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A Subsidiary of PacifiCorp

OCT 08 2001

### ONE UTAH CENTER

201 SOUTH MAIN • SUITE 2000 • SALT LAKE CITY, UTAH 84140-0020 • (801) 220-2000

DIVISION OF OIL, GAS AND MINING

*Indomig  
c/015/018*

DATE: OCT. 8, 2001

PAGES: 5 + Cover Sheet

TO: Telecopy Phone # (      ) 399 - 3940

Name: PAM GRUBAUGH-LITIG

Dept: \_\_\_\_\_

Co: DDGM

FROM: Telecopy Phone # (801) 220-4725

Name: Scott Child

Phone: (801) 220-4612

City: Salt Lake City, Utah

Transmitted via XEROX 7032 (receiving 24 hours daily)

**Confirmation:** Sherice Larsen (801) 220-4140

**Subject/Special Information:**

*PER OUR TELEPHONE DISCUSSION TODAY - HERE IS A COPY OF OUR GEN. LIABILITY CERTS. EFFECTIVE TO 4-1-2002. HOPE THIS HELPS - ANY QUESTIONS PLEASE CALL.*

*THANKS  
SCOTT*



A Subsidiary of PacifiCorp

One Utah Center  
201 South Main Street, Suite 2000  
Salt Lake City, Utah 84140-0020  
(801) 220-4618 • FAX (801) 220-4726

August 10, 2000

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

**RE: Replacement Certificates of Liability Insurance, Policy No. U0614A1A00, Policy Period from 8-1-2000 to 4-1-2002; 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:

We are in receipt of newly issued certificates by AEGIS. The certificates previously delivered to your office July 28, 2000 inadvertently had the wrong policy period. The intent was to match the policy period with the fiscal year of our parent company Scottish Power. Therefore, enclosed are replacement certificates of liability insurance for the referenced coal mine operations for the policy period 8-1-2000 to 4-1-2002. 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 Child~~  
Property Management Administrator

Enclosures

SMC\EWEST\UDOGM\2K05.wpd

cc: D.W. Jense - OUC 2000 w/o copy encl.  
Keith Sinsel, Chuck Semborski - EWEST w/copy encl.  
M. Reed - NTO 220 w/copy

**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") 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, #1770, Portland, Oregon 97232		
POLICY NUMBER	UO814A1A00	POLICY PERIOD	From: 08/01/2000 To: 04/01/2002

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

LIMIT OF LIABILITY: \$20,000,000 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:  
Deer Creek: 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: 08/01/2000

Certificate Holder

ISSUED TO: The State of Utah, Dept. of Natural Resources  
ADDRESS: Division of Oil and Gas  
356 West North Temple  
Salt Lake City, UT 84180-1203

AEGIS INSURANCE SERVICES, INC.

BY:   
Alfred H. Brooks  
At Jersey City, New Jersey

**CERTIFICATE OF INSURANCE**

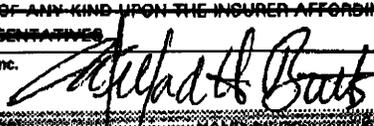
CERTIFICATE NUMBER  
0013001-00009

<b>PRODUCER</b> Marsh USA Inc. 111 S.W. Columbia Portland, OR 97201  Sandra J. Carter (503) 248-1244		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.
<b>COMPANIES AFFORDING COVERAGE</b>		
<b>INSURED</b> PacifiCorp dba Pacific Power & Light and dba Utah Power & Light 825 NE Multnomah, #1770 Portland, OR 97232		COMPANY <b>A</b> ASSOC ELEC & GAS INS SVCS LTD  COMPANY <b>B</b>  COMPANY <b>C</b>  COMPANY <b>D</b>

**COVERAGES**  
 THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CD LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT	U0614A1A00	8/01/00	4/01/02	GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ 2,000,000 FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$  BODILY INJURY (Per person) \$  BODILY INJURY (Per accident) \$  PROPERTY DAMAGE \$
	<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EACH ACCIDENT \$ AGGREGATE \$
A	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input checked="" type="checkbox"/> OTHER THAN UMBRELLA FORM	U0614A1A00	8/01/00	4/01/02	EACH OCCURRENCE \$ 20,000,000 AGGREGATE \$ 20,000,000
	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTH ER EL EACH ACCIDENT \$ EL DISEASE - POLICY LIMIT \$ EL DISEASE - EA EMPLOYEE \$
	OTHER				

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SPECIAL ITEMS**  
 Damage due to explosion is covered. Insurance Company will notify the State of Utah of any changes or cancellation Deer Creek: ACT/015/018

<b>CERTIFICATE HOLDER</b>  State of Utah, Dept. of Natural Resources, Division of 356 W North Temple Salt Lake City, UT 84180-1203	<b>CANCELLATION</b> SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 45 * DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES.  Marsh USA Inc. BY: 
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(\* 10 DAYS FOR NON-PAYMENT)

**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  
(Mine Name)

ACT/015/018  
(Permit Number)

**CERTIFICATE OF INSURANCE:**

U0614A1A00  
(Policy Number)

08-01-2000/04-01-2002  
(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:**

Melford A. Butts  
(Agent's Name)

201 521 4658  
(Phone)

AEGIS Insurance Services  
(Company Agent's Name)

10 Exchange Place  
(Mailing Address)

Jersey City, New Jersey 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.)

8/2/00 Melford A. Butts V.P.  
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by Melford H. Butts, V.P.

this 2nd day of August, 2000

Denise M. Keating  
(Signature)

My commission Expires: June 14, 2001

DENISE M. KEATING  
A NOTARY PUBLIC OF NEW JERSEY  
MY COMMISSION EXPIRES JUNE 14, 2001