

0001



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

Michael O. Leavitt  
Governor  
Kathleen Clarke  
Executive Director  
Lowell P. Braxton  
Division Director

Certified Receipt  
P 07 978 514

January 4, 1999

Bill Engels  
Intermountain Power Agency  
111 North Hope Street, Room 1107  
P. O. Box 111  
Los Angeles, California 90051

Re: Release of Irrevocable Letter of Credit (#004414) for the Horse Canyon Mine,  
Intermountain Power Agency and UtahAmerican Energy, Inc., Horse Canyon Mine,  
ACT/007/013, Folder #3, Carbon County, Utah

*Bill*  
Dear Mr. Engels:

The permit transfer of the Horse Canyon Mine from Intermountain Power Agency to UtahAmerican Energy, Inc. was approved on December 22, 1998, which included posting of a replacement bond (Surety Bond #SUR004892, Lincoln General Insurance Company in the amount of \$1,137,726). Therefore, the irrevocable letter of credit posted by Intermountain Power Agency may be released (original letter of credit enclosed).

If you have any questions, please call me or Pamela Grubaugh-Littig.

Sincerely,

A handwritten signature in cursive script that reads "Lowell".

Lowell P. Braxton  
Director

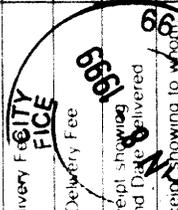
tam  
Enclosure: Letter of Credit  
cc: Pamela Grubaugh-Littig  
Susan White

P 074 978 514

RECEIPT FOR CERTIFIED MAIL

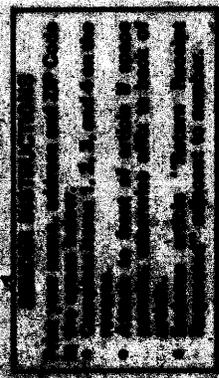
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

Sent to	BILL ENGELS
Street and No	PO BOX 111
P O State and ZIP Code	LOS ANGELES CA 90051
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date delivered	
Return Receipt showing to whom Date and Address of Delivery	
TOTAL Postage	\$
Postmark or Date	



UNITED STATES POSTAL SERVICE

CERTIFIED MAIL



PENALTY FOR PRIVATE USE, 1980

Print Sender's name, address, and ZIP Code in the space below.

DIVISION OF OIL, GAS & MINING-  
1594 W NO TEMPLE STE 1210  
SLC UT 84114

ATTEN: Tiffini MOSS

Handwritten return address: 1594 W NO TEMPLE STE 1210 SLC UT 84114

**ZIONS  
FIRST NATIONAL BANK**

ESTABLISHED 1873

INTERNATIONAL BANKING DEPARTMENT

P.O. Box 30709  
Salt Lake City, Utah 84130 U.S.A.

Telephone: 801/524-4916  
Telex: 3789475 Answerback: INTBKZIONS SLC  
Swift Code: ZFNBUS55

**IRREVOCABLE LETTER OF CREDIT**

UTAH DIVISION OF OIL, GAS & MINING  
3 TRIAD, SUITE 350  
SALT LAKE CITY, UTAH 84180  
AND

DATE: JULY 02, 1990

LETTER OF CREDIT NO.: **Nº 004414**

UNITED STATES DEPARTMENT OF INTERIOR  
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
625 SILVER AVENUE, S.W., ALBUQUERQUE, NEW MEXICO 87102

Gentlemen:

We hereby establish our *Irrevocable Letter of Credit* in your favor for the account of

INTERMOUNTAIN POWER AGENCY, C/O LOS ANGELES DEPARTMENT OF WATER & POWER, P.O. BOX 111,  
ROOM 1164E, LOS ANGELES, CALIFORNIA 90015

up to the aggregate amount of **USD1,359,600.00**

available by your draft(s) drawn at **SIGHT PURSUANT TO R614-301-880-900**

on Zions First National Bank, Salt Lake City, Utah accompanied by:

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL ONE-YEAR PERIODS FROM THE PRESENT OR FUTURE EXPIRATION DATE HEREOF, UNLESS WE INFORM YOU IN WRITING BY REGISTERED MAIL AT LEAST NINETY (90) DAYS PRIOR TO THE PRESENT OR ANY FUTURE EXPIRATION DATE THAT WE ELECT NOT TO EXTEND IT. IN NO EVENT, HOWEVER, WILL THIS LETTER OF CREDIT BE EFFECTIVE BEYOND JULY 1, 1995.

UPON RECEIPT OF SUCH NOTICE, YOU MAY DRAW ON US AT SIGHT FOR ALL OR A PORTION OF THE TOTAL AMOUNT OF THIS LETTER OF CREDIT, BEGINNING THIRTY (30) DAYS OR LESS PRIOR TO THE THEN APPLICABLE EXPIRATION DATE, ACCOMPANIED BY THE DOCUMENTS SET FORTH IN EXHIBITS "A" AND "B" HERETO.

WE CERTIFY THAT, WITH THE EXCEPTION OF A PARTIAL DRAW, THE AMOUNT OF THE CREDIT HEREIN ESTABLISHED WILL NOT BE REDUCED FOR ANY REASON DURING THE PERIOD OF THIS INSTRUMENT WITHOUT THE WRITTEN CONSENT OF THE DIVISION.

WE WILL GIVE PROMPT NOTICE TO THE PERMITTEE AND TO THE DIVISION DIRECTOR OF ANY NOTICE RECEIVED OR ACTION FILED ALLEGING THE INSOLVENCY OR BANKRUPTCY OF THE BANK, OR ALLEGING ANY VIOLATIONS OF REGULATORY REQUIREMENTS WHICH COULD RESULT IN SUSPENSION OR REVOCATION OF THE BANK'S CHARTER OF LICENSE TO DO BUSINESS.

