

From: Angela Nance
To: Sheila Morrison
Date: 3/16/04 2:58PM
Subject: Fwd: Lodestar Energy/Ownership & Control

For the file...if someone hasnt already forwarded it to you...thanks!

>>> Susan White 03/15/2004 11:02:56 AM >>>

>>> "Donna Cobb" <dcobb@wwwatty.com> 3/12/04 1:39:32 PM >>>

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WISE DELCOTTO

Laura Day DelCotto, Esq.

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March 12, 2004

Ms. Susan White
Utah Division of Oil, Gas
And Mining
Via Email susanwhite@utah.gov

Re: Lodestar Energy, Inc., Ownership and Control

Dear Ms. White:

This firm serves as counsel for William D. Bishop, Chapter 7 Trustee in the Lodestar Bankruptcy. This letters serves as the permittee's response to update your department's ownership and control information for Lodestar Energy, Inc. permits.

As you may be aware, in March 2001, Lodestar Energy, Inc. ("LEI") and Lodestar Holdings, Inc. ("LHI") were forced into involuntary bankruptcy by Wexford Capital LLC, et al. ("Wexford") in the United States Bankruptcy Court for the Eastern District of Kentucky. Industrial Fuels and Minerals Co. ("IFM") subsequently also filed for bankruptcy relief and the three cases were procedurally consolidated (LEI, LHI and IFM are collectively referred to as "Lodestar"). Lodestar continued to operate as a Debtor-in-Possession ("DIP") from April 2001 through January, 2003, when the last remaining officer of Lodestar, Troy L. (Mike) Francisco, resigned following a first failed attempt to auction the Lodestar assets.

On January 31, 2003, the Bankruptcy Court entered an order approving Mr. Bishop's appointment as the Chapter 11 Trustee for LHI, LEI and IFM. Mr. Bishop's appointment by the Court was made necessary by the resignation of Lodestar's last remaining officer, Troy L. (Mike) Francisco, and Ira Coal Inc.'s failure to appoint any new officers or directors of Lodestar to manage the Debtors-in-Possession in the bankruptcy proceeding. Ira Coal is the sole shareholder of LHI, which is in turn, the sole shareholder of LEI and IFM. Ira Rennert, the sole director of LHI, resigned as a director on January 24, 2003.

As Chapter 11 Trustee, Mr. Bishop generally oversaw the winding down and liquidation of the remaining Lodestar assets from January 31, 2003 to July 15, 2003, when the Lodestar case

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was converted to a Chapter 7 estate, and his only duties at this point are to wind up the affairs of Lodestar in his role as Chapter 7 Trustee.

Please do not hesitate to contact either me or William D. Bishop directly.

Very truly yours,

WISE DELCOTTO PLLC

BY: /s/ Laura Day DelCotto, Esq.
LAURA DAY DELCOTTO, ESQ.

LDD/

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