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*cc Jwe
9-7-94
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TAM/BE
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SUNNYSIDE COAL COMPANY

CORPORATE OFFICE

1113 SPRUCE STREET
BOULDER, COLORADO
U.S.A.

PHONE: (303) 938-1506
FAX: (303) 938-5005

DATE: September 7, 1994 FROM: RM Burnham
NAME: Mr. James Carter
COMPANY: Utah Dept. of Oil, Gas and Mining
FAX: 801-359-3940
PHONE: 801-538-5340

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Jim,

In reference to your letters of August 17 and September 2, 1994 and believe that there a number of additional points which should be included in the proposed letter agreement relating to Division Order 94B.

1. Sunnyside Coal Company currently holds an approved mine permit, ACT/007/007 with an approved reclamation bond amount of \$1,850,184.
2. We have agreed that Sunnyside Coal Company is better able to reclaim the Sunnyside mine in a cost effective manner than the Division.
3. We have agreed that available funds are best spent on actual reclamation instead of administrative, legal and engineering costs.
4. Based on these points of agreement, plus those points already in your letter, the Division and Sunnyside Coal Company agree that reclamation will be done on a "design/build" basis. The "design/build" approach will allow work to proceed based on on-site inspections by Division personnel authorized to approve work plans. This approach will allow work to proceed in a timely manner and minimize the cost and time delays which will result from lengthy engineering studies.

As an administrative matter, I will have to look into the need for Court approval to enter into this agreement.



cc: Denise Dragoo, Fabian & Clendenin, (801) 596-2814

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DATE: September 7, 1994 FROM: RM Burnham

NAME: Mr. Bob Pero
COMPANY: Carbon County, Utah
FAX: (801) 637-6757
PHONE: (801) 637-4700

NAME: Mr. Mark L. Fulford
COMPANY: Sherman & Howard
FAX: 298-0940
PHONE: 297-2900

NAME: Ms. Sue Borgeson
COMPANY: BXG, Inc.
FAX: Hand Delivered
PHONE:

NAME: Mr. Jack Smith
COMPANY: Holland & Hart
FAX: 295-8261
PHONE: 295-8246

NAME: Ms. Caroline C. Fuller
COMPANY: Fairfield & Woods P.C.
FAX: 830-1033
PHONE: 830-2400

NAME: Mr. James Carter
COMPANY: Department of Oil, Gas & Minerals, State of Utah
FAX: (801) 359-3940
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NUMBER OF PAGES: 3

Attached is the current cash flow forecast for Sunnyside Coal Company as of September 3, 1994. Actual data is provided for the weeks of July 30 through September 3. A weekly forecast is provided through September and monthly projections through December, 1994.

Cash Collateral requirements for the next two weeks are \$5,000

higher than last weeks forecast. This is due to the payment of all outstanding medical charges during the week of September 10. Total requirements through the month of September are slightly lower than last weeks forecast.

We will be making a payment to Carbon County, per the cash collateral agreement, this week.

A motion for auction all mining equipment was submitted last week and a motion to shorten the time for responses to the motion was approved. If there are no objections to the motion we should be able to conduct the auction at the end of October or early November.

We will be submission a motion for approval to begin salvaging the prep plant and other facilities this week.

