

**From:** Mary Ann Wright  
**To:** Steve Schneider  
**Date:** 10/24/03 10:43AM  
**Subject:** Re: BRS/Zions Escrow Conclusion

Steve- Thank you for the excellent work and the oral report on the review you conducted on the Blue Ridge Services escrow account. After review of the data with you, it was concluded that the payments and terms were reasonably met, as required by Blue Ridge Services under the Stipulation to Terminate Cessation Order of March 18, 2003 and the Agreement for Partial Release of the Reclamation Fund of May 15, 2003. - Mary Ann

**Please place a copy of this in White Oak file.**

>>> Steve Schneider 10/21/03 04:10PM >>>

As we discussed at our meeting this afternoon, I've completed my review of the Zions escrow account established for Blue Ridge Services' period of coal-related activity. The deposits and withdrawals in the Zions account were reviewed by transaction date from commencement date to closure, and a summary schedule was prepared and discussed. The deposits were based upon tons of coal into the tipple, and we compared this total favorably with Mr. Madison's schedule of coal sold by date and customer from the relevant location. DOGM authorized the release of \$106,848 on June 12th, and the check was issued on June 17th. The account was closed on June 18th when Zions issued a check to Blue Ridge Services for the remaining interest balance of \$62. In summary, the transactions in the Zions Bank escrow account appear to be reasonable.

**CC:** Dana Dean; Daron Haddock; Lowell Braxton; Pam Grubaugh-Littig; Sheila Morrison; Steve Alder; Susan White; Wayne Western