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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 23, 1994

Mr. Val Payne
Senior Environmental Engineer
PacifiCorp
P.O. Box 1005
Huntington, Utah 84528

Re: Original Bonds - Signed by Director, Trail Mountain Mine, ACT/015/009, Des-Bee-Dove Mine, ACT/015/017, Deer Creek Mine, ACT/015/018, Cottonwood/Wilberg Mine, ACT/015/019, Folder #4, Emery County, Utah

Dear Mr. Payne:

Enclosed please find the original executed bonds (replacement bonds) for the above-noted mines. I am also sending original executed bonds to Marsh and McLennan and retaining the other originals in the Division fireproof files.

If you have any questions, please call me.

Sincerely,

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

Pamela Grubaugh-Littig
Permit Supervisor

Enclosure

cc: Muriel van Veen, Surety Department, Marsh and McLennan, Incorporated



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 TWO MILLION & NO/100 \$2,000,000.00----- (Surety Bond Amount) 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".

IN WITNESS WHEREOF, the PERMITTEE has hereunto set its signature and seal
this 31st day of July, 1994.

PACIFICORP

PERMITTEE
By:
Title: President, Interwest Mining Company
A wholly-owned subsidiary of PacifiCorp
and Managing Agent

IN WITNESS WHEREOF, the SURETY has hereto set its signature and seal
this 1st day of July, 1994.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

SURETY

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

ACCEPTED BY THE STATE OF UTAH
this 16th day of September, 1994.

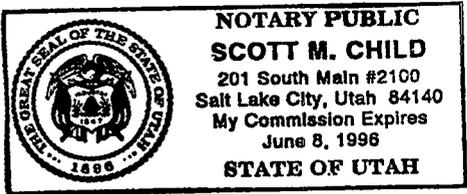
James W. Carter, Director
Division of Oil, Gas and Mining

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 31ST day of JULY, 1994, 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 J. Brett Harvey, President of Interwest Mining Company, a wholly-owned subsidiary of PacifiCorp and managing agent, 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

AFFIDAVIT OF QUALIFICATION
FOR SURETY COMPANIES

STATE OF OREGON }
COUNTY OF MULTNOMAH } SS

Muriel M. van Veen
BEING FIRST DULY SWORN, ON OATH DE-
POSES AND SAYS THAT HE IS THE ATTORNEY-IN-FACT OF SAID COMPANY,
AND THAT HE IS DULY AUTHORIZED TO EXECUTE AND DELIVER THE
^(OFFICER OR AGENT)
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 1st DAY OF
July, A.D., 19 94

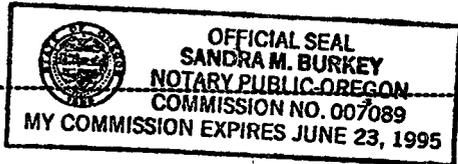
Muriel M. van Veen
(SIGNATURE OF OFFICER OR AGENT)

Sandra M. Burkey
(SIGNATURE OF NOTARY PUBLIC)

Troutdale, Oregon
(RESIDENCE)

(SEAL)
MY COMMISSION EXPIRES:

(SURETY SEAL)



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

CERTIFIED COPY NO.

For verification of the authenticity of this Power of Attorney, you may telephone toll free 1-800-421-3880 and ask for the Power of Attorney Clerk. Please refer to the Certificate of Authority No. and the named individual(s).

1749236

F-12039

GENERAL POWER OF ATTORNEY - CERTIFIED COPY (Original on File at Home Office of Company. See Certification.)

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, a corporation organized and existing under the laws of the State of Minnesota, having its principal office in the City of St. Paul, Minnesota, does hereby constitute and appoint:

Daniel J. Sloan, Thomas M. Pearson, Muriel M. Van Veen, Richard A. Stevens, individually, Portland, Oregon

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise.

NOT TO EXCEED IN PENALTY THE SUM OF FIFTY MILLION DOLLARS (\$50,000,000) EACH

and the execution of all such instrument(s) in pursuance of these presents, shall be as binding upon said St. Paul Fire and Marine Insurance Company, as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be certified to and may be revoked, pursuant to and by authority of Article V, Section 6(C), of the By-Laws adopted by the Shareholders of ST. PAUL FIRE AND MARINE INSURANCE COMPANY, at a meeting called and held on the 28th day of April, 1978, of which the following is a true transcript of said Section 6 (C):

"The President or any Vice President, Assistant Vice President, Secretary or Service Center General Manager shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and
(2) To appoint special Attorneys-in-fact, who are hereby authorized to certify to copies of any power-of-attorney issued in pursuance of this section and/or any of the By-Laws of the Company; and
(3) To remove, at any time, any such Attorney-in-fact or Special Attorney-in-fact and revoke the authority given him."

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 5th day of May, 1959, of which the following is a true excerpt:

"Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN TESTIMONY WHEREOF, St. Paul Fire and Marine Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 30th day of November, A.D. 1990.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

Signature of Michael B. Keegan, Secretary



STATE OF NEW JERSEY } ss. County of Somerset

On this 23rd day of February, 19 94, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said that he/she is the therein described and authorized officer of St. Paul Fire and Marine Insurance Company; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his/her signature were duly affixed by order of the Board of Directors of said Company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal, at the township of Bedminster, New Jersey, the day and year first above written.



Signature of Linda Smethers, Notary Public, Middlesex, NJ. My Commission Expires December 16, 1996

CERTIFICATION

I, the undersigned officer of St. Paul Fire and Marine Insurance Company, do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON FILE IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.



IN TESTIMONY WHEREOF, I have hereunto set my hand this

1st day of July, 19 94

Signature of Roy F. Seymour, Asst. Secretary

Only a certified copy of Power of Attorney bearing the Certificate of Authority No. printed in red on the upper right corner is binding. Photocopies, carbon copies or other reproductions of this document are invalid and not binding upon the Company.

ANY INSTRUMENT ISSUED IN EXCESS OF THE PENALTY AMOUNT STATED ABOVE IS TOTALLY VOID AND WITHOUT ANY VALIDITY.

Revised October 1990

Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

Permit Number: ACT/015/018
Permit Effective Date: 2/8/91
Deer Creek Mine

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)

CHANGE OF SURETY:

American Casualty Company, Bond No. 9272158, is replaced with St. Paul Fire and Marine Insurance Company, Bond No. 400 JN 6140. Bond amount is unchanged at \$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" - **SURFACE DISTURBANCE**.

X Replace Exhibit "B" - **BONDING AGREEMENT**.

___ Replace Exhibit "C" - **LIABILITY INSURANCE**.

The **BONDING** amount is revised from (\$ _____) to (\$ _____).

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

The **EXPIRATION DATE** is revised from _____ to _____.

The **LIABILITY INSURANCE** carrier is changed from _____ to _____.

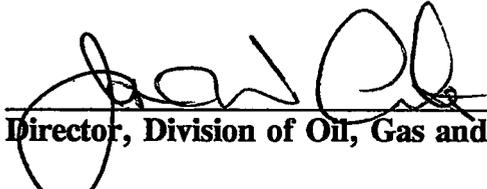
The **AMOUNT of INSURANCE** coverage for bodily injury and property damage is changed from (\$ _____) to (\$ _____).

Revised October 1990
Exhibit "D" - STIPULATION TO REVISE RECLAMATION AGREEMENT

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 26th day of August, 19 94.

PACIFICORP
PERMITTEE
By: 
Title: President, Interwest Mining Company,
a wholly-owned subsidiary of PacifiCorp
and managing agent

ACCEPTED BY THE STATE OF UTAH:


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.