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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 8, 2001

Scott M. Child
Property Management Administrator
Interwest Mining Company
One Utah Center
201 South Main Street, Suite 2000
Salt Lake City, Utah 84140-0020

Re: Signed Rider for Surety Bond # 400 JN 6140 and Exhibit D, Deer Creek Mine,
PacifiCorp, C [REDACTED] 8-RN00, C [REDACTED]

Dear Mr. Child:

Enclosed is the signed rider and Exhibit D that increased the bond for the Deer Creek Mine to \$3,000,000. Thank you for all of you help with this.

If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pamela Grubaugh-Littig".

Pamela Grubaugh-Littig
Permit Supervisor

pgl/sm

Enclosures:

cc: Chuck Semborski, Energy West
Price Field Office

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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

December 12, 2000

Ms. Pamela Grubaugh-Littig
Permit Supervisor
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: Reclamation Bond Increase, Five-Year Permit Renewal - Completeness
Determination - Deer Creek Mine C/015/018-RN00**

Dear Pam:

As partial response to the Division's letter dated November 15, 2000 addressed to Chuck Semborski of Energy West Mining Company, enclosed in triplicate is a rider to surety bond no. 400 JN 6140 (Exhibit "B" of the Deer Creek Mine Reclamation Agreement) in the amount of \$3,000,000.00 to cover the proposed amount of \$2,841,514.00 as stated in the referenced letter. This rider surety bond is accompanied with (1) a Power of Attorney for the Surety Company, together with (2) a completed Exhibit "D" to update the Deer Creek Mine Reclamation Agreement noting the bond adjustment.

Upon your acceptance, please have all 3 counterparts signed, retain one for your records and return the remaining two to my attention. Your help in this regard is very much appreciated.

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\EWEST\UDOGM2K06.wpd

cc: D.W. Jense - Interwest OUC 2000 w/o copy encl.
Chuck Semborski - EWEST w/copy encl.
Margaret Reed - PacifiCorp NTO w/copy encl. (B-SUR-749)
Muriel M. van Veen - Marsh USA, Inc. w/copy encl. (B-SUR-749)

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Permit Number: ACT/015/018
Effective Date: _____
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)

In accordance with DOGM letter dated November 15, 2000, Permittee hereby submits a Rider to Surety Bond no. 400 JN 6140 increasing the reclamation bond to meet the proposed escalated amount of \$2,841,514.00 (2006 dollars), plus an additional contingency to cover minor projects. Therefore, this Rider increases the bond amount from \$2,500,000 to \$3,000,000 for the five-year permit renewal period.

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.
- Replace Exhibit "B" - BONDING AGREEMENT.
(Note: This is a submission of an Increase Rider to the Existing Bond.)
- Replace Exhibit "C" - LIABILITY INSURANCE.

The BONDING amount is revised from (\$ 2,500,000.00) to (\$ 3,000,000.00).

The BONDING Type is changed from N/A to N/A.

The EXPIRATION DATE is revised from N/A to N/A.

The LIABILITY INSURANCE carrier is changed from N/A
to N/A.

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

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal
this 11th day of December, 2000.

PACIFICORP
PERMITTEE

By: Ernest E. Wessman
Ernest E. Wessman

Title: Vice President

ACCEPTED BY THE STATE OF UTAH
this 4th day of Jan, 2001.

Louise P. Braffier
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.

INCREASE - DECREASE RIDER

Executed in 3 counterparts

To be attached to and made a part of Bond No. 400 JN 6140, issued by the St. Paul Fire and Marine Insurance Company, (hereinafter called the Surety), on behalf of PacifiCorp, (hereinafter called the Principal), in favor of 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), (hereinafter called the Obligee),

dated the 2nd day of August, 1996.

In consideration of the premium charged for the attached bond and other good and valuable consideration it is understood and agreed that effective the 1st day of December, 2000, and subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the same is hereby (~~increased~~) (~~decreased~~) from the sum of Two Million Five Hundred Thousand and 00/100 Dollars, (\$ 2,500,000.00), to the sum of Three Million and 00/100 Dollars, (\$ 3,000,000.00).

It is further understood and agreed that subject to all the terms, conditions and limitations of the attached bond, the aggregate liability of the Surety for any loss occurring prior to said date shall not exceed the sum of Two Million Five Hundred Thousand and 00/100 Dollars, (\$ 2,500,000.00), or for any loss occurring subsequent to said date shall not exceed the sum of Three Million and 00/100 Dollars, (\$ 3,000,000.00). In no event, however, shall the aggregate liability of the Surety exceed the larger of the aforementioned sums, it being the intent hereof to preclude cumulative liability.

Signed, sealed and dated this 7th day of December, 2000.

The above is hereby agreed to and accepted:

PACIFICORP
By [Signature] Principal

(Obligee) State of Utah, Division of Oil, Gas, & Mining
St. Paul Fire and Marine Insurance Company Surety

By: [Signature]
Director

By: [Signature]
Muriel M. van Veen Attorney-in-Fact

INCREASE - DECREASE RIDER

Executed in 3 counterparts

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dated the 2nd day of August, 1996.

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Signed, sealed and dated this 7th day of December, 2000.

The above is hereby agreed to and accepted:

PACIFICORP
Principal
By *Eduard E. Hoffman*

(Obligee) State of Utah, Division of Oil, Gas, & Mining

St. Paul Fire and Marine Insurance Company
Surety

By: *James P. Brapler*
Director

By: *Muriel M. van Veen*
Muriel M. van Veen Attorney-in-Fact