the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

The Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

The Navajo Mine Permit AZ-00010-0001 is located in the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes. The proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

Locations of where copies of the proposed NE Extension and the NE Extension Extension of the Navajo and Hopi Tribes are located in the Navajo and Hopi Tribes.

Navajo Nation  
Hopi Tribe





## 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 has filed an updated (2000-2005) five-year mine plan proposal that includes the N11 Extension mining area (re-designated as the N99 coal resource area) with the Office of Surface Mining Reclamation and Enforcement, Western Regional Coordinating Center (OSM, WRCC). This proposal updates existing permanent program Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, Arizona.

The permit 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 updated information for the N99 coal resource area including the mine plan sequence, support facilities, jurisdictional permit and affected lands map, sediment and water control facilities information, baseline environmental studies for N99, ownership and control information, hydrologic impact assessments, and the bond cost estimate. Cultural and archaeological data was collected and mitigation completed as part of the Black Mesa Archaeological Project (1967-1983). A Traditional Cultural Property inventory was performed in 2003 prior to implementing exploration drilling. Archaeological sites with a high potential for human remains will be avoided (4 sites) or mitigated (1 site) according to approved protocol in Permit AZ-0001D.

The proposal includes a modification to the AZ-0001D permit area to incorporate 1,308 acres from existing Permit AZ-0001. The revision will not increase the production rate or extend the life of the mine. 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 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.

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 proposed N99 mining area is located south of Coal Mine Wash on each side of the main Kayenta Mine road beginning about 3 miles and ending 8 miles east of the intersection with Navajo Route 41.

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

Forest Lake Chapter House, Navajo Route 41, 20 miles north of Pinon, Pinon, AZ 86510, Don Chee, President.

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

Navajo Nation Minerals Department, Office of Surface Mining, Window Rock Boulevard, Window Rock, AZ 86515.

The Hopi Tribe, Office of Mining and Mineral Resources, Highway 264, 1 mile East of Kytotsmóvi, Kytotsmóvi, 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 April 12, 2004 is: Mr. Jerry Gavette, Office of Surface Mining, Reclamation and Enforcement, P.O. Box 46667, Denver, CO 80201-6667. (303) 844-1400, x1496. email: n99revision@osmre.gov.

To be Published in The NAVAJO TIMES February 19, 26 and March 4, 11, 2004.





AFFIDAVIT OF PUBLICATION

Navajo-Hopi Observer  
2224 East Cedar Avenue, Suite 2, Flagstaff, AZ 86004  
928-226-9696 or fax 928-226-1115

STATE OF ARIZONA  
COUNTY OF COCONINO

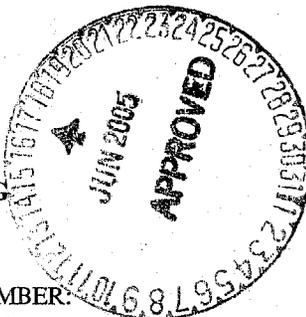
I, Doug Wells, PUBLISHER, am authorized as agent to make this affidavit of publication. Under oath, I state that the following is true and correct.

The Navajo-Hopi Observer is a newspaper which is published (check one) \_\_\_ daily,  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) 03-16-05
- 2) 03-23-05
- 3) 03-30-05

THE NAME OF THE ADVERTISER:  
PEABODY GROUP ENGINEERING



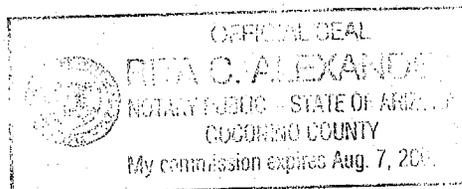
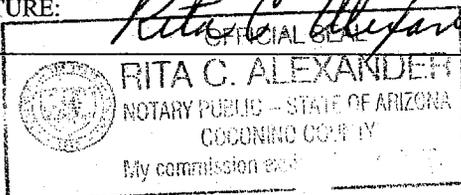
FILE NUMBER: 15449 CUST. NUMBER:

TYPE OF DOCUMENT: - PUBLIC NOTICE

AUTHORIZED SIGNATURE

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 25 DAY OF April

NOTARY SIGNATURE:



## 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 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 the mine plan sequence and jurisdictional permit and affected lands maps. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2005 through July 5, 2010. 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 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;

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.

