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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 25, 1991

Mr. Oliver W. Gushee, Jr.
Pruitt, Gushee & Bachtell
Suite 1850 Beneficial Life Tower
Salt Lake City, Utah 84111

Oliver
Dear Mr. Gushee;

Re: Merger of Sharon Steel Corporation and Mueller Industries Inc., United States Fuel Company, Hiawatha Complex, ACT/007/011, Folder #2, Carbon County, Utah

This letter is in response to your correspondence received at the Division's offices on March 13, 1991. In it you discussed the re-organization of Sharon Steel Corporation and the resulting merger with Mueller Industries, Inc.

It is the Division's understanding that United States Fuel Company, as the permittee, has not changed in any way. No "transfer, assignment, or sale of rights" has occurred as a result of the afore-mentioned merger. One thing which has changed is the individuals controlling interest in the companies involved. The Division is currently conducting a 510C clearance check through the AVS system to insure that no problems are outstanding or are connected to those individuals. The Division will notify you if issues arise.

Following is the Division's understanding of the other points discussed:

- (a) U. S. Fuel's liability insurance is in good standing.
- (b) None of the assets of U. S. Fuel serve as collateral for Sharon Steel's debt.
- (c) U. S. Fuel will have submitted a revised mining and reclamation plan by August 31, 1991 and an application for permit renewal by November 14, 1991.

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- (d) U. S. Fuel will provide annual financial statements prepared by an independent Certified Public Accountant and quarterly unaudited financial statements in the form of a balance sheet.

Thank you for your help in clarifying these issues. Please call if you have any questions.

Sincerely yours,


Lowell P. Braxton
Assistant Director, Mining

mbm
cc: D. Haddock, DOGM
Gary Barker, US Fuel
GUSHLETT.LET