

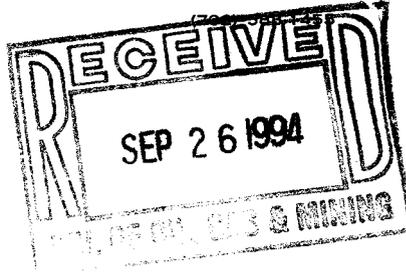
AMERICAN

RECLAMATION & DISMANTLING

P.O. BOX 5848

STATELINE, NEVADA 89449

D.O.G.M.
 Attn: Jim Carter
 #3 TRIAD Center
 Suite 350
 Salt Lake City, UT 84180



September 22, 1994

Dear Jim:

Enclosed please find a copy of a proposal for demolition/reclamation of the Sunnyside Mine, property of Sunnyside Coal Co., debtors in possession. We at American Reclamation & Dismantling felt it would be of interest to your organization as a member of the secured creditor's group. You should also note that according to the Debtor's ammended plan of reorganization, the debtor was to assign the proceeds generated by the sale of water right #91-231, \$600,000.00 now held in escrow, and the transfer of 23,498 acres of undisturbed surface property located in Carbon County, UT to the Kilter Group for the funding of reclamation. Pending approval of American Reclamation & Dismantling's proposal, inclusive of the posting of a performance bond, an earlier release of these funds and acreage becomes an attractive alternative. Should you have any questions or wish to discuss the matter in detail, please feel free to contact me at the following numbers:

(702)588-9601

(702)742-0621

Thank you for your consideration in this matter.

Sincerely,

Robert E. Mori
 President

REM/dra
 encl

cc: BXG, Inc.
 BLM
 Cate Carbon Equipment Co.
 IBM Credit Corp.
 Joy Technologies
 Intermountain Electronics, Inc. of Price
 Carbon County Treasurer

AMERICAN

RECLAMATION & DISMANTLING

P.O. BOX 5848

STATELINE, NEVADA 89449

(702) 588-1455

Mr. Bob Burnham
Sunnyside Coal Co.
1113 Spruce Street
Boulder, CO 80302

September 20, 1994

Dear Bob:

We at American Reclamation & Dismantling would like to offer the following alternative to our previous proposal, dated September 2, 1994.

American Reclamation & Dismantling (ARD) would be willing to guarantee completion of all the items on the Total Performance Bond Estimate table dated 2-7-94 with the following provisions:

- (1) ARD will post a performance bond for the demolition and reclamation inclusive of all items on the list save for the ten (10) year monitoring responsibility. At the point of completion of this phase ARD would require the release of this bond at which time ARD would post a new bond in the amount of \$146,620.00 to cover the ten year monitoring responsibility. At the end of the ten year period ARD would require the release of this bond.
- (2) ARD would require the guarantee of \$1.2 million dollars from the combined total of auction proceeds, the \$204,000.00 sale currently before the court, and any sales by private treaty. Should the total sales proceeds fall short of this amount, ARD would claim the balance due from the proceeds of the sale of the real estate. Should the proceeds exceed this amount, the balance could be dispersed to creditors at the discretion of Sunnyside Coal and the D.O.G.M. All salvage value of steel structures would remain the sole property of ARD.

Please contact me so that we may discuss the feasibility of these suggested changes. Please be assured once again that American Reclamation & Dismantling is committed to designing a plan to the satisfaction of all interested parties and seeing it to its completion.

Thank you for your time.

Sincerely,



Robert E. Mori
President
(702)588-9601
(701)742-0621