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

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  
Don Chce, President

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

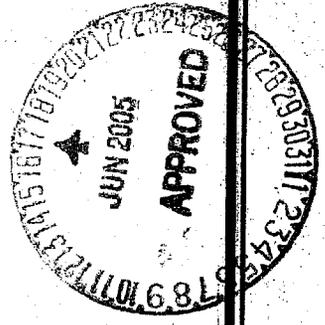
The Hopi Tribe  
Office of Mining and Mineral Resources  
Highway 264  
1 mile east of Kykotsmovi  
Kykotsmovi, AZ 86039

Office of Surface Mining  
Western Regional Coordinating Center  
1999 Broadway, Suite 3320  
Denver, CO 80202-5733

4. The name and address of the OSM, WRCC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 9, 2005, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette  
Office of Surface Mining  
Reclamation and Enforcement  
P. O. Box 46667  
Denver, CO 80201-6667  
(303) 844-1400, x1496

email: [kayentarenewal@osmre.gov](mailto:kayentarenewal@osmre.gov)



**AFFIDAVIT OF PUBLICATION**

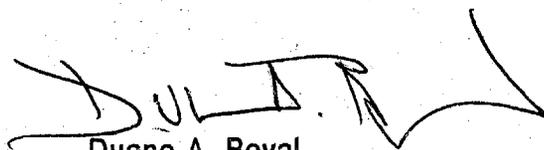
I, Duane A. Beyal, Managing Editor of the Navajo Times, a legal newspaper published weekly at Window Rock, Navajo Nation, Arizona, do hereby swear that a legal notice:

Peabody Western Coal Company has filed an application for renewal of Permit AZ-0001D covering mining operations at Kayenta Mine, Navajo County, Arizona.

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

March 17, March 24, March 31 and April 7, 2005.

and that said notice is attached to this Affidavit and is a true 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

Seventh day of April, 2005

Olivia L. Benally  
Notary Public

My Commission Expires:

March 23, 2008



THURSDAY, MARCH 24, 2005

THURSDAY, MARCH 17, 2005

PAGE D-4



**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 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 the mine plan sequence and jurisdictional permit and affected lands maps. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2005 through July 5, 2010. This notice is hereby given that:

The name and business address of the applicant is: Peabody Western Coal Company, P.O. Box 650, Navajo Route 41, Kayenta, Arizona 86033.

The Kayenta Mine Permit AZ-0001D 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 permit area is located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian.

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T35N, R19E - Sections 15 and 26.

T36N, R17E - Sections 10, 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.

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

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, Don Chee, 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.

The name and address of the OSM, WRCC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 9, 2005, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette, Office of Surface Mining, Reclamation and Enforcement, P. O. Box 46667, Denver, CO 80201-6667. (303) 844-1400, x1496. email: kayentarenewal@osmre.gov.

To be Published in The NAVAJO TIMES March 17, 24, 31 and April 7, 2004.

THURSDAY, MARCH 24, 2005

THURSDAY, MARCH 31, 2005

PAGE D-2

# Affidavit of Publication

State of Arizona,     )  
                                  ) ss.  
County of Navajo,    )

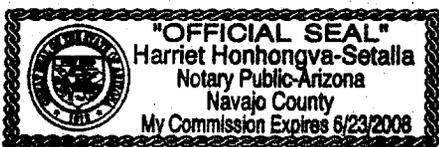
I, **Doris J. Bilagody**, being duly sworn, depose and say I am Secretary of **THE HOPI TUTUVENI**, a newspaper of general circulation published at Kykotsmovi, County of Navajo and State of Arizona that the **Public Notice – is hereby given that Peabody Western Coal Company has filed an application with 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** attached hereto, was published in said newspaper, **THE HOPI TUTUVENI**, for 2 issues, and said notice was published in the regular and entire issue of every number of the paper during the period of the time of publication and was published in the newspaper proper and not in a supplement, the first publication being dated **March 17, 2005** and the last publication being dated **March 31, 2005**.

