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CONFIRMATION OF TELECOPY**VIA FACSIMILE**

May 3, 1994

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James M. Carter
Director
UTAH DIVISION OF OIL, GAS & MINING
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203**RECEIVED**
MAY 4 1994
DIVISION OF
OIL GAS & MININGRE: Division Order #94A -- Sunnyside Coal Company
Permit No. ACT/007/007

Dear Jim:

On behalf of Sunnyside Coal Company ("SCC"), this letter follows up on our meeting with you, Lowell Braxton and Tom Mitchell on Friday, April 29, 1994. It is our understanding that the requirements of Division Order No. 94A ("Order") will be addressed in an overall settlement agreement and notice of mine closure. A draft of this agreement will be prepared by SCC for submission to the Division on Friday, May 6, 1994. The parties will finalize this plan at a meeting on Tuesday, May 10, 1994 in the offices of the Division.

In addition, as indicated in our letter to you dated April 20, 1994, a portal by portal inventory could not be prepared under the time constraints under the original Order. Therefore, the Division has allowed SCC an additional two week period of time until Monday, May 16, 1994 to prepare this inventory.

We look forward to SCC's meeting with the Division on Tuesday, May 10, 1994 to review the procedural arrangements for final reclamation of the Sunnyside Mine.

LAW OFFICES OF
FABIAN & CLENDENIN
A PROFESSIONAL CORPORATION

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Thank you for your assistance in this matter.

Very truly yours,



Denise A. Drago

DAD:jmc:33640

cc: Robert M. Burnham
Jack Smith, Esq.
Lowell Braxton
Randy Hardin
Daron Haddock
Thomas A. Mitchell, Esq.