



1407 W. North Temple, Suite 310
Salt Lake City, UT 84116

HAND DELIVERED

April 20, 2009

James D. Smith
Permit Supervisor
Division of Oil, Gas & Mining
Utah Department of Natural Resources
1594 West North Temple - Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-145801

RECEIVED

APR 20 2009

DIV. OF OIL, GAS & MINING

***RE: Reclamation Bond Increase Rider – Trail Mountain Mine
Permit C/015/0009, Emery County, Utah***

Dear Mr. Smith:

In response to the letter dated February 18, 2009, from the Division of Oil, Gas & Mining (DOGM) addressed to Ken Fleck of Energy West Mining Company, enclosed is an increase rider bond to Travelers Bond No. increasing the amount from \$1,254,000 to \$1,354,000 as a result of DOGM's mid-term review of the Trail Mountain mine permit. With this transmittal, we are providing the following to update the Trail Mountain Mine Reclamation Agreement accordingly:

1. Revised Exhibit "A" (Bonded Area Legal Description) together with an updated bond map.
2. Exhibit "B" (Rider Bond to Travelers Bond No. increasing the amount from \$1,254,000 to \$1,354,000).
3. Exhibit "D" (Stipulation to Revise Reclamation Agreement) noting the purpose of this bonding change.

A complete copy of this information has been sent to our Energy West Mining Company offices located in Huntington, Utah.

James D. Smith
April 20, 2009
Page 2

Should you have any questions or need any additional information, please feel free to contact Ken Fleck or Dennis Oakley of Energy West Mining Company at 435-687-4712 or 435-687-4825 (respectively) or myself at 801-220-4612.

Sincerely,

Scott M. Child
Manager, Lands & Regulatory Affairs

Enclosures

SMC\EnergyWest\DOGM 2009-01(TrailMtnIncreaseRiderBond).doc

cc: IMC w/copy encl. – C. Crane
EWMC w/copy encl. – E. Snow, K. Fleck, D. Oakley
PacifiCorp Risk Mgmt. w/encl. M. Reed NTO 120 (B-SUR-750)
Aon Risk Services – Claudia Rathbun w/copy encl.
5000 Central Park Drive, Suite 204
Lincoln, NE 68504

EXHIBIT "D"

**Stipulation to Revise
Reclamation Agreement
Trail Mountain Mine
(Federal)**

Mine Name: Trail Mountain Mine

Permit Number: C/015/0009

Effective Date: _____

Bond Number: _____

COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT

--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

In accordance with DOGM letter dated February 18, 2009, Permittee hereby submits a Rider to Surety Bond Number _____ increasing the reclamation bond in the amount of \$100,000.00. This Rider increases the total reclamation bond amount from \$1,254,000.00 to \$1,354,000.00.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- Replace the Reclamation Agreement in its entirety.
- Replace Exhibit "A"- bonded area.
- Rider added to existing Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 1,254,000.00 to \$ 1,354,000.00.

The bonding type is changed from N/A to N/A.

The surface disturbance is revised from N/A acre to N/A acres.

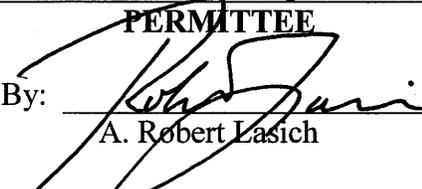
The expiration date is revised from N/A to N/A.

The amount of insurance coverage for bodily injury and property damage is changed from \$ N/A to \$ N/A.

IN WITNESS WHEREOF, PacifiCorp the PERMITTEE has hereunto set its signature and seal this 8th day of April, 2009.

PacifiCorp

PERMITTEE

By: 

A. Robert Lasich

Title: President, PacifiCorp Energy,
a division of PacifiCorp

gml
mlj

ACCEPTED BY THE STATE OF UTAH this 27th day of April, 2009.


Director,
Division of Oil, Gas and Mining

NOTE: An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where on signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

**AFFIDAVITS
OF
QUALIFICATION**

Exhibit "A"
Legal Description
Trail Mountain Mine
Permit Number C/015/0009
Federal

Bond Number _____
Page 1 of 2

EXHIBIT "A"

**Bonded Area
Legal Description**

(Federal Coal)

EXHIBIT "A"

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA:

- Trail Mountain Mine Complex – Bond Map 1

Legal description of BONDED AREA:

<u>Map</u>	<u>Areas</u>	<u>Location</u>	<u>Surface Owner</u>	<u>Acreage</u>
1	Mine Complex (Including buildings, bathhouse, sediment pond and other surface support facilities.)	Located within Cottonwood Canyon and situated within the SW¼NE¼ Section 25, T17S, R6E, SLM	PacifiCorp	10.39

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this

3rd day of April, 2009

**Travelers Casualty and Surety
Company of America**

SURETY

Claudia A. Rathbun

By: Claudia A. Rathbun

Attorney-in-Fact

Title:

EXHIBIT "B"

**Surety Bond
Trail Mountain Mine**

(Federal Coal)

INCREASE CERTIFICATE

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183

B-SUR-750

Bond No.