Publication Dates: **March 17, 2005 and March 31, 2005**

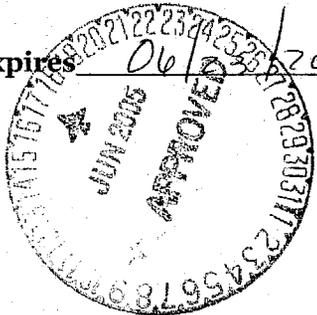
Doris J. Bilagody Dated April 01, 2005  
Signature

SUBSCRIBED AND SWORN TO before me this 1st day  
of April 2005.

Harriet Honhongva-Setalla  
Notary Public



My commission expires 06/23/2008



# 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 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 the mine plan sequence and jurisdictional permit and affected lands maps. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2005 through July 5, 2010. 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 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;  
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.

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

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  
Don Chee, 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, WRCC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 9, 2005, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette  
Office of Surface Mining  
Reclamation and Enforcement  
P. O. Box 46667  
Denver, CO 80201-6667  
(303) 844-1400, x1496  
email: kayentarenewal@osmre.gov

AFFIDAVIT OF PUBLICATION

Navajo-Hopi Observer  
2224 East Cedar Avenue, Suite 2, Flagstaff, AZ 86004  
928-226-9696 or fax 928-226-1115

STATE OF ARIZONA  
COUNTY OF COCONINO

I, Doug Wells, 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,  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) 04-06-05

THE NAME OF THE ADVERTISER:  
PEABODY GROUP ENGINEERING

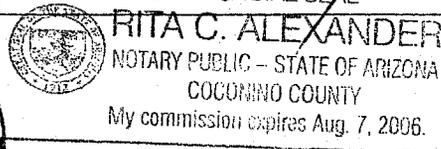
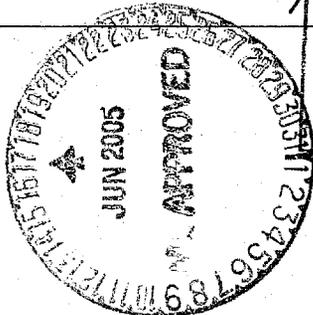
FILE NUMBER: 15449 CUST. NUMBER:

TYPE OF DOCUMENT: -- PUBLIC NOTICE

AUTHORIZED SIGNATURE *Doug Wells*

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 23 DAY OF May, 2005

NOTARY SIGNATURE: *Rita C. Alexander*



## 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 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 the mine plan sequence and jurisdictional permit and affected lands maps. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from July 6, 2005 through July 5, 2010.

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 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;  
 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;  
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 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:

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  
 Don Chee, 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, WRCC representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m., May 9, 2005, thirty (30) days after the last publication date of the three papers is:

Mr. Jerry Gavette  
 Office of Surface Mining  
 Reclamation and Enforcement  
 P. O. Box 46667  
 Denver, CO 80201-6667  
 (303) 844-1400, x1496  
 email: kayentarenewal@osmfe.gov



AZ-0001

# NAVAJO TIMES

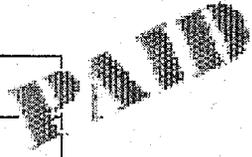
NEWSPAPER OF THE NAVAJO PEOPLE

P.O. Box 310 Window Rock, AZ 86515 • (928) 871-6641

## Invoice

Date	Invoice #
5/6/2010	L10-630

Bill To
<b>Office of Surface Mining          Reclamation and Enforcement          Attn: Marian Owens          1999 Broadway, Suite 3320          Denver, CO 80202-3050</b>