IN THE EVENT THE BANK BECOMES UNABLE TO FULFILL OUR OBLIGATIONS UNDER THIS LETTER OF CREDIT FOR ANY REASON, NOTICE SHALL BE GIVEN IMMEDIATELY TO THE PERMITTEE AND TO THE DIVISION DIRECTOR.

WE HEREBY WAIVE ANY DEFENSE HERETO BASED UPON ANY ALLEGATION OF FRAUD.

PARTIAL DRAWINGS ARE PERMITTED.

We hereby agree with drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this credit will be duly honored upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before **JULY 01, 1991\*** at our bank.

**\*OR ANY AUTOMATICALLY EXTENDED DATE, AS HEREINBEFORE SET FORTH**

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

"This Credit is Subject to the 'Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400'."

Very Truly Yours,

Authorized Signature

**ZIONS  
FIRST NATIONAL BANK**

Established 1873

**INTERMOUNTAIN BANKING DEPARTMENT**

P.O. Box 30709  
Salt Lake City, Utah 84130 U.S.A.  
Telephone: 801/524-4916  
Telex: 3789475, Answerback: INTBKZIONS SLC

**IRREVOCABLE LETTER OF CREDIT  
AMENDMENT**

UTAH DIVISION OF OIL, GAS & MINING  
3 TRIAD, SUITE 350  
SALT LAKE CITY, UTAH 84180  
AND

DATE: MAY 06, 1991

LETTER OF CREDIT NO.: 4414

LETTER OF CREDIT DATE: JULY 02, 1990

UNITED STATES DEPARTMENT OF INTERIOR  
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
1055 GILVER AVENUE, S.W.  
ALBUQUERQUE, NEW MEXICO 87102

AMOUNT: USD1,359,600.00

We have been requested by

INTERMOUNTAIN POWER AGENCY, C/O LOS ANGELES DEPARTMENT OF WATER & POWER, P.O. BOX 111,  
ROOM 1164E, LOS ANGELES, CALIFORNIA 90015

to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your favor, as follows:

INCREASE AMOUNT BY USD590,402.00 TO AN AGGREGATE AMOUNT OF USD1,950,002.00.

\* \* \* \* \*

All other conditions remain unchanged.

IF WE HAVE NOT HEARD FROM YOU WITHIN 10 DAYS, WE WILL CONSIDER THIS AMENDMENT ACCEPTED  
AND IN EFFECT.

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

This Credit is Subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400.

Very truly yours,



Authorized Signature

**ZIONS**  
**FIRST NATIONAL BANK**  
Established 1873

**INTERBANKING DEPARTMENT**

P.O. Box 30709  
Salt Lake City, Utah 84130 U.S.A.  
Telephone: 801/524-4916  
Telex: 3789475 Answerback: INTBKZIONS SLC  
Swift: ZFNBUS55

**IRREVOCABLE LETTER OF CREDIT  
AMENDMENT**

*Original to fireproof file*  
*act 1002/023*  
*#*  
JANUARY 06, 1997

UTAH DIVISION OF OIL, GAS & MINING  
3 TRIAD, SUITE 350  
SALT LAKE CITY, UTAH 84180  
AND  
UNITED STATES DEPARTMENT OF INTERIOR  
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
625 SILVER AVENUE, SW  
ALBUQUERQUE, NEW MEXICO 87102

DATE:  
LETTER OF CREDIT NO.: 004414  
LETTER OF CREDIT DATE: 02 JULY 1990  
AMOUNT: USD1,950,002.00 AS PER AMENDMENT  
DATED 6 MAY 1991

Gentlemen:

We have been requested by

INTERMOUNTAIN POWER AGENCY, C/O LOS ANGELES DEPARTMENT OF WATER AND POWER, P.O. BOX 111, ROOM 1164 E, LOS ANGELES, CALIFORNIA 90015

to amend the above referenced IRREVOCABLE LETTER OF CREDIT issued in your favor, as follows:

EXPIRATION DATE IS 01 JULY 1997.

PARAGRAPH ONE OF LETTER OF CREDIT IS AMENDED TO READ:  
IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL ONE-YEAR PERIODS FROM THE PRESENT OR FUTURE EXPIRATION DATE HEREOF, UNLESS WE INFORM YOU IN WRITING BY REGISTERED MAIL AT LEAST NINETY (90) DAYS PRIOR TO THE PRESENT OR ANY FUTURE EXPIRATION DATE THAT WE ELECT NOT TO EXTEND IT.

BENEFICIARY AMENDED AS FOLLOWS:  
UTAH DIVISION OF OIL, GAS & MINING  
1594 WEST NORTH TEMPLE, SUITE 1210  
SALT LAKE CITY, UTAH 84114-5801  
AND  
UNITED STATES DEPARTMENT OF INTERIOR  
OFFICE OF SURFACE MINING RECLAMATION & ENFORCEMENT  
WESTERN REGIONAL COORDINATING CENTER  
1999 BROADWAY, SUITE 3320  
DENVER, COLORADO 80202-5733

APPLICANT AMENDED AS FOLLOWS:  
INTERMOUNTAIN POWER AGENCY, C/O LOS ANGELES DEPARTMENT OF WATER AND POWER, P.O. BOX 111, ROOM 1107, LOS ANGELES, CALIFORNIA 90051

\*\*\*\*\*

All other conditions remain unchanged.

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.  
"This Credit is Subject to the 'Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication No. 500'."

Very truly yours,  
  
Authorized Signatory