



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0150019  
K

January 18, 2011

Ken Fleck, Manager of Geology and Environmental Affairs  
Energy West Mining Company  
P.O. Box 310  
Huntington, Utah 84528

Subject: Authorization to Reduce Bond Amount, PacifiCorp, Cottonwood/Wilberg Mine, C/015/0019

Dear Mr. Fleck:

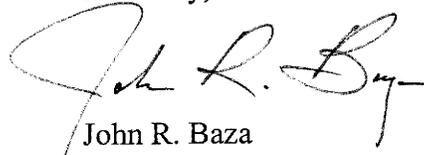
On January 12, 2011, the Division approved Energy West Mining Company's application for Phase II and III bond release for the Fan Portal Area of the Cottonwood/Wilberg Mine. As a part of this bond release, Energy West requested a reduction in its bond.

PacifiCorp currently has a surety bond in the amount of \$3,252,000, which exceeds the escalated reclamation cost estimate to 2012 by 8.86%. You are hereby authorized to reduce the Cottonwood/Wilberg bond by \$288,000. Therefore, the new surety bond amount required by the Division is \$2,964,000.

Please provide a surety rider from Travelers Casualty and Surety Company of America with this new amount. Also, please complete and return the enclosed Exhibit "D", Exhibit "A" and Affidavits of Qualification.

If you have any questions, please feel free to contact Angela Nance, bond coordinator, at (801) 538-5264 or Daron Haddock, coal manager, at (801) 538-5325.

Sincerely,

  
John R. Baza  
Director

an  
Enclosures  
cc: Travelers Casualty and Surety Company of America  
Price Field Office  
O:\015019.CWW\BOND\bondreduction01182011.doc



**EXHIBIT "D"**

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

Mine Name: Cottonwood/Wilberg  
Permit Number: C/015/0019  
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In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.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"- bonded area.
- Rider added to existing Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 3,252,000 to \$ 2,964,000.

The bonding type is changed from \_\_\_\_\_ to \_\_\_\_\_.

The surface disturbance is revised from 52.74 acre to 45.28 acres.

The expiration date is revised from \_\_\_\_\_ to \_\_\_\_\_.

The liability insurance carrier is changed from \_\_\_\_\_ to \_\_\_\_\_.

The amount of insurance coverage for bodily injury and property damage is changed from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

Exhibit "D"  
Stipulation to Revise  
Reclamation Agreement  
Federal

IN WITNESS WHEREOF, \_\_\_\_\_ the PERMITTEE has hereunto set  
its signature and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**PERMITTEE**

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

Title: \_\_\_\_\_

ACCEPTED BY THE STATE OF UTAH this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**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 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.

**EXHIBIT "A"**

**Bonded Area  
Legal Description**

(Federal Coal)

Exhibit "A"  
Legal Description  
Federal  
Bond Number \_\_\_\_\_

**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 :

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Legal description of BONDED AREA:

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

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
**SURETY**

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

\_\_\_\_\_  
Title:



