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TO: Jim Learter

DATE: 4-20-94

FAX NUMBER: 359-3940

TIME: _____

FROM: Denise Drago

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April 20, 1994

(801) 359-3940

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

Dear Jim:

This letter confirms our discussions with you on Tuesday, April 19, 1994, regarding the requirements and deadline for compliance with Division Order #94A issued to Sunnyside Coal Company ("SCC") on April 18, 1994. As we discussed, SCC currently has a mine closure plan which was approved by the Division and incorporated into the Mining and Reclamation Plan ("MRP") on October 31, 1993. Division Order #94A requires that this closure plan must be amended immediately (in less than one week) to address on a portal-by-portal basis the manner in which all breakouts will be sealed and reclaimed. In addition, the Division Order requires that the plan specify the date that the breakouts will be sealed.

As you are aware, SCC filed a petition under Chapter 11 of the Bankruptcy Code on Friday, March 25, 1994. A plan of arrangement addressing reclamation will be prepared within 120 days of the filing date. However, until this plan is accepted by the creditors, a reclamation plan cannot be finalized. Therefore, you have agreed to delete the requirement under Division Order #94A that "the plan must also specify the date that the breakouts will be sealed."

LAW OFFICES OF
FABIAN & GLENDENIN
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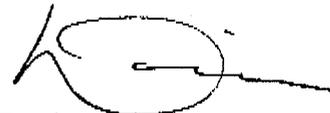
James M. Carter
April 20, 1994
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In addition, SCC requests an extension of 30 days from April 25, 1994 in which to respond to the Order. As we discussed, a portal-by-portal inventory cannot be prepared by SCC with its reduced staff under the time constraints currently imposed by the Order. Therefore, SCC requests an extension until Thursday, May 26, 1994, in which to submit the requested permit change.

We look forward to SCC's meeting with the Division at 9:30 a.m. on Friday, April 29, 1994, to review SCC's final reclamation plan and permit changes necessary to meet the requirements of the Division Order.

Thank you for your assistance in this matter.

Very truly yours,



Denise A. Drago

DAD:jmc:32899

cc: Robert M. Burnham
Jack Smith, Esq.