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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 17, 1992

Mr. Val Payne, Sr. Environmental Engineer
PacifiCorp Electric Operations
P.O. Box 1005
Huntington, Utah 84528

Dear Mr. Payne:

Re: Signed Bond, Deer Creek Mine, PacifiCorp, ACT/015/018, Folder #2, Emery County, Utah

Enclosed please find the surety bond signed by the Division Director for your records. If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, reading "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig
Permit Supervisor

pgl
Enclosure

cc: Ken Wyatt

Bond No. 9272158
Permit Number: ACT/015/018
Deer Creek Mine

EXHIBIT "B"

SURETY BOND (FEDERAL COAL)

THIS SURETY BOND entered into and by and between the undersigned PERMITTEE, and SURETY company, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining (DIVISION), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM) in the penal sum of \$2,000,000.00 \$ Two Million and No/100 Dollars----- for the timely performance of reclamation responsibilities of the permit area described in Exhibit "A" of this Reclamation Agreement.

This SURETY BOND will remain in effect until all of the PERMITTEE's reclamation obligation have been met and released by the DIVISION and is conditioned upon faithful performance of all of the requirements of the Act, the applicable rules and regulations, SMCRA, the approved permit and the DIVISION.

The SURETY will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the 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 and OSM may sustain as a result of the PERMITTEE's failure to comply with the condition(s) of the reclamation obligation.

The SURETY will give prompt notice to the PERMITTEE and to the DIVISION and OSM of any notice or action involving insolvency or bankruptcy of the SURETY, or alleging any violations of regulatory requirements which could result in suspension or revocation of the SURETY's license in this state. In the event the Cooperative Agreement between the DIVISION and OSM is terminated, then the portion of the bond covering the Federal Lands will be payable only to the United States, Department of Interior, Office of Surface Mining.

Terms for release or adjustment of this BOND are as written and agreed to by the DIVISION and the PERMITTEE in the RECLAMATION AGREEMENT incorporated by reference herein, to which this SURETY AGREEMENT has been attached as Exhibit "B". The obligee, in accepting this bond, acknowledges that this bond replaces and supercedes all previous bonds and riders issued under this number, and that this bond is the sole obligation of the surety in connection with the captioned permit.

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 11th day of September, 1992.

PacifiCorp

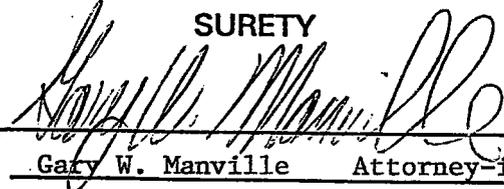
Corporate Seal

PERMITTEE

By: J. Brett Harvey
Title: Vice President

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 11th day of September, 1992.

American Casualty Company

SURETY

By: Gary W. Manville
Title: Gary W. Manville Attorney-in-Fact

ACCEPTED BY THE STATE OF UTAH
this 17th day of September, 1992.

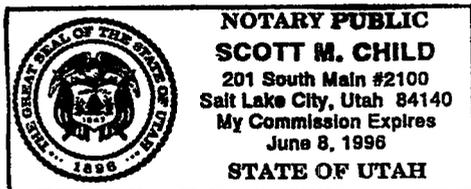

Dianne Nielson, Director
Division of Oil, Gas and Mining

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 this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

ACKNOWLEDGEMENT OF CORPORATION - PERMITTEE

On this 11 day of September, 1992, before me, a Notary Public in and for the County of Salt Lake, in the state of Utah, appeared J. Brett Harvey to me personally known who, being by me duly sworn, did say that he/she is Vice President of PacifiCorp, the corporation (PERMITTEE) named in and which executed the within instrument, and that the seal affixed to said instrument is the corporation seal of said corporation, and that said instrument was signed, sealed and delivered in behalf of said corporation by authority of its Board of Directors, and he/she as such officer, acknowledged said instrument to be the free act and deed of said corporation for the uses and purposes of said instrument as therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.



[Signature]
Notary Public in and for said
County and State

My Commission Expires:

6-8-96

**COAL
STIPULATION TO REVISE RECLAMATION AGREEMENT**

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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 Division Order D0-92A dated 8-17-92, permittee revised Exhibit "B" to increase the reclamation bond to include 1996 reclamation costs (calculated at \$1,825,161.00) plus an additional contingency to cover small changes. Bond has been increased from \$1,724,000.00 to \$2,000,000.00.

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" - PERMIT AREA.

x Replace Exhibit "B" - BONDING AGREEMENT.

____ Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$1,724,000.00) to (\$2,000,000.00).

The SURFACE DISTURBANCE is revised from _____ acres to _____ acres.

The EXPIRATION DATE is revised from _____ to _____.

The LIABILITY INSURANCE carrier is changed from _____

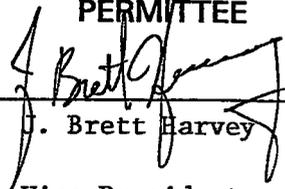
to _____.

The AMOUNT of INSURANCE coverage for bodily injury and property damage

is changed from (\$ _____) to (\$ _____).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 11 day of September, 1992.

PACIFICORP

PERMITTEE
By: 
J. Brett Harvey
Title: Vice President

ACCEPTED BY THE STATE OF UTAH
this 17th day of September, 1992.


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 this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION
FOR SURETY COMPANIES

STATE OF UTAH }
COUNTY OF SALT LAKE } SS

Gary W. Manville BEING FIRST DULY SWORN, ON OATH DE-
POSES AND SAYS THAT HE IS THE ATTORNEY-IN-FACT OF SAID COMPANY,
(OFFICER OR AGENT)
AND THAT HE IS DULY AUTHORIZED TO EXECUTE AND DELIVER THE
FOREGOING OBLIGATIONS: THAT SAID COMPANY IS AUTHORIZED TO EXE-
CUTE THE SAME AND HAS COMPLIED IN ALL RESPECTS WITH THE LAWS OF
UTAH IN REFERENCE TO BECOMING SOLE SURETY UPON BONDS, UNDER-
TAKINGS AND OBLIGATIONS.

SUBSCRIBED AND SWORN TO BE-
FORE ME, THIS 11th DAY OF
September, A.D., 1992

Sharron Rushton
(SIGNATURE OF NOTARY PUBLIC)

(SEAL) Sharron Rushton
MY COMMISSION EXPIRES:

July 1, 1995

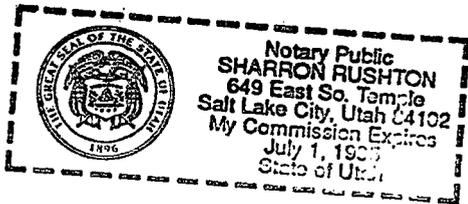
649 East South Temple
Salt Lake City, Utah 84102

Gary W. Manville
(SIGNATURE OF OFFICER OR AGENT)

649 East South Temple
Salt Lake City, Utah 84102
(RESIDENCE)

(SURETY SEAL)

(THIS FORM REQUIRED TO BE FILLED
OUT BY SECTION 31-24-3, UCA 1953)





For All the Commitments You Make[®]
Offices/Chicago, Illinois

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men by these Presents, That AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania, and having its principal office in the City of Chicago, and State of Illinois, does hereby make, constitute and appoint Edward B. Moreton, Edward F. Folland,
L. Kent Bills, Jean M. Lambourne, Gary W. Manville, Joyce R. Hartley,
William R. Moreton, Individually
of Salt Lake City, Utah
its true and lawful Attorney-in-Fact with full power and authority hereby conferred to sign, seal and execute in its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company:

"Article VI—Execution of Obligations and Appointment of Attorney-in-Fact

Section 2. Appointment of Attorney-in-fact. The President or Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 11th day of November, 1966:

"Resolved, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signatures and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

In Witness Whereof, AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed this 2nd day of March, 19 89.

State of Illinois }
County of Cook } ss

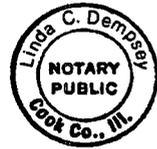


AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA

J. E. Purtell
J. E. Purtell

Vice President.

On this 2nd day of March, 19 89, before me personally came J. E. Purtell, to me known, who, being by me duly sworn, did depose and say: that he resides in the Village of Glenview, State of Illinois; that he is a Vice-President of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, the corporation described in the which executed the above instrument; that he knows the seal of said Corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



Linda C. Dempsey
Linda C. Dempsey Notary Public.

CERTIFICATE My Commission Expires November 12, 1990

I, Robert E. Ayo, Assistant Secretary of AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA, do certify that the Power of Attorney herein above set forth is still in force, and further certify that Section 2 of Article VI of the By-Laws of the Company and the Resolution of the Board of Directors, set forth in said Power of Attorney are still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said Company this 11th day of September, 19 92.



Robert E. Ayo
Robert E. Ayo

Assistant Secretary.