Thank you for your business!  
 From the staff of the Navajo Times

P.O. Number	Terms	Rep
	PrePay	JC

Quantity	Item Code	Description	Price Each	Amount
91	Legal Linear (No ...	Public Notice - Receive comments on Peabody Western Coal Company's application to renew surface coal mining and reclamation permit AZ-0001D Published on May 6, 2010	2.00	182.00T
		Paid by MC - \$189.28 Navajo Nation Tax	4.00%	7.28
NAVAJO TIMES HWY 264 ROUTE 12 WINDOW ROCK, AZ 86515  TIME 10:34 AM DATE 05/03/10 TERM 0002MAY MER# 000227947530993 TRAN TYPE SALE #XXXXXXXXXXXX4129 CARD TYPE MASTERCARD SEQ # 010 AVS CODE 2 CC M TICKET # 000000L02 AUTH CODE 015591e ORDER # 050610  <b>TOTAL \$189.28</b>  CUSTOMER COPY				

10-05-10-07

We appreciate your prompt payment.	<b>Total</b>	\$189.28
	<b>Balance Due</b>	\$0.00



## 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 paper and not in any supplement thereof, one (1) week, commencing with issue dated May 12, 2010 and ending with issue dated May 12, 2010.

*Douglas F. Wells*  
Douglas F. Wells, Publisher

Subscribed and sworn to before me this 12th day of May 2010.

*Carol J. DeLander*  
Carol J. DeLander, Notary Public  
My commission expires September 22, 2010.  
OFFICIAL SEAL  
CAROL J. DELANDER  
Notary Public - State of Arizona  
COCONINO COUNTY  
My commission expires Sept. 22, 2010

### PUBLIC NOTICE

On the following dates and at the following times, the Office of Surface Mining Reclamation and Enforcement (OSM) will hold informal conferences to receive comments on Peabody Western Coal Company's application to renew surface coal mining and reclamation Permit AZ-0001D for the Kayenta Mine in Navajo County, Arizona.

May 26, 2010, 6 p.m., Mountain Standard Time  
Veteran's Center  
Highway 264, mile post 375.5  
Second Mesa, Arizona

May 27, 2010, 6 p.m., Mountain Daylight Time  
Kayenta Chapter House  
U.S. Highway 163 on the north end of town  
Kayenta, Arizona

The Kayenta Mine 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 for the Kayenta Mine is proposed beyond that which is currently approved. The term of the renewed Kayenta Mine permit would be from July 6, 2010, through July 5, 2015.

The Black Mesa Mine, which is adjacent to the Kayenta Mine and which until December 2005 produced coal for shipment via a coal-slurry pipeline to a power plant, is not a part of Kayenta Mine permit area. In the permit renewal application, Peabody Western Coal Company does not propose to permit the Black Mesa Mine.

An electronic copy of the application is available for review on the OSM, Western Region, Internet website at <http://www.wrec.osmre.gov>. Paper copies of the application and existing permit are available for public review at the following 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  
Ponon, AZ 86510

The Hopi Tribe, Office of Mining and Mineral Resources  
Highway 264, 1 mile east of Kykotsmovi, Kykotsmovi, AZ 86039

Office of Surface Mining, Reclamation and Enforcement

10-05-17-12

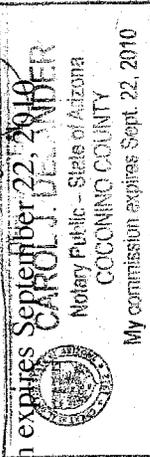
## Affidavit of Publication

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, one (1) week, commencing with issue dated May 12, 2010 and ending with issue dated May 12, 2010.

*Douglas F. Wells*  
Douglas F. Wells, Publisher

Subscribed and sworn to before me this 12th day of May 2010.

*Carol J. DeLander*  
Carol J. DeLander, Notary Public



### PUBLIC NOTICE

On the following dates and at the following times, the Office of Surface Mining Reclamation and Enforcement (OSM) will hold informal conferences to receive comments on Peabody Western Coal Company's application to renew surface coal mining and reclamation Permit AZ-0001D for the Kayenta Mine in Navajo County, Arizona.

