

0019

*cc R. Hadden*  
*ACT/007/011*

LAW OFFICES  
PRUITT, GUSHEE & BACHTELL

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

TELECOPIER (801) 531-8468  
OR (801) 533-9223

OF COUNSEL  
MICHAEL F. JONES  
BRENT A. BOHMAN

October 27, 1992

Diane R. Neilson, Director  
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

RECEIVED

OCT 28 1992

DIVISION OF  
OIL GAS & MINING

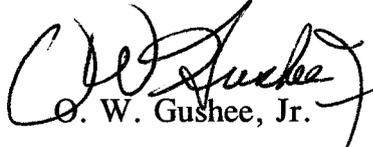
Re: Update of Self Bonding Qualifications  
United States Fuel Company, Hiawatha  
Complex, ACT/007/001, Carbon and  
Emery Counties, Utah

Enclosed are the following:

(1) Updated Division of Oil, Gas & Mining Form of Self Bonding Qualification Sheet, revised October 26, 1992, for the quarter ending June 27, 1992, together with comparison figures of December 28, 1991; and

(2) Updated Division of Oil, Gas & Mining Form of Self Bonding Qualification Sheet, revised October 26, 1992, for the quarter ending September 26, 1992, together with comparison figures of December 28, 1991.

Very truly yours,

  
O. W. Gushee, Jr.

OWG/cc  
0395.71

Enclosures

cc: James G. Wilson, Jr., w/encl.  
James Browne, Esq., w/encl.

REVISED 10/26/92

COAL  
(August 1985)

Mine Name Hiawatha Complex  
Permit No. ACT/007/001  
Date October 29, 1986  
Checked By \_\_\_\_\_

SELF BONDING QUALIFICATION SHEET

Applicant Required to Meet One of the Following Criteria:

UMC 800.23(b)(3)

1. Current rating for most recent bond issuance ("A" or higher) (Moody's Investor Service or Standard and Poor's Corporation)

12/28/91

09/26/92

or

2.

A. Tangible Net Worth = (at least \$10 million) (Net worth minus intangibles [Goodwill and rights to patents or royalties])

\$13,176,000

\$12,318,000

B. Total Liabilities/Net Worth = Obligations to transfer to other assets or provide services to other entities/Total assets minus total liabilities and is equivalent to owner's equity (2.5 times or less).

.46

.49

C. Current Assets/Current Liabilities = Cash or other assets or resources which are reasonably expected to be converted to cash or sold or consumed within one year/Obligations which are reasonably expected to be paid or liquidated within one year (1.2 times or greater).

1.50

1.50

Reference: Ernst & Young Review  
Opinion as of December 28, 1991  
and U.S. Fuel Balance Sheet  
(unaudited) as of September 26, 1992

or

3.

A. Fixed assets in the United States (at least \$20 million) =

B. Total Liabilities/Net Worth =  
(2.5 times or less)

Current Assets/Current  
Liabilities (1.2 times or  
greater) =

Reference: \_\_\_\_\_


UMC 800.23(b)(1)

Suitable agent (resident within the state of Utah)

CT Corporation Systems

50 West Broadway

Salt Lake City, UT 84101

UMC 800.23(b)(2)

Been in continuous operation of not less than five (5) years  
(immediately preceding the time of application) (submitted five  
annual reports--Yes  No )

UMC 800.23(b)(4)

(i) Financial statements prepared by an independent certified  
public accountant in conformity with generally accepted accounting  
principles. Yes  No

(ii) Unaudited financial statements for completed quarters in  
the current fiscal year. Yes  No

(iii) Additional unaudited information as requested by the  
Division.

Balance Sheet (unaudited) as of September 26, 1992.

COAL  
(August 1985)

Mine Name Hiawatha Complex  
 Permit No. ACT/007/001  
 Date October 29, 1986  
 Checked By \_\_\_\_\_

SELF BONDING QUALIFICATION SHEET

Applicant Required to Meet One of the Following Criteria:

UMC 800.23(b)(3)

