



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)

November 6, 2001

Chuck Semborski, Environmental Supervisor
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

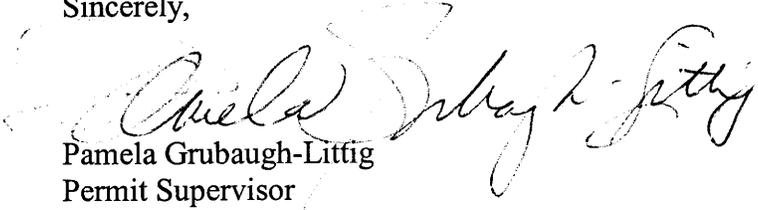
Re: Signed Reclamation Bond, PacifiCorp, Cottonwood/ Wilberg Mine, C/015/019-AM00B,
Outgoing File

Dear Mr. Semborski:

The bond rider to increase the bond for the Cottonwood/Wilberg Mine to \$3,082,587 and Exhibit D were signed by Lowell Braxton, Division Director. Here is a copy for your records.

If you have any questions, please call me.

Sincerely,


Pamela Grubaugh-Littig
Permit Supervisor

sm

cc: Price Field Office

O:\015019.CWW\FINAL\COPY_bond.doc

One Utah Center
201 South Main, Suite 2100
Salt Lake City, Utah 84140-0021
(801) 220-4140 • FAX (801) 220-4725



A Subsidiary of PacifiCorp

HAND DELIVERED

October 22, 2001

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

OCT 22 2001

DIVISION OF
OIL, GAS AND MINING

*Copy Incoming - PAM
C/015/019
Original Bond ->*

RE: Reclamation Bond Increase, Cottonwood/Wilberg Mine C/015/019-AM00B-3 Bond

*Frequency
File*

Dear Pam:

In response to the Division's letter dated September 19, 2001 addressed to Chuck Semborski of Energy West Mining Company, enclosed is a rider to surety bond no. 400 JN 6138 (Exhibit "B" of the Cottonwood /Wilberg Mine Reclamation Agreement) in the amount of \$3,082,587.00 to cover the required reclamation bond calculations in 2005 dollars. This rider bond raises the penal sum by \$1,011,489.00 over the existing bond amount, thus increasing the existing bond amount from \$2,071,098.00 to \$3,082,587.00. This rider surety bond is accompanied with (1) a Power of Attorney for the Surety Company, (2) a certificate of authority signed by the corporate secretary, and (3) a completed Exhibit "D" to update the Cottonwood/Wilberg Mine Reclamation Agreement noting the bond adjustment.

Upon your acceptance, please signed and return a copy 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,

A handwritten signature in black ink, appearing to read "Scott M. Child". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Scott M. Child
Manager, Lands and Regulatory Affairs

Enclosures

SMCIEWESTUODGM2001-01.wpd

cc: D.W. Jense, B. King - IMC w/o copy encl.
C. Pollastro, C. Semborski - EWMC w/copy encl.
Margaret Reed - PacifiCorp NTO 220 w/copy encl. (B-SUR-747)
Muriel M. van Veen - Marsh USA, Inc. w/copy encl. (B-SUR-747)

RIDER

To be attached to Bond No. 400 JN 6138 issued by
ST. PAUL FIRE AND MARINE INSURANCE COMPANY

(As Surety) in the amount of Two Million Seventy One Thousand Ninety Eight and 00/100
----- (\$ 2,071,098.00)

Dollars, effective the 15th day of June, 1994

ON BEHALF OF PACIFICORP

IN FAVOR OF STATE OF UTAH, DIV. OF OIL, GAS AND MINING and the U.S. DEPARTMENT OF INTERIOR

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 is increased

FROM: TWO MILLION SEVENTY-ONE THOUSAND NINETY-EIGHT AND NO/100 DOLLARS (\$2,071,098.00)

TO THREE MILLION EIGHTY-TWO THOUSAND FIVE HUNDRED EIGHTY-SEVEN AND NO/100 DOLLARS (\$3,082,587.00)

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 10th day of October, 2001

Signed, sealed and dated this the 9th day of October, 2001

PACIFICORP Principal

BY: Ernest E. Wessman
Ernest E. Wessman, Vice President

ST. PAUL FIRE AND MARINE INSURANCE COMPANY Surety

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

Accepted:
Lowell P. Breyton
Director

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 21040

Certificate No. 73105

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Daniel J. Sloan, Muriel M. Van Veen and Richard A. Stevens

of the City of Portland, State of Oregon, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed this 8th day of October, 1999.

