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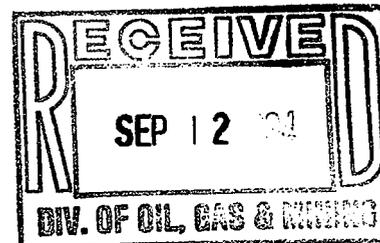


A Subsidiary of PacifiCorp

September 12, 1994

HAND DELIVERED

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



RE: ~~Replacement Bonds for Des-Bee-Dove Mine ACT/015/017, Deer Creek Mine ACT/015/018, Cottonwood/Wilberg Mine ACT/015/019, and Trail Mountain Mine ACT/015/009 - Emery County, Utah~~

Dear Pam:

As mentioned to you in our recent telephone conversations, PacifiCorp is in the process of consolidating its bonding needs through St. Paul Fire and Marine Insurance Company. Therefore, it becomes necessary to replace the existing reclamation bonds for all four (4) referenced mines, which were initially issued by American Casualty Company.

Enclosed in triplicate are the following St. Paul bonds which are intended to supersede and replace their respective American Casualty bonds. Each new replacement bond has been prepared on DOGM's Exhibit "B" form and each is accompanied with a Power of Attorney together with an Affidavit of Qualification for the Surety Company.

MINE NAME	MINE NUMBER	EXISTING BOND NO.'s	REPLACEMENT BOND NO.'s	AMOUNT
		AMERICAN CASUALTY CO.	ST. PAUL FIRE & MARINE INS. CO.	
Des-Bee-Dove	ACT/015/017	9260083	400 JN 6139	\$1,837,712
Deer Creek	ACT/015/018	9272158	400 JN 6140	\$2,000,000
Cottonwood/Wilberg	ACT/015/019	9249819	400 JN 6138	\$ 2,071,098
Trail Mountain	ACT/015/009	700819575	400 JV 3710	\$1,000, 000

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In addition to the above, an Exhibit "D" has been prepared which explains the purpose behind the changes to the Reclamation Agreements for each mine.

Upon your acceptance of the replacement bonds, St. Paul Fire and Marine requires that you (1) retain one original for your file, (2) return one original to Marsh & McLennan, Inc. (as marked), and (3) return one original to myself at the above address. Once this has all been completed, Val Payne of Energy West Mining Company will coordinate the updating of each mine's PAP and Reclamation Agreement with copies of Exhibits "B" and "D" to be inserted later.

Your help in this matter is greatly appreciated.

Should you have any questions or need additional information, please feel free to contact me at 220-4612.

Sincerely,



Scott M. Child
Property Management Administrator

Enclosures

SMC9\UDOGM.901

cc: D.W. Jense - Interwest w/o copy encl.
Blake Webster - Interwest w/copy encl.
Margaret Reed - NTO Room 220 w/copy encl.
Val Payne - EWMC w/copy encl.