

**PacifiCorp**  
**Energy West Mining Company**  
**Deer Creek Mine**  
**C/015/018**

**Permit Renewal Application**

Mine # C/015/0018  
File # JDC/015/018  
Record # 0115  
Doc. Date 10-06-05  
Recd. Date 10-11-05

**Bond Escalation Information**

## Deer Creek Mine - C/015/018

Bond Escalation Factors 2006 to 2008

Reclamation Costs in 2006 = \$3,771,026.00

Escalation Factor = 0.0444

<u>Year</u>	<u>Dollar Increase</u>	<u>Reclamation Costs</u>
2006	\$167,434.00	\$3,938,460.00
2007	\$174,867.62	\$4,113,327.62

**PacifiCorp**

**Energy West Mining Company**

**Deer Creek Mine**

**C/015/018**

**Permit Renewal Application**

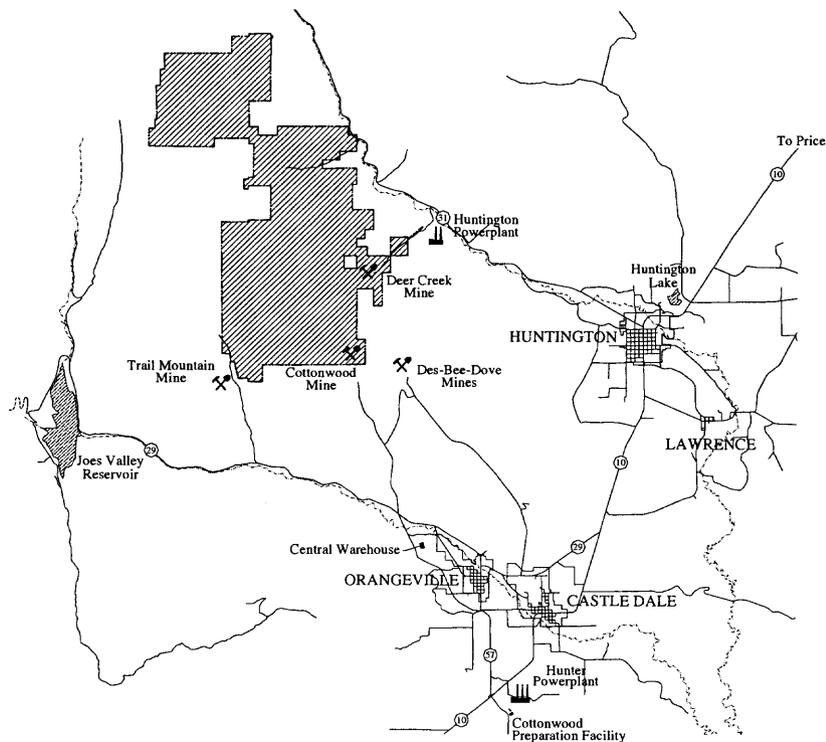
**Proposed Public Notice**

**PacifiCorp  
Deer Creek Mine  
C/015/0018**

**Permit Renewal Application**

**Energy West Mining Company  
P.O. Box 310  
Huntington, Utah 84528**

PacifiCorp, by and through its wholly-owned subsidiary, Energy West Mining Company (“Energy West”) as mine operator, hereby submits an application for a permit renewal of the Deer Creek Mine for the purposes of conducting mining and reclamation activities. The permit area encompasses approximately 22,214 acres as located on the area map below.



A surety bond for \$4,113,000 is filed with the Division of Oil, Gas and Mining and is payable to the State of Utah, Division of Oil, Gas and Mining (DOG M), and the Office of Surface Mining Reclamation and Enforcement (OSM).

A copy of the permit renewal application may be examined at the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 and

also at the Records Office located in the Emery County Courthouse in Castle Dale, Utah. Written comments, objections, or requests for an informal conference may be submitted to the Division of Oil, Gas, and Mining address above. Said comments must be submitted thirty (30) days from the date of the last publication of this notice. This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the Emery County Progress on October 11, 18, November 1, and 8, 2005.

**PacifiCorp**

**Energy West Mining Company**

**Deer Creek Mine**

**C/015/018**

**Permit Renewal Application**

**Surety and Certificates of Liability**

One Utah Center  
201 South Main Street, Suite 2100  
Salt Lake City, UT 84111  
(801) 220-4140 - FAX (801) 220-4725



A Subsidiary of PacifiCorp

**HAND DELIVERED**

July 26, 2005

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 Rider - Deer Creek Mine Permit  
C/015/018, Emery County, Utah**

Dear Pam:

In response to your letter dated July 13, 2005, addressed to Chuck Semborski of Energy West Mining Company, enclosed is the required rider bond to Travelers Bond No. [redacted] increasing the amount from \$3,000,000 to \$4,113,000 to include the proposed Rilda Canyon facilities and enable final permit approval. With this transmittal, we are providing the following to update the Deer Creek Mine Reclamation Agreement accordingly:

1. Revised Exhibit "A" (Bonded Area Legal Descriptions) together with four (4) updated maps.
2. Exhibit "B" (Rider Bond to Travelers Bond No. [redacted] increasing the amount from \$3,000,000 to \$4,113,000).
3. Exhibit "D" (Stipulation to Revise Reclamation Agreement) noting the purpose of this bonding change.

A complete copy of this information has been sent to our Energy West Mining Company offices located in Huntington, Utah.

RECEIVED

JUL 26 2005

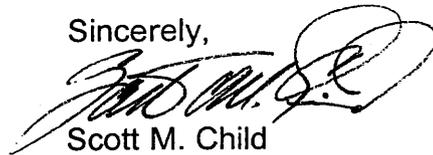
DIV. OF OIL, GAS & MINING

Pamela Grubaugh-Littig  
July 26, 2005  
Page2

On behalf of PacifiCorp and its mining subsidiaries, we have sincerely appreciated your cooperation and assistance in the mine permitting exercise for the new Rilda Canyon facilities.

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

Sincerely,



Scott M. Child  
Manager, Lands & Regulatory Affairs

Enclosures

\\MC\EnergyWest\DOGM 2005-02.doc

@: IMC - D.W. Jense, B. King, N. Getzelman  
EWMC w/encl. - D. Johnson, C. Semborski, D. Oakley  
PacifiCorp Risk Mgmt. w/encl. LCT 1800 - Kathie Reinhart (B-SUR-749)  
Marsh USA Inc. w/encl. - Muriel van Veen  
111 SW Columbia, Suite 500  
Portland OR 97201

Exhibit "A"  
Legal Description  
Deer Creek Mine  
Permit Number C/015/018  
Federal  
Bond Number 103908970  
Page 1 of 3

## **EXHIBIT "A"**

### **Bonded Area Legal Description**

(Federal Coal)

**EXHIBIT "A"**

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA:

- DC Master Bond Map
- DC Bond Map 1 (Mine Complex)
- DC Bond Map 2 (Rilda Canyon)
- DC Bond Map 3 (Waste Rock)

Legal description of BONDED AREA:

<u>Areas</u>	<u>Location</u>	<u>Surface Owner</u>	<u>Acreage</u>
1. Mine Complex (Including overland conveyor, sediment pond, sewer absorption field, yard extension, truck loadout facilities in Elk Canyon, etc.)	Located in Deer Creek Canyon and situated within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 1, SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 2, E $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 11 and SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ Section 10, T17S, R7E, SLM	Private, BLM, USFS, State of Utah	50.08
2. Rilda Canyon Facilities			
➤ Left Fork Fan Portal	Located within the left fork of Rilda Canyon situated within the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 29, T16S, R7E, SLM	USFS	2.33
➤ North Rilda Canyon Portal Facilities (To be Constructed)	Located within Rilda Canyon situated within the S $\frac{1}{2}$ NE $\frac{1}{4}$ Section 29, S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 28, T16S, R7E, SLM	USFS	13.1