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



Handwritten signature of Michael B. Keegan

MICHAEL B. KEEGAN, Vice President

Handwritten signature of Michael R. McKibben

MICHAEL R. MCKIBBEN, Assistant Secretary

State of Maryland
City of Baltimore

On this 8th day of October, 1999, before me, the undersigned officer, personally appeared Michael B. Keegan and Michael R. McKibben, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc. and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 13th day of July, 2002.



Handwritten signature of Rebecca Easley-Onokala

REBECCA EASLEY-ONOKALA, Notary Public

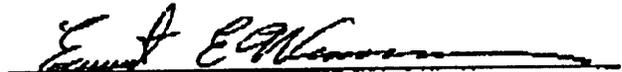
PACIFICORP

Certificate of Corporate Secretary

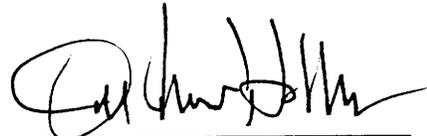
I, Andrew P. Haller, the duly elected and qualified Corporate Secretary of PacifiCorp, an Oregon Corporation (the "Company"), HEREBY CERTIFY that the following person is a duly elected officer of the Company, elected a Vice President on May 19, 1993, and is authorized under the Delegation of Authority resolutions adopted by the Board of Directors of the Company on February 11, 1998 to execute documents for and on behalf of the Company, and that he currently holds the position listed beside his name and that the signature appearing opposite his name is his genuine signature:

Ernest E. Wessman

Vice President



IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of October, 2001.



Andrew P. Haller,
Corporate Secretary

EXHIBIT "D"
STIPULATION TO REVISE
RECLAMATION AGREEMENT

Permit Number: ACT/015/019

Effective Date: _____
Cottonwood/Wilberg 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 September 19, 2001, Permittee hereby submits a Rider to Surety Bond no. 400 JN 6138 increasing the reclamation bond amount to \$3,082,587.00 (2005 dollars). Therefore, this Rider increases the bond amount from \$2,071,098.00 to \$3,082,587.00.

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.

X 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 (\$ 2,071,098.00) to (\$ 3,082,587.00).

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.

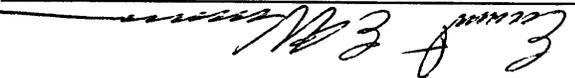
The AMOUNT of INSURANCE coverage for bodily injury and property damage

is changed from (\$ N/A) to (\$ N/A).

IN WITNESS WHEREOF the PERMITTEE has hereunto set its signature and seal

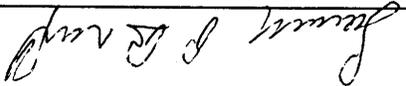
this 17th day of October, 2001.

PACIFICORP
PERMITTEE

By: 
Ernest E. Wessman

Title: Vice President

ACCEPTED BY THE STATE OF UTAH
this 23 day of Oct^{ober}, 2001.


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.

**AFFIDAVIT OF QUALIFICATION
DIRECTOR
--ooOOoo--**

Lowell Braxton, being first duly sworn under oath, deposes and says that he is the Director for the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah; and that he is duly authorized to execute and deliver the foregoing obligations; and that said Director is authorized to execute the same by authority of laws on behalf of the State of Utah.

Lowell Braxton

Lowell Braxton, Director
Division of Oil, Gas and Mining

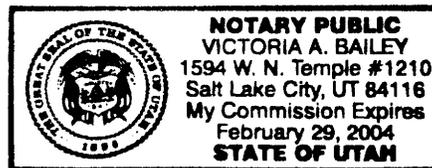
Subscribed and sworn to before me this 29th day of October, 2001.

Victoria A. Bailey
Notary Public

My Commission Expires:

February 29, 2004.

Attest:



STATE OF Utah)

COUNTY OF Salt Lake)

ss: