

0048

Original to vault for each mine  
cc: cover letter to each mine folder  
cc: inspector for each mine

One Utah Center  
201 South Main Street, Suite 2000  
Salt Lake City, Utah 84140-0020  
(801) 220-4616 • FAX (801) 220-4725

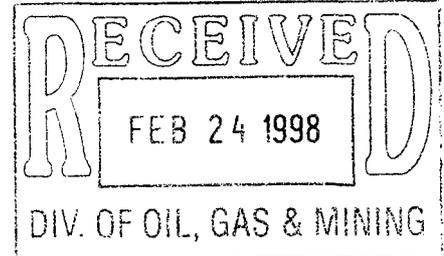


A Subsidiary of PacifiCorp

**HAND DELIVERED**

February 23, 1998

Ms. Pamela Grubaugh-Littig  
Permit Coordinator  
**Division of Oil, Gas & Mining**  
**Utah Department of Natural Resources**  
1594 West North Temple - Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-145801



ACT 015/017 #24  
ACT 015/018 #4  
ACT 015/019 #4  
ACT 015/009 #

**RE: Original Certificates of Liability Insurance (ACORD Form), Policy No. XO296A1A98, Policy Period from 2-24-98 to 2-24-99; 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 2-24-98 to 2-24-99. Copies of these same certificates have been sent to our mine offices located in Huntington, Utah.

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

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

Sincerely,

Scott M. Child  
Property Management Administrator

Enclosures

SMC/UDOGM9801.wpd

cc: D.W. Jense - OUC 2000 w/o copy encl.  
Blake Webster - OUC 2000 w/copy encl.  
Dave Lauriski, Chuck Semborski - EWEST 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)

DEER CREEK ACT/015/018  
(Mine Name) (Permit Number)

CERTIFICATE OF INSURANCE:

X0296A1A9B 2-24-98/2-24-99  
(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.

- 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) 521-4658  
(Phone)

AEGIS Insurance Services  
(Company Agent's Name)

10 Exchange Place  
(Mailing Address)

Jersey City, NJ 07302  
(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.)

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

Signed and sworn before me by Sandra A. Johnson  
this 19th day of February, 1998

Linda Sue Marchesano  
(Signature)

My commission Expires: LINDA SUE MARCHESANO  
Notary Public of New Jersey  
My Commission Expires June 8, 1998

**ASSOCIATED ELECTRIC & GAS INSURANCE SERVICES LIMITED**

Hamilton, Bermuda

**CERTIFICATE OF INSURANCE**

(Excess Liability)

This Certificate is furnished to the Certificate Holder named below as a matter of information only. Neither this Certificate nor the issuance hereof modifies the policy of insurance identified below (the "Policy") or modifies the Policy in any manner. The Policy terms are solely as stated in the Policy or in any endorsement thereto. Any amendment, change or extension of the Policy can only be effected by a specific endorsement issued by the Company and attached to the Policy.

The undersigned hereby certifies that the Policy has been issued by Associated Electric & Gas Insurance Services Limited (the "Company") to the Named Insured identified below for the coverage described and for the policy period specified.

Notwithstanding any requirements, terms or conditions of any contract or other document with respect to which this Certificate may be issued or to which it may pertain, the insurance afforded by the Policy is subject to all of the terms of the Policy.

NAME OF INSURED: PacifiCorp dba Pacific Power & Light and dba Utah Power & Light

PRINCIPAL ADDRESS: 825 NE Multnomah, #570, Portland, Oregon 97232

POLICY	POLICY	From:	2/24/98
NUMBER: XO296A1A98	PERIOD:	To:	2/24/99

RETROACTIVE DATE: December 24, 1986

DESCRIPTION OF COVERAGE: Claims-First-Made Excess Liability Policy covering claims for Bodily Injury, Property Damage and Personal Injury arising from the operations described below.

LIMIT OF LIABILITY: \$35,000,000 per occurrence and in the aggregate, where applicable.

ADDITIONAL INSURED: The Certificate Holder is an additional Insured under the Policy but only (i) to such extent and for such Limits of Liability (subject always to the terms and Limits of Liability of the Policy) as the Named Insured has agreed to provide insurance for the Certificate Holder under the following contract:

Deercreek ACT/015/018

and (ii) with respect to the following operations:

Damage to explosions is covered. Insurance Company will notify State of Utah of any changes or cancellation.

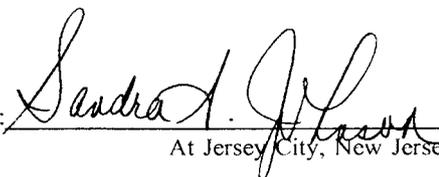
Should the Policy be cancelled, assigned or changed in a manner that is materially adverse to the Insured(s) under the Policy, the undersigned will endeavor to give 45 days advance written notice thereof to the Certificate Holder, but failure to give such notice will impose no obligation or liability of any kind upon the Company, the undersigned or any agent or representative of either.

DATE: 2/24/98

ISSUED TO: The State of Utah, Dept. of Natural Resources  
Division of Oil and Gas ("Certificate Holder")

ADDRESS: 356 West North Temple  
Salt Lake City, UT 84180-1203

AEGIS INSURANCE SERVICES, INC.

BY:   
At Jersey City, New Jersey