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**CYPRUS PLATEAU
MINING CORPORATION**
A Cyprus Amax Company

Cyprus Plateau Mining Corporation
Post Office Drawer PMC
Price, Utah 84501
(801) 637-2875

September 20, 1996

*Mr. Bill Howell
Southeastern Utah Association of
Local Governments
P.O. Box 1106
Price, Utah 84501*

*Re: Notification of Application for Phase I Bond Release, Sowbelly Gulch No. 5 Mine,
AMAX Coal Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah*

Dear Mr. Howell:

AMAX Coal Co. has completed Phase I of the approved reclamation plan for the Sowbelly Gulch No. 5 Mine area of the Castle Gate Mine. This is based upon the completion of the backfilling and grading and drainage control on the bonded area.

In accordance with the provisions of R645-301-880 of the State of Utah R645- Coal Mining Rules, this letter will serve as notification that AMAX Coal Co. intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond.

The original bond posted for the Castle Gate Mine is \$6,757,451.00 of which \$770,721.00 is designated for the Sowbelly Gulch reclamation. AMAX Coal Co. is seeking release of 60% of the Sowbelly Gulch portion of the bond, or \$462,433.00. All structure removal and earthwork has been completed at this site, except for the removal of an electrical sub-station and access road. These areas will be reclaimed when power transmission is no longer deemed necessary. Costs for this reclamation are not included in this request for bond release.

If you have any questions, or need any further information, please contact me or Mr. Darron Haddock at the Utah Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

Sincerely,

A handwritten signature in cursive script, appearing to read "Johnny Pappas".

*Johnny Pappas
Sr. Environmental Engineer*