



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 7, 2014

CERTIFIED MAIL RETURN RECEIPT

7012 3460 0002 9559 6021

Ken Fleck, Manager of Geology and Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Approval of Final Phase III Bond Release, PacifiCorp, Des Bee Dove Mine,
C/015/0017, Task ID #4580

Dear Mr. Fleck:

The Application for Final Phase III Bond Release for 40.9 acres of land is approved.

The Office of Surface Mining submitted a letter dated August 7, 2014 which agreed with the Division's findings and decision document and concurred with the bond release action. The Division received concurrence from the Forest Service on July 2, 2014. The BLM concurred in a letter received by the Division dated July 7, 2014.

The Division finds that PacifiCorp has met the regulatory requirements for Phase III bond release and hereby grants approval.

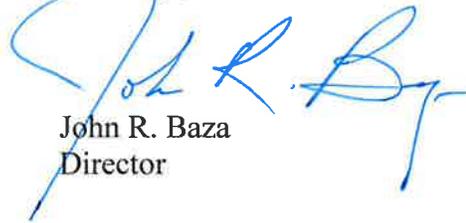
Approval of the Phase III Bond Release includes authorization to release the remaining bond for the Des Bee Dove Mine. The current amount of surety posted is \$511,000. The surety documents in the amount of \$511,000 are enclosed for release with the Travelers Casualty and Surety Company of America.

This completes the obligations of PacifiCorp at the Des Bee Dove Mine and the SMCRA regulatory requirements are hereby concluded. Thank you for your efforts in complying with the regulatory requirements.

Page 2
August 7, 2014
Ken Fleck

If you have any questions, please feel free to call Daron Haddock at (801) 538-5325.

Sincerely,

A handwritten signature in blue ink, appearing to read "John R. Baza". The signature is stylized and written in a cursive-like font.

John R. Baza
Director

JRB/sqs
Enclosures
cc: Alan Boehms, OSM
Travelers Casualty and Surety Company of America
O:\015017.DBD\WG4580\Final Approval.doc

EXHIBIT "B"

**Surety Bond
Des-Bee-Dove Mine**

(Federal Coal)



B-SUR-748

RIDER

To be attached to and form part of Bond No. 103771512

Issued on behalf of PACIFICORP as Principal, and in favor of STATE OF UTAH as Oblige.

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**

from:
to:

3. The Surety hereby gives its consent to change the Limit of Liability

from: One Million, One Hundred Sixty-Nine Thousand Seven Hundred Eighteen and No/100--(\$1,169,718.00)
to: Five Hundred Eleven Thousand and No/100--(\$511,000.00)

4. This rider shall become effective as of 5/27/2010:

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 6/3/2010

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

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

Accepted: _____
Obligee

or PACIFICORP
Principal

By: John R. By

By: Michael G. Dunn
Micheal G. Dunn
President, PacifiCorp Energy
a division of PacifiCorp

sure my



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
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. 003402890

KNOW ALL MEN BY THESE PRESENTS: 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.
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., 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

EXHIBIT "B"

**Surety Bond
Des-Bee-Dove Mine**

(Federal Coal)

DECREASE CERTIFICATE

TRAVELERS CASUALTY AND SURETY COMPANY
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
Hartford, Connecticut 06183

Bond No. 103771512

Amount of Bond \$ 1,837,712.00

Principal PACIFICORP

Hereby decreased to \$ 1,169,718.00

Obligee STATE OF UTAH

As of the 7th day of February, 2007, the amount of the above described bond is decreased from the sum of \$1,837,712.00 to the sum of \$ 1,169,718.00. The liability of the surety for any acts or defaults occurring after the effective date hereof, and for any acts or defaults occurring prior to the effective date hereof and not discovered after the effective date hereof, shall in no event exceed the sum last named. The aggregate liability of the surety for any and all acts and defaults, whenever committed, shall in no event exceed the sum first named, it being the intent hereof to preclude cumulative liability. This certificate, when signed by the Obligee (Employer, or Insured) shall become part of the said bond.

Signed, sealed and dated this 26th day of April, 2007.

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

This certificate was executed by the surety pursuant to my (our) request, and in consideration of a reduced premium I (we) hereby formally consent to the decrease.

Signed, sealed and dated this 26th day of April, 2007.