- |   |  |         |       |
|---|--|---------|-------|
| 3. Waste Rock Storage Site  | Located approximately 1 mile East of the Huntington Power Plant off of state road 31 and situated within the E $\frac{1}{2}$ NE $\frac{1}{4}$ Section 6, NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 5, T17S, R8E, SLM | Private | 31.92 |
| 4. Meetinghouse Canyon 9 <sup>th</sup> East ventilation breakouts | Located SW $\frac{1}{4}$ SW $\frac{1}{4}$ , Section 34, T16S, R7E, SLM   | USFS    | 0.02  |
| 5. Grimes Wash 9 <sup>th</sup> East ventilation breakouts         | Located SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Section 22, T17S, R7E, SLM   | USFS    | 0.60  |

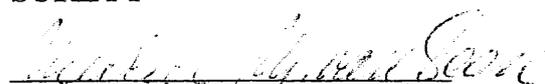
The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

IN WITNESS WHEREOF the SURETY has hereunto set its signature and seal this

21st day of July, 2005

**Travelers Casualty and Surety  
Company of America**

**SURETY**

  
By: Muriel M. van Veen

Attorney-in-Fact

Title:



TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY  
Hartford, Connecticut 06183-9062

**POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT**

**KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Edward M. Thompson, Muriel M. van Veen, Charlene Eason, Gail A. Flynn, Jill C. Goodhouse, Sheryl Crouse, of Portland, Oregon, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.**

**This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:**

**VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.**

**VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.**

**VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.**

**This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:**

**VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature 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 WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELER CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 26th day of March 2003.

STATE OF CONNECTICUT

)SS. Hartford

COUNTY OF HARTFORD

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY



By *George W. Thompson*  
George W. Thompson  
Senior Vice President

On this 26th day of March, 2003 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seal affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.



*Marie C. Tetreault*  
My commission expires June 30, 2006 Notary Public  
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 21 day of July, 2005



By *Kori M. Johanson*  
Kori M. Johanson  
Assistant Secretary, Bond

**EXHIBIT "B"**

**Surety Bond  
Deer Creek Mine**

(Federal Coal)

SURETY BOND (FEDERAL COAL)  
MINE NAME: DEER CREEK  
PERMIT NUMBER: C/015/018

RIDER

To be attached to Bond No. \_\_\_\_\_ issued by  
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

(As Surety) in the amount of Three Million and 00/100 -----  
----- (\$ 3,000,000.00 )

Dollars, effective the 1st day of July, 2002.

ON BEHALF OF PACIFICORP

IN FAVOR OF State of Utah, Division of Oil, Gas and Mining, and the U.S. Dept. of the Interior, O.S.M.

In consideration of the premium charged for the attached bond, it is mutually understood and agreed by the Principal and the Surety that: the penal sum of the bond shall be INCREASED

FROM: THREE MILLION AND NO/100 DOLLARS (\$3,000,000.00)

TO: FOUR MILLION ONE HUNDRED THIRTEEN THOUSAND AND NO/100 DOLLARS (\$4,113,000.00)

All other items, limitations and conditions of said bond except as herein expressly modified shall remain unchanged.

This rider shall be effective as of the 18th day of July, 2005.

Signed, sealed and dated this the 18th day of July, 2005.

PACIFICORP  
Principal

BY: J.A. Johansen  
Judith A. Johansen  
President & Chief Executive Officer

DIVISION OF OIL, GAS AND MINING

By: \_\_\_\_\_

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
Surety

BY: Muriel M. van Veen  
Muriel M. van Veen  
Attorney-in-Fact

Accepted: \_\_\_\_\_

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY  
Hartford, Connecticut 06183-9062

**POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT**

**KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: Edward M. Thompson, Muriel M. van Veen, Charlene Eason, Gail A. Flynn, Jill C. Goodhouse, Sheryl Crouse, of Portland, Oregon, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.**

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

**VOTED:** That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

**VOTED:** That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

**VOTED:** That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

**This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:**

**VOTED:** That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature 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 WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 26th day of March 2003.

STATE OF CONNECTICUT

)SS. Hartford

COUNTY OF HARTFORD

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
TRAVELERS CASUALTY AND SURETY COMPANY  
FARMINGTON CASUALTY COMPANY

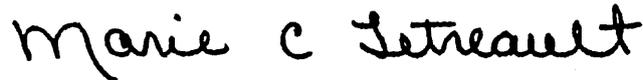


By 

George W. Thompson  
Senior Vice President

On this 26th day of March, 2003 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.





