

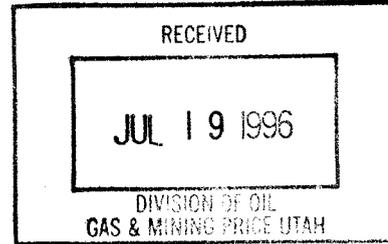


Coastal
The Energy People

KEN PAYNE
VICE PRESIDENT & GENERAL MANAGER
UTAH FUEL COMPANY

July 17, 1996

*ACT/007/005
#2
96C*



Steve Demczak
College of Eastern Utah
Division of Oil, Gas, & Mining
451 E. 400N.
Box 169
Price, Utah 84501

Dear Mr. Demczak:

Enclosed are DOGM forms C1 & C2 for two permit amendments. Amendment No. 1 is to construct a concrete pad on the area underneath BC-13, and to concrete line the lower portion of ditch DD-12. Since the concrete pad will now have a different run-off curve number we have recalculated the ditch size for the lower portion of DD-12 and have renumbered this section of ditch, DD15. We have enclosed seven (7) certified copies of: (1) map No. 3.2.1-3, (2) new ditch design (3) calculations for ditch DD-15 and (4) seven (7) copies of the pages to reflect the changes in the bonding for both amendents.

Amendment No. 2 is to construct a small addition onto the side of the storage shed which is located on the south side of the mine site sedimentation pond. This addition will provide a cover for a cooling system to cool an air compressor. We are enclosing seven(7) copies of: (1) map No. 3.2.1-1 and (2) Carbon County building permit. This new structure will not affect any drainage system or structure.

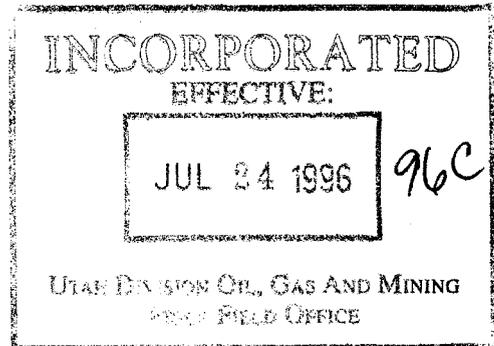
The demolition costs for these two amendments have increased the overall demolition costs to \$1,166,812.96 while our permitting contingency has been reduced to \$65,767.69. Based on these calculations we feel that our current bond is still adequate and does not need to be increased.

We would appreciate your early review so that we can complete construction during our short summer construction season. If you need any additional information please contact either Keith ZoBell or Barry Barnum of my staff.

Sincerely,

Ken Payne
FOR Ken Payne

Vice President & General Manager
Utah Fuel Company



Utah Fuel Company

A SUBSIDIARY OF THE COASTAL CORPORATION
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