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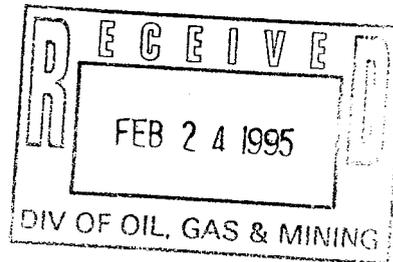


A Subsidiary of PacifiCorp

February 24, 1995

HAND DELIVERED

Ms. Pamela Grubaugh-Littig
Permit Supervisor
Division of Oil, Gas & Mining
Utah Department of Natural Resources
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



*Original to fileproof
of each Certificate
into appropriate mine
file
Copies to #4 mine file
PAM*

RE: Certificates of Liability Insurance (ACORD Form), Policy No. XO296A1A95, Policy Period from 2-24-95 to 2-24-96; Des-Bee-Dove Mine ACT/015/017, Deer Creek Mine ACT/015/018, Cottonwood Mine ACT/015/019 and the Trail Mountain Mine ACT/015/009, Folder #2, Emery County, Utah

Dear Pam:

Enclosed are the original certificates of liability insurance for the referenced coal mine operations for the policy period 2-24-95 to 2-24-96. Copies of these same certificates are on file for each mine site located at our Huntington field office.

The enclosed certificates (on the DOGM form Exhibit "C", the ACORD and AEGIS forms) for each mine are replacement pages for Exhibit "C" in the Reclamation Agreements of each mine.

Should you have any questions, please feel free to contact me at 801-220-4612.

Sincerely,

Scott M. Child
Property Management Administrator

Enclosures

SMC11/UDOGM95.001

cc: D.W. Jense - OUC 2000 w/o copy encl.
Blake Webster - OUC 2000 w/copy encl.
Val Payne - Huntington Field Office w/copy encl.

CERTIFICATE OF LIABILITY INSURANCE

**Issued to:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining**

THIS IS TO CERTIFY THAT:

Associated Electric & Gas Insurance Services Limited
(Name of Insurance Company)

ARGUS Insurance Building, 12 Wesley St. P.O. Box BM 1064, Hamilton, Bermuda
(Home Office Address of Insurance Company)

HAS ISSUED TO

PacifiCorp (Successor in interest to Utah Power & Light)
(Name of Permittee)

DES/BEE/DOVE ACT/015/017
(Mine Name) (Permit Number)

CERTIFICATE OF INSURANCE:

X0296A1A95 2-24-95/2-24-96
(Policy Number) (Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

Per R645-301-890 Terms and Conditions for Liability Insurance:

- A. The DIVISION Shall require the PERMITTEE to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the State of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injury or property damage as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

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- C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Application is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive changes, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division. Any change unauthorized by the Division is considered breach of the RECLAMATION AGREEMENT and the Division may pursue remedies thereunder.

UNDERWRITING AGENT:

Sandra A. Johnson (Agent's Name) (201) 915-7216 (Phone)

AEGIS Insurance Services, Inc. (Company Agent's Name)

Harborside Financial Center, 700 Plaza II (Mailing Address) Jersey City, New Jersey 07311-3994 (City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his/her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company. (An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer.)

2/22/95 Sandra A. Johnson (Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by Sandra A. Johnson

this 22nd day of February, 1995

Lois Anne Salley (Signature)

LOIS ANNE SALLEY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Apr. 27, 1999
(Date)

My commission Expires:

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