



A PROFESSIONAL  
LAW CORPORATION

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July 14, 1999

**HAND DELIVERED**

Pam Grubaugh-Littig  
Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West Temple  
Salt Lake City, Utah 84114-5801

**Re: *Proposed Transfer of White Oak Mines Permit (ACT/007/001)***  
***from White Oak Mining and Construction Company, Inc. to***  
***Lodestar Energy, Inc.***

Dear Ms. Grubaugh-Littig:

On behalf of Lodestar Energy, Inc. ("Lodestar"), in connection with the above-referenced permit transfer, please find enclosed a Reclamation Agreement for the White Oak Mines No. 1 and No. 2, including a proposed replacement bond, which has been fully executed by Lodestar and by Frontier Insurance Company (as bond surety).

If you have any questions, please give me a call at 801.536.6658.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Malmquist

Enclosure

cc: Eb Davis  
Denise Dragoo