

C/015/018 Incoming
K



1407 W. North Temple, Suite 310
Salt Lake City, UT 84116

HAND DELIVERED

RECEIVED

MAR 12 2012

March 12, 2012

DIV. OF OIL, GAS & MINING

John R. Baza
Director
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 Decrease Rider – Deer Creek Mine Permit C/015/0018,
Emery County, Utah***

Dear Mr. Baza:

On behalf of PacifiCorp and in response to your letters dated November 8, 2011 and February 1, 2012, addressed to Ken Fleck of Energy West Mining Company, enclosed is a decrease rider bond to Travelers Bond No. 103908970 decreasing the amount from \$4,113,000 to \$3,374,000 together with other supporting documents. This action comes as a result of DOGM's approval to (1) decrease the reclamation bond liability to reflect the as-built Rilda Canyon surface support facilities, and (2) remove from bond coverage and regulatory jurisdiction the Grimes Wash 9th East ventilation breakout portals having satisfied the required final phase II and III bond release criteria for this area

With this transmittal, we are providing the following to update the Deer Creek Mine Reclamation Agreement accordingly:

1. Updated Exhibit "A" – Bonded Area Legal Description (revised to reflect the as-built Rilda Canyon facilities reduced disturbance and the deletion of the Grimes Wash 9th East breakout portals from the bonded area, together with two updated bond maps – the Master Bond Map and DC Bond Map 2).
2. Exhibit "B" (Rider Bond to Travelers Bond No. 103908970 decreasing the amount from \$4,113,000 to \$3,374,000),

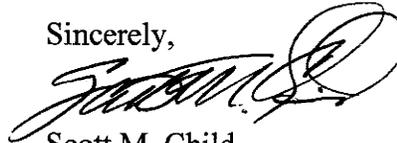
John R. Baza
March 12, 2012
Page 2

3. Exhibit "D" (Stipulation to Revise Reclamation Agreement) noting the purpose of this bonding change, and
4. Updated Affidavits of Qualifications for the surety and the permittee.

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

Should you have any questions or need any additional information, please feel free to contact Ken Fleck at 435-687-4712 or myself at 801-220-4612.

Sincerely,



Scott M. Child
Manager, Lands & Regulatory Affairs

Enclosures

SMC\EnergyWest\DOGM 2012-02(DeerCreekDecreaseRiderBond).doc

cc: IMC w/encl. – C. Crane
EWMC w/encl. – R. Poulson, C. Semborski, K. Fleck, D. Oakley
PacifiCorp Risk Mgmt. w/encl. NTO 330 – M. Reed (B-SUR-749)
Aon Risk Services – Claudia Rathbun w/encl.
5000 Central Park Drive, Suite 204
Lincoln, NE 68504