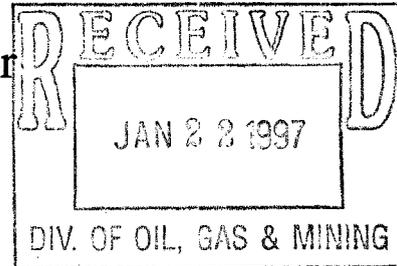




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



In Reply Refer To
3400
SL-051279-063188 et al
(UT-932)

JAN 21 1997

NOTICE

Canyon Fuel Company, LLC
6955 Union Park Center, Suite 550
Midvale, Utah 84047

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Coal

ACT/007/005 #2
Copy ACT/007/018 #2
Copy ACT/007/034 #2
Copy ACT/041/002 #2
Copy Act/007/039 #2

Mergers Recognized
Bond Riders and Replacement Bonds Accepted

Acceptable evidence has been filed in this office concerning the following mergers: Soldier Creek Coal Company into Sage Point Coal Company; Coastal Development Company, Sage Point Coal Company, Skyline Coal Company, Southern Utah Fuel Company, and Utah Fuel Company into Coastal States Energy Company; and finally, Coastal States Energy Company into Canyon Fuel Company, LLC with Canyon Fuel Company, LLC being the surviving entity.

For our purposes, the mergers are recognized effective December 20, 1996 (Secretary of State's approval date).

The coal lease files identified on the enclosed Exhibit A have been noted as to the mergers. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice.

The bonds affected by the merger have had riders submitted or entirely new bonds submitted in order to change the name of the principal on the affected bonds. Exhibit B is a brief summation of the bond changes. The riders and new bonds have been found to be satisfactory and are hereby accepted effective the date of filing, January 16, 1997.

ROBERT LOPEZ

Group Leader,
Minerals Adjudication Group

Enclosures

- 1. Exhibit A (1p)
- 2. Exhibit B (1p)

cc: Price Coal Office (w/enclosures)
Moab District Office (w/enclosures)
Richfield District Office (w/enclosures)
U.S. Forest Service, Ogden (w/enclosures)
U.S. Forest Service, Manti-LaSal NF (w/enclosures)
MMS--Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217 (w/enclosures)
MMS--Solids, Attn: Cindy Prien, MS 3113, P.O. Box 5760, Denver, CO 80217-5760 (w/encls.)

Reliance Surety Company (w/enclosures)
Attn: Lisa Chua
505 N. Brand Blvd., Suite 770
Glendale, CA 91203

United Pacific Insurance Company (w/enclosures)
4 Penn Center Plaza
Philadelphia, PA 19103

St. Paul Fire & Marine Insurance Company (w/enclosures)
385 Washington Street
St. Paul, MN 55102

Kimball, Parr, Waddoups, Brown & Gee (w/enclosures)
Attn: Clayton J. Parr
P.O. Box 11019
Salt Lake City, Utah 84147-0019

CMERRITT/CANYONMG

Exhibit A
Coal Lease Casefiles Affected By Mergers

SL-051279-063188
SL-062583
U-07064-027821
U-020305
U-044076 (Sublessee)
U-062453
U-073120 (Sublessee)
U-0142235
U-0147570
U-0149084
U-28297
U-47080

U-50722
U-63214
UTU-67939
UTU-68087 (Exploration License-Expired)
UTU-69635
UTU-70018 (Sublessee)
UTU-73338 (Skyline LMU)
UTU-73340 (Soldier Creek LMU Apln.)
UTU-73341 (SUFCA LMU)
UTU-74350 (Exploration License)
UTU-76195 (Lease Apln--Pines Tract)

Exhibit B
Bond Changes

<u>Bonded Entity</u>	<u>Old Surety Bond No.</u>	<u>New Surety Bond</u>	<u>Rider</u>	<u>Replacement Bond</u>
SI-051279	U1712871-6	U2760737	Yes	No
U-07064-027821	U1712871-3	U8006254	Yes	No
U-50722	U1712871-4	U2760735	Yes	No
UTU-67939	U2644533	No Change	Yes	No
UTU-68087	U60524415	U2760731	Yes	No
UTU-69635	400JT1129	U8006246	No	Yes
UTU-74350	U2481420	No Change	Yes	No
Skyline LMU U-020305 U-044076 U-073120 U-0142235 U-0147570	400JP1295	U8006247	No	Yes
SUFCO LMU SL-062583 U-062453 U-47080 U-28297 U-63214 U-0149084	400JP1302	U8006248	No	Yes

All replacement bonds changed surety from St. Paul Guardian, and St. Paul Fire & Marine to United Pacific Insurance Company.