(Witness) STATE OF UTAH (Seal)
(Obligee, Employer, or Insured)

Attest [Signature] By [Signature]
JEFFREY B. BUB President, PacifiCorp Energy
BSS is NOT Gen. Counsel

INSTRUCTIONS TO AGENTS — IMPORTANT

Do not deliver this certificate to the Obligee (Employer, or Insured) until that party has signed, sealed and dated it. In case of individual, schedule, or specific excess indemnity, execution on behalf of the Obligee (Employer, or Insured) by the person whose bond is being decreased is not acceptable.

One signed copy must be returned to the surety.



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. 215904

Certificate No. 000360591

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, Gary E. Lee, Patrick M. McCahill, S. P. Eberhart, Claudia A. Rathbun, and Diane Gavin

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 1st day of May, 2006.

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 1st day of May, 2006, 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, 2006.



[Signature]
Marie C. Tetreault, Notary Public

• c/015/017
Orig. Fireproof
Copy Incomplete
Ran
(2-sided)

EXHIBIT "B"

Surety Bond
Des-Bee-Dove Mine
(Federal Coal)

Surety Bond Number 103771512
Mine Name Des-Bee-Dove
Permit Number C/015/017

Exhibit "B"
Federal Surety Bond
Federal

B-SUR-748

**SURETY BOND
(FEDERAL COAL)
--ooOOoo--**

REPLACES ST. PAUL FIRE & MARINE BOND 400 JN 6139 EFFECTIVE 7/01/02

THIS SURETY BOND entered into and by and between the undersigned **PERMITTEE/PRINCIPAL PACIFICORP**, and **SURETY TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (hereafter referred to as the "**DIVISION**"), and the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (hereafter referred to as "**OSM**") in the penal sum of **ONE MILLION EIGHT HUNDRED THIRTY-SEVEN THOUSAND SEVEN HUNDRED TWELVE AND NO/100 DOLLARS (\$1,837,712.00)** (Surety Bond Amount) for the timely performance of reclamation responsibilities of the Permittee in the Permit Area described in Exhibit "A" of that certain **RECLAMATION AGREEMENT**, dated the 29th day of August, 1995 by and between the **DIVISION** and the **PERMITTEE/PRINCIPAL**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE'S/PRINCIPAL'S** reclamation obligations have been met and released by the **DIVISION** with the concurrence of **OSM** and is conditioned upon faithful performance of all of the requirements of the Utah Coal Mining Reclamation Act, Utah Code Ad. §40-12-2 et. seq. (the **ACT**), the Surface Mine Control and Reclamation Act ("**SMCRA**"), and all lawful regulation adopted under the authority of those statutes, and the approved Permit (which is based upon the approved Permit Application Package).

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the **PERMITTEE/PRINCIPAL** during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** may sustain as a result of the **PERMITTEE'S/PRINCIPAL'S** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE/PRINCIPAL**, the **DIVISION** and **OSM** of any notice received or action alleging the insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirements which could result in suspension or revocation of the **SURETY'S** license.

Upon incapacity of the **SURETY** by reason of bankruptcy, or suspension or revocation of license, the **PERMITTEE/PRINCIPAL** shall be deemed to be without Bond coverage in violation of state and federal law and subject to enforcement in accordance with **SMCRA**, the **ACT**, and the applicable regulations.

Surety Bond Number 103771512
Mine Name Des-Bee-Dove
Permit Number C/015/017

Exhibit "B"
Federal Surety Bond
Federal

B-SUR-748

The terms for release of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE/PRINCIPAL** in the **RECLAMATION AGREEMENT**, incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

In the event the Utah Cooperative Agreement is terminated, this **SURETY BOND** shall be payable only to the OSM to the extent that lands covered by the Federal Lands Program are involved and otherwise to the **DIVISION**.

IN WITNESS WHEREOF, the **PERMITTEE/PRINCIPAL** has hereunto set its signature and seal this 18th day of November, 2002.

PACIFICORP
PERMITTEE/PRINCIPAL

By: Judith Johnson
Title: President & CEO

IN WITNESS WHEREOF, the **SURETY** has hereunto set its signature and seal this 7th day of November, 2002.

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
SURETY

By: Muriel M. van Veen

Muriel M. van Veen
Title: Attorney-in-Fact

SURETY BONDING AGREEMENT ACCEPTED BY THE STATE OF UTAH:

Lowell P. Bradford

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 one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with the Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.