Amount of Bond \$1,254,000.00

Principal PACIFICORP

Hereby increased to \$1,354,000.00

Obligee STATE OF UTAH

As of the 3rd day of April, 2009, the amount of the above described bond is increased from the sum of \$1,254,000.00 to the sum of \$1,354,000.00, and the aggregate liability for any and all acts and defaults, whenever committed, shall in no event exceed the sum last named, it being the intent hereof to preclude cumulative liability. This certificate, when signed by the Principal, shall become a part of the said bond.

Signed, sealed and dated this 3rd day of April, 2009.

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

By: Claudia A. Rathbun
Claudia A. Rathbun Attorney-in-Fact

I hereby consent to the above increase.

Witness my hand and seal this 8th day of APRIL, 2009.

PACIFICORP

Jeffery B. Erb
Jeffery B. Erb
Assistant General Counsel

Attest

A. Robert Lasich
A. Robert Lasich
President, PacifiCorp Energy,
A division of PacifiCorp
Principal (Seal)

*Sm
ll
my*

INSTRUCTIONS TO AGENTS — IMPORTANT

Do not deliver this certificate to the Obligee until it has been dated and signed by the Principal. One signed copy must be returned to the Surety.

POWER OF ATTORNEY

TRAVELERS

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. 220795

Certificate No. 002785434

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

John D. Diesing Jr., James L. Arts, David B. McCue, Patrick M. McCahill, Claudia A. Rathbun, Steven E. Verbeski, and Elizabeth D. Hudson

of the City of Omaha, State of Nebraska, 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 22nd day of January, 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 22nd day of January, 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

PacifiCorp

Assistant Secretary's Certificate

I, Jeffery B. Erb, a duly elected Assistant Secretary of PacifiCorp, an Oregon corporation (hereinafter referred to as the "Company"), **HEREBY CERTIFY** the following:

1. The following person is a duly elected and qualified officer of the Company holding the office set opposite his name, and his signature appearing opposite his name is his genuine signature:

A. Robert Lasich President, PacifiCorp Energy

A handwritten signature in black ink, appearing to read "Robert Lasich", written over a horizontal line.

2. The following is an excerpt of certain resolutions which were duly adopted by the Board of Directors of the Company at a meeting thereof duly held on the 11th day of February, 1998, and that said resolutions are in full force and effect on the date hereof, namely:

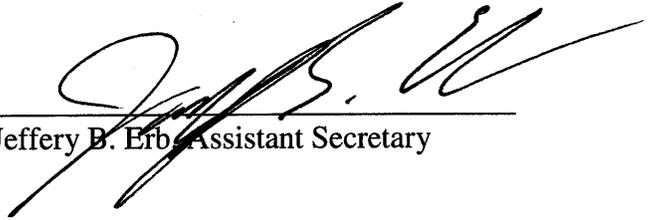
Corporate Officers

RESOLVED, that pursuant to Article IV of the Bylaws, (1) the authority and duties of the President and Chief Executive Officer shall be those incident to the office and as prescribed and assigned from time to time by the Board of Directors, and (2) the authority and duties of any Vice President or other Corporate Officer of PacifiCorp shall be as prescribed and assigned from time to time by the Board of Directors or the President and Chief Executive Officer; and further

RESOLVED, that the President and Chief Executive Officer and any Vice President who is a Corporate Officer be, and each of them hereby is, authorized, in the name and on behalf of the Company, to negotiate, execute and deliver, and the Secretary and any Assistant Secretary of the Company be, and each of them hereby is, authorized to attest, with or without affixing its corporate seal, any agreement, lease, permit, license, grant, deed or other instrument entered into by the Company in the

ordinary course of its business and within the scope of the duties assigned to such officer by the President and Chief Executive Officer, or the Board of Directors

WITNESS my hand this 8TH day of APRIL, 2009.



Jeffery B. Erb, Assistant Secretary