

0013



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

February 22, 1991

Mr. Gary L. Barker, President  
P.O. Box A  
Hiawatha, Utah 84527

Dear Mr. Barker:

Re: Change in U. S. Fuel Company Ownership

The Division recently received information from your office regarding a change in ownership of United States Fuel Company. Utah coal mining regulations are clear that any transfer, assignment, or sale of rights granted by a permit must receive written approval by the Division (R614-303-300). Certain requirements must be met in order for the Division to approve this change in ownership.

- 1) U. S. Fuel must provide the opportunity for public comment on the transfer, assignment or sale of permit rights by advertising in a newspaper of general circulation in the locality of the operations involved as required by R614-303-322. Proof of publication should be submitted to the Division when it becomes available.
- 2) In conjunction with the transfer of ownership information submitted by U.S. Fuel, new bonding information must be submitted to the Division.

The unaudited financial reports submitted for the self bonding portion of Hiawatha's bond had previously indicated that assets of U.S. Fuel were used as collateral by Sharon Steel for loans. New financial information presented to the Division should reflect the disposition of these assets.

Additionally, the Division is requesting that a certified audit be performed and submitted to the Division in support of the self bonding agreement with the Division.

Page 2  
Gary L. Barker  
U. S. Fuel Company

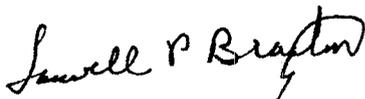
Bonding and insurance information should be submitted on the enclosed Reclamation Agreement in conjunction with the permit transfer. Please complete and submit all applicable forms contained in the Reclamation Agreement for approval by the Division.

- 3) Compliance information must be checked and cleared by the Division. At this time we are conducting a compliance check on the Applicant Violators System (AVS) to insure that there are no outstanding violations or other issues which may block the approval.

U. S. Fuel will be allowed 60 days from the date of this letter to satisfy the above requirements. Upon the satisfactory completion of the above items the Division should be able to issue an approval for the change in ownership.

If you have any questions please feel free to call me or Daron Haddock, Permit Supervisor.

Sincerely,



Lowell P. Braxton  
Associate Director, Mining

DRH/mbm  
enclosure  
cc: D. Haddock, DOGM  
R. Harden, DOGM  
HIAWTRAN.LTR