



**STIPULATION TO INCREASE SURETY BOND
SURFACE COAL MINING AND RECLAMATION OPERATIONS
PUBLIC SERVICE COMMISSION
SFN 14500 (Rev.12-99)**

Bond No.:
64S103557522BCM
Permit No.:
KRSB-8902

This stipulation shall be attached to form part of surety bond number 64S103557522BCM issued on behalf of

Dakota Westmoreland Corporation

(Principal)

The undersigned agree that the penal sum of the bond shall: remain the same, be increased
by _____ dollars to the new penal sum of _____ dollars.

The undersigned agree that the bond area shall: remain the same, be increased by
54.5 acres to a new total area of 4,905.9 acres of land, particularly described on the attached sheet as
Attachment 1, and shown on the attached map as Attachment 2. The new bond area contains 787.3 acres of Federal lands containing
leased Federal coal that are particularly described on the attached sheet as Attachment 3, and shown on the attached map as Attachment 4.

Under this obligation, the bond covers all performance requirements within the total bond area beginning on
December 5, year, 1973 (Date of original permit approval.)

Effective October 22, Year 2008.

PRINCIPAL'S REQUEST FOR BOND INCREASE

REQUEST OF PRINCIPAL

We, Dakota Westmoreland Corporation
(Principal)
request Travelers Casualty and Surety
Company of America
(Surety)

to execute this stipulation to increase the penal sum and/or the total
described acreage of the bond.

(Seal) Dakota Westmoreland Corporation
(Principal)

By: William W Weaver
(Signature)

William W. Weaver, President
(Name and Title)

ACKNOWLEDGE BY PRINCIPAL

STATE OF North Dakota)
) ss
COUNTY OF Mercer)

On October 13, year 2008, before me

personally appeared William W. Weaver

known to me to be the President
of the corporation that is described in and that executed the within
instrument, and acknowledged to me that the corporation executed the
same.

Linda Flemmer
(Notary Public)

(Seal) **LINDA FLEMMER**
Notary Public My commission expires 10-30-13
State of North Dakota
My Commission Expires Oct. 30, 2013
County of Mercer

CONSENT OF SURETY

We TRAVELERS CASUALTY AND SURETY COMPANY
OF AMERICA

(Surety*) agree that the above stated increase in penal sum and/or the
total described acreage of the bond shall become effective on the
effective date of this stipulation.

(Seal) TRAVELERS CASUALTY AND SURETY
COMPANY OF AMERICA
(Surety)

By: Janice Fennell
JANICE FENNEL, ATTORNEY-IN-FACT
(Name and Title)

(*attach power of attorney)

ACKNOWLEDGE OF SURETY

STATE OF TENNESSEE)
) ss
COUNTY OF KNOX)

On OCTOBER 14, year 2008 before

me personally appeared JANICE FENNEL known to

me to be the ATTORNEY-IN-FACT of the corporation
the is described in and that executed the within instrument, and
acknowledged to me that the corporation executed the same.

(Seal) **TINA MARIE FOSTER**
Notary Public My Commission Expires DECEMBER 7, 2010
STATE OF TENNESSEE
COUNTY OF KNOX
My Commission Expires December 7, 2010



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. 215302

Certificate No. 002558957

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

Richard C. Rose, Jeremy C. Rose, and Janice Fennell

of the City of Knoxville, 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 8th day of October, 2007.

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 of George W. Thompson]
George W. Thompson, Senior Vice President

On this the 8th day of October, 2007, 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 of Marie C. Tetreault]
Marie C. Tetreault, Notary Public

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

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

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

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

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

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

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 14TH day of OCTOBER, 20 08.


Kori M. Johanson, Assistant Secretary



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