SUNNYSIDE COAL CO. CASH FLOW FORECAST

09/27/94 09:11 AM

week ending >	30-Jul	06-Aug	13-Aug	20-Aug	27-Aug	03-Sep	10-Sep	17-Sep	24-Sep	01-Oct	Oct 94	Nov 94	Dec 94
CASH COLLATERAL ACCOUNT													
Beginning Cash Collateral Account	\$156,681	\$156,681	\$156,681	\$192,164	\$167,164	\$222,081	\$203,381	\$267,396	\$320,896	\$298,654	\$267,304	\$231,228	\$718,983
Secured Deposits in Cash Collateral Account	\$136,680	\$136,680	\$136,680	\$166,044	\$166,044	\$166,044	\$181,344	\$208,806	\$228,156	\$208,737	\$189,387	\$189,311	\$206,425
Additions to Secured Deposits	\$0	\$0	\$29,364	\$0	\$0	\$15,300	\$42,761	\$19,350	\$76	\$0	\$0	\$17,114	\$0
Equipment Sales to Cash Collateral Account	\$0	\$0	\$0	\$0	\$51,000	\$0	\$88,248	\$64,500	\$252	\$0	\$0	\$868,535	\$0
Scrap/Other Sales to Cash Collateral Account	\$0	\$0	\$3,619	\$0	\$10,416	\$0	\$2,067	\$1,000	\$1,000	\$1,000	\$50,000	\$100,000	\$100,000
Payments To Carbon County	\$0	\$0	\$0	\$0	\$0	\$0	\$15,300	\$0	\$19,494	\$19,350	\$76	\$274,780	\$0
Transfers to (-)/From(+) Operations per Agreement	\$0	\$0	\$2,500	(\$25,000)	(\$6,500)	(\$18,700)	(\$11,000)	(\$12,000)	(\$4,000)	(\$13,000)	(\$86,000)	(\$206,000)	(\$77,000)
Cash Collateral Available per Agreement	\$20,001	\$20,001	\$26,120	\$1,120	\$56,036	\$22,036	\$58,591	\$92,741	\$89,917	\$77,917	\$41,917	\$512,558	\$535,558
Cumulative Payments to Carbon County, Utah	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$92,000	\$107,300	\$107,300	\$126,794	\$146,144	\$146,220	\$421,000	\$421,000
BEGINNING CASH BALANCE	\$37,264	\$16,008	\$4,699	(\$1,569)	\$2,184	\$3,268	\$1,027	\$574	\$641	\$1,091	\$1,041	\$1,028	\$639
CASH RECEIPTS													
Transfers from MM Account per Agreements	\$0	\$0	\$0	\$25,000	\$6,500	\$18,700	\$11,000	\$12,000	\$4,000	\$13,000	\$86,000	\$206,000	\$77,000
Colorado Coal & Coke (in litigation timing uncertain)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent/Mortgage Payments	\$0	\$250	\$250	\$0	\$125	\$0	\$0	\$200	\$200	\$200	\$800	\$800	\$800
SCA Lease Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$54	\$621	\$0	\$15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Scrap Sales/Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stockpile Cleanup	\$6,978	\$0	\$703	\$0	\$4,631	\$0	\$0	\$10,000	\$0	\$0	\$0	\$0	\$0
Other	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Receipts	\$18,978	\$304	\$1,573	\$25,000	\$11,271	\$18,700	\$11,000	\$22,200	\$4,200	\$13,200	\$86,800	\$206,800	\$77,800
EXPENSES:													
Legal Fees - Holland & Hart/Trustee	\$3,750	\$0	\$0	\$0	\$1,040	\$0	\$0	\$0	\$0	\$0	\$3,600	\$0	\$0
Legal Fees - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Salary Payroll - Gross	\$19,224	\$0	\$0	\$9,268	\$0	\$9,269	\$0	\$9,500	\$0	\$9,590	\$19,000	\$19,000	\$19,000
Hourly Payroll - Gross	\$5,032	\$0	\$5,342	\$0	\$861	\$0	\$0	\$0	\$500	\$0	\$1,000	Union contract rejected	
UMWA Royalties/Strike Fund	\$327	\$0	\$0	\$625	\$0	\$0	\$324	\$127	\$0	\$0	\$0	Union contract rejected	
Utilities - UP&L	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Materials & Supplies	\$3,148	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$4,000	\$4,000	\$4,000
Mine Administration Costs	\$0	\$881	\$0	\$747	\$96	\$342	\$304	\$500	\$0	\$500	\$1,500	\$131,500	\$1,500
Health/Life Insurance - Salary	\$1,902	\$0	\$0	\$299	\$0	\$1,695	\$0	\$0	\$0	\$0	\$350	\$350	\$350
Health Insurance Co. Funding - Salary Plan	\$0	\$1,440	\$0	\$0	\$1,246	\$308	\$1,579	\$0	\$0	\$0	\$500	\$500	\$500
Health Insurance Premium & Admin - UMWA	\$1,641	\$0	\$0	\$272	\$0	\$272	\$0	\$0	\$0	\$0	\$150	Union contract rejected	
Medical Account Funding - UMWA	\$0	\$1,029	\$0	\$0	\$275	\$0	\$988	\$0	\$0	\$0	\$2,000	Union contract rejected	
Health Ins. Prem & Admin - UMWA Pensioners	\$0	\$0	\$0	\$1,190	\$0	\$1,190	\$0	\$0	\$0	\$0	\$1,288	\$1,288	\$1,288
Prepetition Retirees (23)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,120	\$1,120	\$1,120
Postpetition Retirees (up to 20)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Retiree Medical Funding - UMWA	\$0	\$4,074	\$0	(\$480)	\$3,737	\$1,983	\$6,390	\$0	\$0	\$0	\$7,000	\$7,000	\$7,000
Prepetition Retirees (23)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,100	\$13,100	\$13,100
Postpetition Retirees (up to 20)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Workers Comp Insurance	\$1,615	\$0	\$0	\$0	\$0	\$0	\$0	\$1,640	\$0	\$0	\$1,000	\$1,000	\$1,000
Black Lung Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property & Liability Insurance	\$2,874	\$0	\$0	\$2,331	\$0	\$2,874	\$0	\$2,331	\$0	\$0	\$5,205	\$2,331	\$2,331
Rent & Office Supplies - Boulder	\$722	\$0	\$0	\$3,024	\$0	\$0	\$0	\$2,216	\$0	\$0	\$4,000	\$4,000	\$4,000
Travel & Expenses	\$0	\$1,895	\$0	\$1,164	\$0	\$848	\$1,069	\$500	\$500	\$500	\$2,000	\$2,000	\$2,000
Outside Services	\$0	\$2,294	\$0	\$2,806	\$2,931	\$2,161	\$800	\$2,569	\$0	\$0	\$20,000	\$20,000	\$20,000
Repay borrowed funds to Money Market Account	\$0	\$0	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses - Total	\$40,234	\$11,612	\$7,842	\$21,247	\$10,187	\$20,941	\$11,453	\$22,133	\$3,750	\$13,250	\$86,813	\$207,189	\$77,189
ENDING CASH BALANCE	\$16,008	\$4,699	(\$1,569)	\$2,184	\$3,268	\$1,027	\$574	\$641	\$1,091	\$1,041	\$1,028	\$639	\$1,250

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