May 26, 2010, 6 p.m., Mountain Standard Time  
Veteran's Center  
Highway 264, mile post 375.5  
Second Mesa, Arizona

May 27, 2010, 6 p.m., Mountain Daylight Time  
Kayenta Chapter House  
U.S. Highway 163 on the north end of town  
Kayenta, Arizona

The Kayenta Mine 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 for the Kayenta Mine is proposed beyond that which is currently approved. The term of the renewed Kayenta Mine permit would be from July 6, 2010, through July 5, 2015.

The Black Mesa Mine, which is adjacent to the Kayenta Mine and which until December 2005 produced coal for shipment via a coal-slurry pipeline to a power plant, is not a part of Kayenta Mine permit area. In the permit renewal application, Peabody Western Coal Company does not propose to permit the Black Mesa Mine.

An electronic copy of the application is available for review on the OSM, Western Region, Internet website at <http://www.wrrec.osmre.gov>. Paper copies of the application and existing permit are available for public review at the following 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

The Hopi Tribe, Office of Mining and Mineral Resources  
Highway 264, 1 mile east of Kykotsmovi, Kykotsmovi, AZ 86039

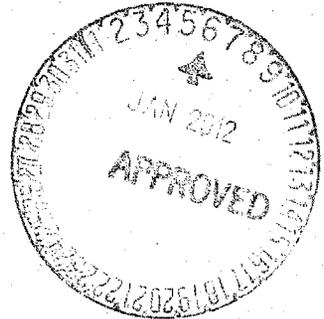
AFFIDAVIT OF PUBLICATION

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.

*Duane A. Beyal*  
for Duane A. Beyal  
Editor

STATE OF ARIZONA     :}  
  :}  
  
COUNTY OF APACHE   :}



SUBSCRIBED AND SWORN TO before me this

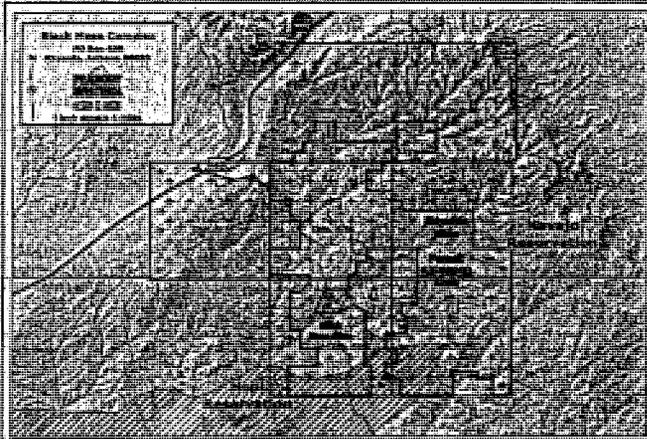
\_\_\_\_\_ 8th \_\_\_\_\_ day of \_\_\_\_\_ April \_\_\_\_\_, 2010.

*Olivia L. Wilson*  
\_\_\_\_\_  
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-0051D 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 8, 2015. This notice is hereby given that:

1. The name and business address of the applicant is: Peabody Western Coal Company, P. O. Box 660, Navajo Route 41, Kayenta, Arizona, 86033.

2. The Kayenta Mine Permit AZ-0051D area is located in northeastern Arizona near the northern edge of Black Mesa within the projected 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 Rock 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:

- T36N, R18E - Sections 13, 14, 24, 25, and 36;
- T36N, R19E - Sections 1-5 and 7-36;
- T36N, R17E - Sections 1-4, 11, and 12;
- T36N, R18E - Sections 1-18, 20, and 22-29;
- T36N, R19E - Sections 15-22, 25-30, and 32-38;
- T37N, R19E - Sections 29, 29, and 32-38.

