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

INTERWEST MINING COMPANY

A Subsidiary of PacifiCorp

OK

HAND DELIVERED

Incoming C/015/009
Copy C/015/017
Copy C/015/018
Copy C/015/019

November 27, 2002

RECEIVED
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DIV. OF OIL, GAS & MINING

Copy PAM FAX PFO

Ms. Pamela Grubaugh-Littig
Permit Supervisor
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Replacement Bonds for Des-Bee-Dove Mine C/015/017, Deer Creek Mine C/015/018, Cottonwood/Wilberg Mine C/015/019 and Trail Mountain Mine C/015/009 - Emery County, Utah

Dear Pam:

As we've previously discussed, PacifiCorp has been in the process of securing replacement bonds for it's company-wide operations given the recent change in business by it's present surety St. Paul Fire and Marine Insurance Company. St. Paul has elected to phase itself out of the surety bond business. Therefore, over the past few months, PacifiCorp has entered into an agreement with Travelers Casualty and Surety Company of America to provide replacement surety bonds for it's operations and it becomes necessary to replace the existing reclamation bonds for all four (4) referenced coal mines.

Enclosed are four (4) original replacement bonds issued by Travelers which are intended to replace the respective St. Paul bonds listed in the table below. Each new replacement bond has been prepared on DOGM's Exhibit "B" form and each is accompanied with (1) the Surety's Power of Attorney, (2) a Certificate by PacifiCorp's Assistant Secretary, and (3) Affidavits of Qualification by both the Surety and Permittee. The Trail Mountain Mine bond has been increased to reflect the required bond amount per the Midterm Review letter dated September 5, 2002.

MINE NAME	MINE NUMBER	EXISTING BOND NO.'s	REPLACEMENT BOND NO.'s	AMOUNT
		ST. PAUL FIRE & MARINE INSURANCE COMPANY	TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA	
Des-Bee-Dove	C/015/017	400 JN 6139	103771512	$1,837,712
Deer Creek	C/015/018	400 JN 6140	103908970	$3,000,000
Cottonwood/Wilberg	C/015/019	400 JN 6138	103771497	$3,082,587
Trail Mountain	C/015/009	400 JV 3710	103908971	$1,254,000

In addition, also enclosed is an Exhibit "D" for each Mine Reclamation Agreement which explains the purpose of the changes.

Upon your acceptance of these new replacement bonds, would you please (1) return one copy each of the completely endorsed bonds, and (2) return the previously issued St. Paul bonds to me at the above address. Once this matter has all been completed, Chuck Semborski of Energy West Mining Company will coordinate the updating of each mine's MRP and Reclamation Agreements with copies of Exhibits "B" and "D".

Your help in this matter is greatly appreciated. Should you have any questions or need additional information, please feel free to contact me at 220-4612.

Sincerely,

Scott M. Child
Manager, Lands and Regulatory Affairs

Enclosures

SMC\EnergyWest\UDOGM2002-06.wpd

cc: D.W. Jense, B. King - Interwest w/o copy encl.
C. Pollastro, C. Semborski - EWMC w/copy encl.
Margaret Reed - NTO Room 220 w/copy encl. (B-SUR-747, 748, 749, 750)
Muriel van Veen - Marsh USA Inc. w/copy encl. (B-SUR-747, 748, 749, 750)
111 S.W. Columbia, Suite 500
Portland, OR 97201