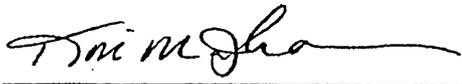
My commission expires June 30, 2006 Notary Public  
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed, at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 26th day of March, 2003



By 

Kori M. Johanson  
Assistant Secretary, Bond

**EXHIBIT "D"**

**Stipulation to Revise  
Reclamation Agreement  
(Federal)**

Mine Name: Deer Creek Mine

Permit Number: C/015/018

Effective Date: \_\_\_\_\_

Bond Number:         

**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 July 13, 2005, Permittee hereby submits a Rider to Surety Bond Number 103908970 increasing the reclamation bond in the amount of \$1,113,000.00. This Rider increases the total reclamation bond amount from \$3,000,000.00 to \$4,113,000.00 (2008 dollars) and includes the proposed Rilda Canyon Portal Facilities (to be constructed).*

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
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 3,000,000.00 to \$ 4,113,000.00 .

The bonding type is changed from N/A to N/A .

The surface disturbance is revised from N/A acres to N/A acres.

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, PacifiCorp the PERMITTEE has hereunto set its signature and seal this 25<sup>TH</sup> day of JULY, 2005.

PacifiCorp

PERMITTEE

By: J. A. Johansen

Judith A. Johansen

Title: President and Chief  
Executive Officer

ACCEPTED BY THE STATE OF UTAH this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

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 of 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.

**AFFIDAVITS  
OF  
QUALIFICATION**



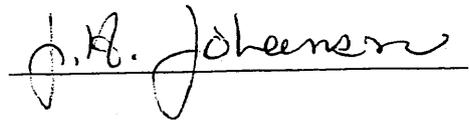
PacifiCorp

Assistant Secretary's Certificate

I, Jeffery B. Erb, a duly elected Assistant Secretary of PacifiCorp, an Oregon corporation (hereinafter referred to as the "Company"), HEREBY CERTIFY the following:

1. The following person is a duly elected and qualified officer of the Company holding the office set opposite her name, and her signature appearing opposite her name is her genuine signature:

Judith A. Johansen      President and Chief Executive Officer



2. The following is an excerpt of certain resolutions which were duly adopted by the Board of Directors of the Company at a meeting thereof duly held on the 11<sup>th</sup> day of February, 1998, and that said resolutions are in full force and effect on the date hereof, namely:

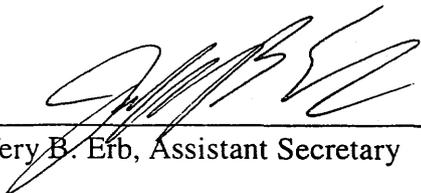
Corporate Officers

RESOLVED, that pursuant to Article IV of the Bylaws, (1) the authority and duties of the President and Chief Executive Officer shall be those incident to the office and as prescribed and assigned from time to time by the Board of Directors, and (2) the authority and duties of any Vice President or other Corporate Officer of PacifiCorp shall be as prescribed and assigned from time to time by the Board of Directors or the President and Chief Executive Officer; and further

RESOLVED, that the President and Chief Executive Officer and any Vice President who is a Corporate Officer be, and each of them hereby is, authorized, in the name and on behalf of the Company, to negotiate, execute and deliver, and the Secretary and any Assistant Secretary of the Company be, and each of them hereby is, authorized to attest, with or without affixing its corporate seal, any agreement, lease, permit, license, grant, deed or other instrument entered into by the Company in the

without affixing its corporate seal, any agreement, lease, permit, license, grant, deed or other instrument entered into by the Company in the ordinary course of its business and within the scope of the duties assigned to such officer by the President and Chief Executive Officer, or the Board of Directors

WITNESS my hand this 25<sup>th</sup> day of July, 2005.

  
\_\_\_\_\_  
Jeffery B. Erb, Assistant Secretary

One Utah Center  
201 South Main Street, Suite 2100  
Salt Lake City, UT 84111  
(801) 220-4140 - FAX (801) 220-4725



A Subsidiary of PacifiCorp

**HAND DELIVERED**

March 29, 2005

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

RECEIVED

MAR 29 2005

DIV. OF OIL, GAS & MINING

**RE: Certificates of Liability Insurance, Policy No. \_\_\_\_\_ Policy Period from 4-1-2005 to 4-1-2006; Des-Bee-Dove Mine C/015/017, Deer Creek Mine C/015/018, Cottonwood Mine C/015/019 and the Trail Mountain Mine C/015/009, Folder #2, Emery County, Utah**

Dear Pam:

Enclosed are certificates of liability insurance for the referenced coal mine operations for the policy period of 4-1-2005 to 4-1-2006. Should you have any questions or need any additional information, please feel free to contact me at 801-220-4612.

Sincerely,

Scott M. Child  
Manager, Lands & Regulatory Affairs

Enclosures

SMC\EnergyWest\DOGM2005-02.doc

cc: D.W. Jense, B. King, C.Pollastro - IMC w/copy encl.  
D. Johnson, C. Semborski - EWMC w/copy encl.  
K. Reinhart - LCT 1800 w/copy

INCORPORATED

APR 21 2005

DIV OF OIL GAS & MINING

Certificate Number:

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, #1800, Portland, Oregon 97232

POLICY NUMBER POLICY PERIOD From: 04/01/2005 To: 04/01/2006

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: C/015/018**  
And (ii) with respect to the following operations:

**Damage to explosion and subsidence is covered. Insurance Company will notify State of Utah of any changes or cancellation.**

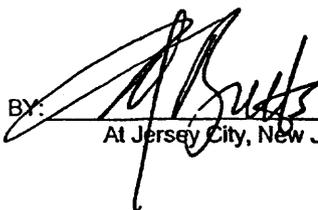
Should the Policy be cancelled, assigned or changed in a manner that is materially adverse to the Insured(s) under the Policy, the undersigned will endeavor to give 45 days advance written notice thereof to the Certificate Holder, but failure to give such notice will impose no obligation or liability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

DATE: 3/23/2005

Certificate Holder

ISSUED TO: The State of Utah, Dept. of Natural Resources,  
ADDRESS: Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

AEGIS INSURANCE SERVICES, INC.

BY:   
At Jersey City, New Jersey

INCORPORATED

APR 21 2005

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER

PRODUCER
MARSH USA INC.
111 SW COLUMBIA, STE 500
PORTLAND, OR 97201
Attn: Sandra J. Carter (503) 248-1244
0-CAS-2005

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.

Table with 2 columns: COMPANY, AFFORDING COVERAGE. Rows include COMPANY A (ASSOC ELEC & GAS INS SVCS LTD), COMPANY B, COMPANY C, and COMPANY D.

INSURED
PacifiCorp dba Pacific Power & Light and dba Utah Power & Light
825 NE Multnomah, #1800
Portland, OR 97232

COVERAGES This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Main table with columns: CO LTR, TYPE OF INSURANCE, POLICY NUMBER, POLICY EFFECTIVE DATE, POLICY EXPIRATION DATE, LIMITS. Includes sections for GENERAL LIABILITY, AUTOMOBILE LIABILITY, GARAGE LIABILITY, EXCESS LIABILITY, and WORKERS COMPENSATION AND EMPLOYERS' LIABILITY.

INCORPORATED

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
Damage due to explosion and subsidence is covered. Insurance Company will notify the State of Utah of any changes or cancellation.
Deer Creek: C/015/018
APR 21 2006
DIV OF OIL GAS & MINING

CERTIFICATE HOLDER
State of Utah, Dept. of Natural Resources, Division of 356 W North Temple Salt Lake City, UT 84180-1203

CANCELLATION
SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL MAIL 45 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN.
MARSH USA INC.
BY: [Signature]
MM1(3702)
VALID AS OF: 03/23/05



- 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.)