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.wroc.osmre.gov>. Paper copies of the application are available for public and/or inspection at the following five listed locations:

- |  |  |
|--|--|
| Navajo Nation Minerals Department<br>Office of Surface Mining<br>Window Rock Boulevard<br>Window Rock, AZ 86516    | Forest Lake Chapter House<br>Navajo Route 41<br>20 miles north of Pinon<br>Pinon, AZ 86510                                   |
| Office of Surface Mining<br>Reclamation and Enforcement<br>505 Marquette N.W., Suite 1200<br>Albuquerque, NM 87102 | The Hopi Tribe<br>Office of Mining and Mineral Resources<br>Highway 264<br>1 mile east of Kykotsmavi<br>Kykotsmavi, AZ 86033 |
| Office of Surface Mining<br>Western Region<br>1999 Broadway, Suite 3320<br>Denver, CO 80202-3350                   |  |

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 Winteringer  
Office of Surface Mining  
Reclamation and Enforcement  
1999 Broadway, Suite 3320  
Denver, CO 80202-3050  
(303) 293-9048  
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.



## 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  
 My commission expires Sept. 22, 2010

**LEGAL NOTICE - 3000**

**PUBLIC NOTICE**

Pursuant to the City of Flagstaff Ordinance (CFO), Title 20, Chapter VI, Subchapter C, Part 700 and Ordinance (CO) 2009-020, which is hereby amended by Public Notice (PN) 2010-001, the City of Flagstaff is soliciting applications for the City of Surface Mining, Reclamation and Enhancement, Western Region (SME) for the purpose of the 2009-2010 operating mining operations of Navajo Mine, Navajo County, Arizona. The applicant must meet the minimum qualifications of the mining operations, and no fee will be assessed with the application. The successful applicant will be responsible for the costs of the application. The date of the application is limited to the following dates: 2010 through 4, 2010. This notice is hereby given that:

- The mine and related activities of the applicant is:
  - Navajo Mine, Navajo County, Arizona, 86001.
- The Navajo Mine (SME) 2009-2010 area is located in the northern Arizona near the northern edge of the Navajo Indian Reservation, approximately 35 miles north of Flagstaff, Navajo County, Arizona. The operation is located within the area shown on the following U.S. Geological Survey 7.5-minute topographic maps: Navajo Valley, Navajo Plateau, Navajo Plateau, Navajo Plateau, Navajo Plateau, and Navajo Plateau. The permit area is located within the following levels of Navajo County, Arizona and are described within in the table and the Open Plans Section:

PERMIT AREA	SECTION	TA, 24, 25, and 26
PERMIT AREA	SECTION	1, 2, 3, and 4
PERMIT AREA	SECTION	5, 6, 7, and 8
PERMIT AREA	SECTION	9, 10, 11, and 12
PERMIT AREA	SECTION	13, 14, 15, and 16
PERMIT AREA	SECTION	17, 18, 19, 20, and 21
PERMIT AREA	SECTION	22, 23, 24, 25, and 26
PERMIT AREA	SECTION	27, 28, 29, 30, and 31

The permit area will be important landmarks in terms of the map included with the public notice.

An electronic copy of the application is available for review on the CFO, Western Region, Internet website at [www.flagstaffaz.gov](http://www.flagstaffaz.gov). Paper copies of the application are available for public review inspection at the following two (2) locations:

Navajo Mine, Navajo County, Arizona	Flagstaff, Navajo County, Arizona
Office of Surface Mining	Navajo State 41
Western Region	20 miles north of Flag
Navajo Plateau, Navajo County, Arizona	Flag, AZ 86001

Office of Surface Mining  
 Reclamation and Enhancement  
 1625 Maryland Way Suite 1200  
 Albuquerque, NM 87102

Highway 66  
 Highway 66A  
 mile east of Holbrook

Highway 66  
 Highway 66A  
 mile east of Holbrook

Office of Surface Mining  
 Western Region  
 1625 Maryland Way Suite 1200  
 Albuquerque, NM 87102

The mine and related activities of the SME representative whose written response, application, or request for an informal conference may be submitted on or before 0500 pm, MST, May 11, 2010, which is no less than sixty (60) days after the last publication date of the two papers to:

Mr. Dennis Winkler  
 Office of Surface Mining Reclamation and Enhancement  
 1625 Maryland Way Suite 1200, Denver, CO 80202-3024  
 Email: [dennis.winkler@smre.dem.gov](mailto:dennis.winkler@smre.dem.gov)

The CFO (CFO) 2009-020, 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 include a written statement of 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 Km Allen