

Mine file UB
Daron, Randy, LBJ

LAW OFFICES
PRUITT, GUSHEE & BACHTELL

SUITE 1850 BENEFICIAL LIFE TOWER
SALT LAKE CITY, UTAH 84111
(801) 531-8446

TELECOPIER (801) 531-8468

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
THOMAS W. BACHTELL
A. JOHN DAVIS, III
JOHN W. ANDERSON
FRÉDERICK M. MACDONALD
STEVEN PAUL ROWE
ANGELA L. FRANKLIN

March 8, 1991

Daron: please draft a letter
confirming or denying these
points. LBJ

COUNSELLOR
BELT JONES
BRENT A. BOHMAN

RECEIVED

MAR 13 1991

DIVISION OF
OIL GAS & MINING

Lowell P. Braxton
Associate Director, Mining
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Lowell:

Re: ACT/007/011, United States Fuel Company,
Hiawatha Complex, Carbon County, Utah

Reference is made to your letter of February 22, 1991, addressed to Gary L. Barker, President of United States Fuel Company ("U.S. Fuel"). On behalf of United States Fuel Company, I met with you and Daron Haddock and Randy Harden of the Division of Oil, Gas & Mining staff, on March 4, 1991, to review the matters described in the letter.

At the meeting on March 4, 1991, we discussed the re-organization of Sharon Steel Corporation and the termination of its Bankruptcy proceeding which resulted in a merger with Mueller Industries, Inc., as the surviving corporation. Copies of the following were left with you:

- (a) Certificate of Ownership and Merger of Sharon Steel Corporation into Mueller Industries, Inc., effective December 28, 1990, issued by the State of Delaware; and
- (b) Articles of Merger of Sharon Steel Corporation and Mueller Industries, Inc. issued by the Secretary of the Common Wealth of Pennsylvania, also effective December 28, 1990.

The merger of Sharon into Mueller was carried out under the Federal Bankruptcy Act. Mueller Industries, Inc. did not acquire any of the steel related assets of Sharon Steel Corporation. Mueller now holds the former natural resource related businesses and properties of Sharon Steel Corporation. Presently, thirty subsidiary companies are involved, including United States Fuel Company, Utah Railway Company, Alaska Gold Company, and Ussram Exploration Company, being names that may be familiar to you.

Lowell P. Braxton
March 12, 1991
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United States Fuel Company, as do other subsidiary companies, continues to operate as a separate company doing business as usual in mining, producing and marketing coal. The merger did not involve conveyances or transfer of U.S. Fuel assets of any kind. In respect to the Mining Permit, no "transfer, assignment, or sale of rights" occurred in consequence of the merger of Sharon into Mueller Industries, Inc.

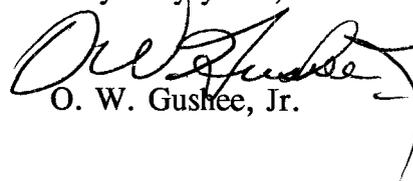
U.S. Fuel intends to continue to comply with the regulations and existing provisions of Permit ACT/007/011 and understands it is subject to all the terms and requirements of the Permit in the performance of operations at Hiawatha. As it has done in the past, it will continue to provide financial statements prepared by an independent Certified Public Accountant on an annual basis together with the usual Review Opinion. Also, quarterly unaudited financial statements in the form of a balance sheet will be provided as data is available, together with an updated DOGM form of self qualification sheet. U.S. Fuel has requested that I advise you Price Waterhouse, its public accounting firm, has already made its annual visit to Hiawatha and the Review Opinion for 1990 is in preparation.

My notes from the March 4th meeting also reflect the following:

- (a) U.S. Fuel's liability insurance policy is current and in good standing;
- (b) The 1989 Review Opinion of Price Waterhouse specifically stated that none of the assets of U.S. Fuel served as collateral for Sharon's debt. In any event, Sharon's debt was liquidated in the reorganization and Mueller is not burdened by it;
- (c) Compliance information on AVS does not currently reflect outstanding violations but, if there are any, you will inform us within a reasonable time of what they may be;
- (d) Existing permit No. ACT/007/011 has an expiration date of March 14, 1992. A mid-term review has been performed by DOGM and informational data has been requested of U.S. Fuel to be furnished by August 30, 1991. Mr. Barker informs me that the Hiawatha operation has that request clearly in mind and will respond by the date set. An application for renewal of the Permit will be filed at least 120 days prior to expiration (i.e. the renewal application will be filed before November 14, 1991).

If you have any further questions, please advise.

Very truly yours,



O. W. Gushee, Jr.

OWG/cc
0395.71

cc: Gary Barker
Jim Newcomb