

C/015/019 Incoming  
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0026



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

September 11, 2009

James D. Smith  
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: Update of Exhibit "A" to Cottonwood Mine Reclamation Bond No. 103771497 (B-SUR-747) – Old Waste Rock Site – Regulatory Approval to Remove Bond Coverage and Regulatory Jurisdiction on 13.81 Acres**

Dear Mr. Smith:

In response to your approval letter dated July 22, 2009, addressed to Ken Fleck of Energy West Mining Company, enclosed is an updated Exhibit "A" to Travelers Bond No. 103771497. This is done in accordance with the Division's approval to remove 13.81 acres from bond liability and regulatory jurisdiction from the old waste rock storage site having satisfied the Phase II and III reclamation bond release criteria on these lands. This action deletes 13.81 acres of the current 15.62 acres from bond coverage, while retaining 1.81 unreclaimed acres under bond for storage of rock (rip rap) and soil for future reclamation projects. This action does not change the bond amount and remains unchanged at \$3,252,000.00.

With this transmittal, we are providing the following to update the Cottonwood/Wilberg Mine Reclamation Agreement:

1. Revised Exhibit "A" (Bonded Area Legal Description) together with three updated bond maps (Master Bond Map, Bond Map 3 and Bond Map 4).
2. Exhibit "D" (Stipulation to Revise Reclamation Agreement) noting the purpose of this bonding change, and
3. Affidavits of Qualifications.

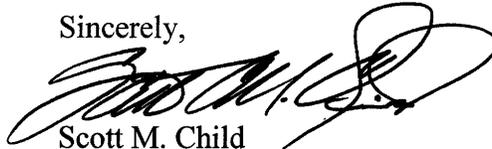
A complete copy of this information has been sent to our Energy West Mining Company offices located in Huntington, Utah.

**RECEIVED**  
**SEP 15 2009**  
DIV. OF OIL, GAS & MINING

**James D. Smith**  
**September 11, 2009**  
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Should you have any questions or need any additional information, please feel free to contact Ken Fleck or Dennis Oakley of Energy West Mining Company at 435-687-4712 or 435-687-4825 (respectively) or myself at 801-220-4612.

Sincerely,



Scott M. Child  
Manager, Lands & Regulatory Affairs

Enclosures

SMC\EnergyWest\DOGM 2009-04(CotWilReclBond).doc

cc: IMC w/o copy encl. – C. Crane  
EWMC w/o copy encl. – E. Snow  
EWMC w/copy encl. – K. Fleck, D. Oakley  
PacifiCorp Risk Mgmt. w/encl. M. Reed NTO 120 (B-SUR-747)  
Aon Risk Services – Claudia Rathbun w/copy encl.  
5000 Central Park Drive, Suite 204  
Lincoln, NE 68504

B-SUR-747

Exhibit "A"  
Legal Description  
Cottonwood/Wilberg Mine  
Permit Number C/015/0019  
Federal  
Bond Number 103771497  
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:

- COTTONWOOD Master Bond Map
- CTWD Bond Map 1 (Mine Complex)
- CTWD Bond Map 2 (Sewer Absorption Field)
- CTWD Bond Map 3 (Waste Rock Storage Site - old)
- CTWD Bond Map 4 (Waste Rock Storage Site - new)
- CTWD Bond Map 5 (Cottonwood Fan Portal)

Legal description of BONDED AREA:

<u>Map</u>	<u>Areas</u>	<u>Location</u>	<u>Surface Owner</u>	<u>Acreeage</u>
1	Mine Complex (Including buildings, conveyor structures, sediment ponds, silo and truck loadout facilities, etc.)	Located at the head of Grimes Wash and situated within the W½NE¼ Section 27, T17S, R7E, SLM	USFS	20.46
2	Sewer Absorption Field (BLM R/W UTU-37641)	Located approximately 1½ miles south of the mine complex along the west side of state road U-57 and situated within the E½NW¼NE¼ Section 34, T17S, R7E, SLM	BLM	2.08
3	Waste Rock Storage Site (old) (BLM R/W UTU-37642)	Located approximately 1½ miles south of the mine complex along the east side of state road U-57 and situated within the S½SE¼NE¼, NE¼SW¼ Section 35, T17S, R7E, SLM	BLM	1.81

4	Waste Rock Storage Site (new) (BLM R/W UTU-65027)	Located approximately 1½ miles south of the mine complex west of state road U-57 and situated within the NW¼SE¼, N½SW¼SE¼, NW¼NE¼SE¼ Section 34, T17S, R7E, SLM	BLM	17.44
5	Cottonwood Fan Portal (Site partially reclaimed 1981. Full reclamation November 1998. Phase I bond release, March 16, 2004.)	Located approximately 3 miles north of state road 29 on the east side of the Cottonwood Canyon road and situated within the SW¼NE¼, NW¼SE¼ Section 25, T17S, R7E, SLM	Private	9.24
Area 6 (No Map, see Master Map)	Miller Canyon Remote Portals (Sealed and reclaimed June 25, 1999. Phase I bond release June 21, 2002.)	Three side-by-side remote portals each consisting of 8 ft. x 16 ft. area and situated within the NW¼SE¼, Section 30, T17S, R7E, SLM	USFS	0.02

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

10th day of September, 2009

**Travelers Casualty and Surety  
 Company of America**

**SURETY**

  
 By: Claudia A. Rathbun

\_\_\_\_\_  
 Attorney-in-Fact  
 Title:

**EXHIBIT "D"**

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

Mine Name: Cottonwood/Wilberg Mine

Permit Number: C/015/0019

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

Bond Number: 103771497

**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 approval letter dated July 22, 2009, Permittee hereby submits a an updated Exhibit "A" to Surety Bond Number 103771497 to remove 13.81 acres from the Cottonwood/Wilberg Mine Old Waste Rock site (situated on BLM right-of-way no. UTU37642) under mine permit no. C/015/0019. This action comes with approval and recommendation by the regulatory agencies where PacifiCorp has satisfied the Phase II and III reclamation bond release criteria on the 13.81 acres, while retaining 1.81 acres of unreclaimed lands for storage of rock (rip rap) and soil for future reclamation use. Having successfully completed all regulatory requirements for surface coal mining and reclamation operations this action also terminates bond liability and DOGM jurisdiction on the 13.81 acres. This action does not change the bond amount. The Cottonwood/Wilberg Mine bond amount is unchanged at \$3,252,000.00.*

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.
- Replace Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ N/A to \$ N/A.

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

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

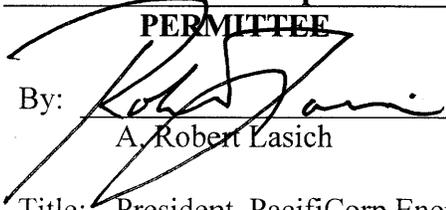
The expiration date is revised from N/A to N/A.

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 2<sup>nd</sup> day of SEPTEMBER, 2009.

PacifiCorp  
PERMITTEE

By:   
A. Robert Lasich

Title: President, PacifiCorp Energy  
a division of PacifiCorp, an Oregon corporation



ACCEPTED BY THE STATE OF UTAH this 17<sup>th</sup> day of September, 2009.

  
**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 on signs by virtue of Power or 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**





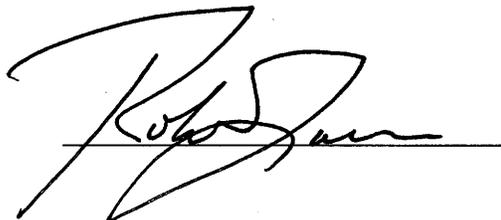
PacifiCorp

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 his name, and his signature appearing opposite his name is his genuine signature:

A. Robert Lasich      President, PacifiCorp Energy

A handwritten signature in black ink, appearing to read "Robert Lasich", is written over a horizontal line.

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:

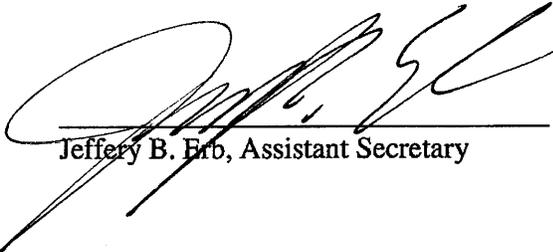
Corporate Officers

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

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 2<sup>ND</sup> day of SEPTEMBER 2009.



Jeffery B. Erb, Assistant Secretary

