



March 28, 2001

Via Overnight Delivery

Douglas M. Koza
 Deputy State Director, Natural Resources
 United States Department of the Interior
 Bureau of Land Management
 Utah State Office
 324 South State, Suite 400
 Salt Lake City, UT 84111

Re: Lodestar Energy, Inc./Lease Bonds

J. Downing
~~J. Downing~~

c/007/001
~~c/007/001~~

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Copy Pam

Dear Mr. Koza:

In response to your Notice of Noncompliance letter dated February 26, 2001, enclosed please find the following bonds for Lodestar Energy, Inc.:

<u>Lease No.</u>	<u>Cashier Check No.</u>	<u>Amount</u>
UTU-017354	158930320	\$109,000.00
UTU-067498	158930317	\$5,000.00
UTU-47974	158930315	\$10,000.00
UTU-47975	158930316	\$15,000.00
UTU-70018	158930314	\$5,000.00
UTU-74804	158930319	\$130,000.00

These cash bonds are submitted for replacement of the Frontier Insurance Company surety bonds referenced in your letter. Please return the Frontier bonds to me as soon as possible.

RECEIVED

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 DIVISION OF
 OIL, GAS AND MINING

Feel free to contact me should you have questions or need additional information.

Very truly yours,



R. Eberley Davis
Vice President & General Counsel

RED:cgs

Enclosures: As stated herein

cc: Mary Ann Wright, Utah Division of Oil, Gas and Mining, P. O. Box 145801
Salt Lake City, Utah 84114-5801

Field Solicitor, Attn: John Steiger, Suite 6201 Federal Building, 125 South State,
Salt Lake City, Utah 84138

Interior Board of Land Appeals, Attn: J. Roberts, 4051 Wilson Blvd.,
Arlington, VA 22203 (Docket Nos. 98-376, 2000-52)

David Miller, Lodestar Energy, Inc., HC 35, Box 370, Helper, Utah 84526