*Melford A. Butts V.P. 3/22/05*  
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by *Melford Butts*  
this *22<sup>nd</sup>* day of *March*, 2005

*Linda Sue Marchesano*  
(Signature)

INCORPORATED  
APR 21 2005  
DIV OF OIL GAS & MINING

My commission Expires: \_\_\_\_\_  
(Date)

LINDA SUE MARCHESANO  
Notary Public of New Jersey  
My Commission Expires June 10, 2008

**PacifiCorp**

**Energy West Mining Company**

**Deer Creek Mine**

**C/015/018**

**Permit Renewal Application**

**Proposed Amendment to Legal and Financial**  
**Volume, Appendix G**

## Deer Creek Mine

### T16S, R6E, SLB&M Emery County, Utah

**Section 1:**

SE $\frac{1}{4}$ .

**Section 10:**

E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ .

**Section 11:**

All.

**Section 12:**

All.

**Section 13:**

All.

**Section 14:**

All.

**Section 15:**

E $\frac{1}{2}$ E $\frac{1}{2}$ .

**Section 22:**

Lots 1, 2, 4, 5, 6, 7, E $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ .

**Section 23:**

N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ .

**Section 24:**

N $\frac{1}{2}$ .

**Section 25:**

E $\frac{1}{2}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$ , S $\frac{1}{2}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$  SE $\frac{1}{4}$ .

### T16S, R7E, SLB&M Emery County, Utah

**Section 5:**

Beginning at a point S 02°40'40" E, 145.00 feet from the west 1/4 corner of Section 5, T. 16 S., R. 7 E., SLB&M; thence East, 235.00 feet; thence South, 330.00 feet; thence S 48° 48' 00" W, 138.00 feet; thence S 20° 00' 00" W, 133.00 feet; thence South, 45.00 feet; thence S 45° 00' 00" W, 78.42 feet; thence N 02° 40' 40" W, 647.03 feet to the point of beginning. Said area contains 2.41 acres, more or less.

**Section 6:**

Lots 5, 6, 7, 8, S $\frac{1}{2}$ SE $\frac{1}{4}$ .

**Section 7:**

All.

**Section 18:**

Lots 1, 2, NE $\frac{1}{4}$ .

**Section 19:**

Lots 2-3, W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ .

**Section 20:**

E $\frac{1}{2}$  SW $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , S $\frac{1}{2}$  NE $\frac{1}{4}$ , S $\frac{1}{2}$ .

**Section: 21:**

S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ .

**Section 22:**

SW $\frac{1}{4}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$ .

**Section 27:**

SW $\frac{1}{4}$ .

**Section 28:**

W $\frac{1}{2}$ , N $\frac{1}{2}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$ .

**Section 29:**

All.

**Section 30:**

E $\frac{1}{2}$ , Lot 4.

**Section 32:**

All

**Section 33:**

All.

**Section 34:**

W $\frac{1}{2}$ W $\frac{1}{2}$ , W $\frac{1}{2}$ E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ .

**T17S, R6E, SLB&M Emery County, Utah**

**Section 1:**

Lots 1, 2, 3, SE $\frac{1}{4}$  NW $\frac{1}{4}$ , S $\frac{1}{2}$  NE $\frac{1}{4}$ , E $\frac{1}{2}$  SW $\frac{1}{4}$ , SE $\frac{1}{4}$ .

**Section 12:**

E $\frac{1}{2}$  W $\frac{1}{2}$ , E $\frac{1}{2}$ .

**Section 13:**

E $\frac{1}{2}$  W $\frac{1}{2}$ , E $\frac{1}{2}$ .

**Section 24:**

E $\frac{1}{2}$  W $\frac{1}{2}$ , E $\frac{1}{2}$ .

**Section 25:**

N $\frac{1}{2}$  NE $\frac{1}{4}$ ,

Beginning at the SE corner of the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 25, T17S, R6E, SLB&M; Thence, north 160 rods, west 116 rods to the center line of the Cottonwood Creek; thence southerly along centerline of said creek to a point 84 rods west of the beginning; thence, east 84 rods to the beginning.

**T17S, R7E, SLB&M Emery County, Utah**

**Section 1:**

**Beltline Corridor**

Beginning at a point S 0° 22' E, 142.4 feet from the SW corner of NW $\frac{1}{4}$  of Section 1, T17S, R7E, SLB&M; thence, N 49° 53' 23" E, 2395.4 feet; thence, S 40° 10' 42" E, 101.94 feet; thence, S 49° 52' 03" W, 2481.12 feet; thence, N 0° 22' W, 276.25 feet to the point of beginning. 5.6 acres more or less.

**Section 2:**

SE $\frac{1}{4}$  (SULA #1382 contains 160.0 acres).

**Section 3:**

W $\frac{1}{2}$ , N $\frac{1}{2}$  NE $\frac{1}{4}$ , SW $\frac{1}{4}$  NE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

**Section 4:**

All.

**Section 5:**

All.

**Section 6:**

All.

**Section 7:**

All.

**Section 8:**

All.

**Section 9:**

All.

**Section 10:**

W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ , S $\frac{1}{2}$ .

**Section 11:**

N $\frac{1}{2}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$  NW $\frac{1}{4}$ ,

Portions of the SE $\frac{1}{4}$  NW $\frac{1}{4}$  west of the Deer Creek fault,

W $\frac{1}{2}$  W $\frac{1}{2}$  SW $\frac{1}{4}$ ,

Portions of the E $\frac{1}{2}$ W $\frac{1}{2}$  SW $\frac{1}{4}$  west of the Deer Creek fault.

**Section 14:**

Portions of the NW $\frac{1}{4}$  NW $\frac{1}{4}$  west of the Deer Creek fault,

Portions of the SW $\frac{1}{4}$  NW $\frac{1}{4}$  west of the Deer Creek fault,

**Section 15:**

NW $\frac{1}{4}$ , S $\frac{1}{2}$ .

**Section 16:**

All.

**Section 17:**

All.

**Section 18:**

All.

**Section 19:**

All.

**Section 20:**

All.

**Section 21:**

All.

**Section 22:**

W $\frac{1}{2}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$ , W $\frac{1}{2}$  E $\frac{1}{2}$  SE $\frac{1}{4}$ ,

**Section 27:**

N $\frac{1}{2}$  NW $\frac{1}{4}$ , NW $\frac{1}{4}$  NE $\frac{1}{4}$ , W $\frac{1}{2}$  E $\frac{1}{2}$  NE $\frac{1}{4}$ ,

**Section 28:**

N $\frac{1}{2}$  N $\frac{1}{2}$ .

**Section 29:**

N $\frac{1}{2}$  N $\frac{1}{2}$ .

**Section 30:**

Lots 1-3, W $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

**Waste Rock Site**

Beginning 10 feet South of the NE corner of Section 6, T17S, R8E, SLB&M; thence, S 89° 52' 00" W, 1272.000 feet; thence, S 0° 08' 00" E, 600.000 feet; thence, S 83° 28' 43" E, 302.035 feet; thence, S 72° 54' 35" E, 314.083 feet; thence, S 63° 06' 41" E, 224.508 feet; thence, S 48° 18' 17" E, 268.404 feet; thence, S 20° 06' 29" W, 1066.848 feet; thence, S 39° 24' 03" W, 855.358 feet; thence, S 41° 10' 40" E, 100 feet; thence, N 43° 39' 42" E, 1635.000 feet; thence, N 31° 02' 18" E, 412.959 feet; thence, N 22° 58' 45" E, 1310.908 feet; thence, N 89° 40' 41" W, 740.000 feet; to the point of beginning. 31.92 acres more or less.

The Deer Creek permit area contains the areas as described above The area within the boundary is approximately ~~21,773.70~~ **22,213.70 acres**. The total disturbed area at the mine is currently ~~84.34~~ **97.44** acres. The disturbance is distributed as follows:

Mine Site (includes beltline and leach field)	50.08 acres
Rilda Canyon Fan Portal Area	2.33 acres
Rilda Canyon Portal Facilities	13.1 acres
9 <sup>th</sup> East Portals	0.01 acres
Waste Rock Site	31.92 acres