	12/28/91	06/27/92
1. Current rating for most recent bond issuance ("A" or higher) (Moody's Investor Service or Standard and Poor's Corporation)		
or		
2.		
A. Tangible Net Worth = (at least \$10 million) (Net worth minus intangibles [Goodwill and rights to patents or royalties])	\$13,176,000	\$12,683,000
B. Total Liabilities/Net Worth = Obligations to transfer to other assets or provide services to other entities/Total assets minus total liabilities and is equivalent to owner's equity (2.5 times or less).	.46	.50
C. Current Assets/Current Liabilities = Cash or other assets or resources which are reasonably expected to be converted to cash or sold or consumed within one year/Obligations which are reasonably expected to be paid or liquidated within one year (1.2 times or greater).	1.50	1.39
Reference: <u>Ernst &amp; Young Review</u> Opinion as of December 28, 1991 and U.S. Fuel Balance Sheet (unaudited) as of June 27, 1992		
or		
3.		
A. Fixed assets in the United States (at least \$20 million) =		

B. Total Liabilities/Net Worth =  
(2.5 times or less)

Current Assets/Current  
Liabilities (1.2 times or  
greater) =

Reference: \_\_\_\_\_


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Salt Lake City, UT 84101

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annual reports--Yes  No )

UMC 800.23(b)(4)

(i) Financial statements prepared by an independent certified  
public accountant in conformity with generally accepted accounting  
principles. Yes  No

(ii) Unaudited financial statements for completed quarters in  
the current fiscal year. Yes  No

(iii) Additional unaudited information as requested by the  
Division.

Balance Sheet (unaudited) as of June 27, 1992.

*Mine file will*

LAW OFFICES  
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OF COUNSEL  
MICHAEL F. JONES  
BRENT A. BOHMAN

January 2, 1992

↓  
**Diane R. Neilson, Director**  
**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

Re: **Update of Self Bonding Qualifications -  
United States Fuel Company, Hiawatha  
Complex, ACT/007/011, Carbon and  
Emery Counties, Utah**

Enclosed are the following:

- (1) Updated Division of Oil, Gas & Mining Form of Self Bonding Qualification Sheet, revised January 2, 1992, for the quarter ending June 30, 1991, together with comparison figures of December 31, 1990;
- (2) Updated Division of Oil, Gas & Mining Form of Self Bonding Qualification Sheet, revised January 2, 1992, for the quarter ending September 30, 1991, together with comparison figures of December 31, 1990.

Very truly yours,

*O.W. Gushee, Jr.*  
O. W. Gushee, Jr.

OWG/cc  
0395.71

cc: James G. Wilson, Jr., w/encl.  
James Browne, Esq., w/encl.

**RECEIVED**

JAN 03 1992

DIVISION OF  
OIL GAS & MINING

RECEIVED

JAN 03 1992

REVISED 01/02/92

DIVISION OF OIL GAS & MINING

COAL (August 1985)

Mine Name Hiawatha Complex
Permit No. ACT/007/011
Date October 29, 1986
Checked By

SELF BONDING QUALIFICATION SHEET

Applicant Required to Meet One of the Following Criteria:

UMC 800.23(b)(3)

Table with 3 columns: Criteria, 12/31/90, 06/30/91. Rows include: 1. Current rating for most recent bond issuance...; 2. A. Tangible Net Worth = (at least \$10 million)...; B. Total Liabilities/Net Worth = Obligations to transfer to other assets...; C. Current Assets/Current Liabilities = Cash or other assets...; Reference: Price Waterhouse Review Opinion as of December 31, 1990...; A. Fixed assets in the United States (at least \$20 million) =

B. Total Liabilities/Net Worth =  
(2.5 times or less)

Current Assets/Current  
Liabilities (1.2 times or  
greater) =

Reference: \_\_\_\_\_


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Salt Lake City, UT 84101

UMC 800.23(b)(2)

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(immediately preceding the time of application) (submitted five  
annual reports--Yes X No     )

UMC 800.23(b)(4)

(i) Financial statements prepared by an independent certified  
public accountant in conformity with generally accepted accounting  
principles. Yes X No     

(ii) Unaudited financial statements for completed quarters in  
the current fiscal year. Yes X No     

(iii) Additional unaudited information as requested by the  
Division.

Balance Sheet (unaudited) as of June 30, 1991.

UNITED STATES FUEL COMPANY  
Balance Sheet  
As of June 30, 1991

ASSETS	
Cash	
Regular	(138)
Payroll	(1)
On Hand	2
Total Cash	(137)
Short Term Investments	0
Receivables	
Coal Customers	640
Other	500
Due From Affiliates	1,935
Total Receivables	3,075
Inventories	
Coal	1,079
Materials & Supplies	1,226
Total Inventories	2,305
Prepaid Expenses	293
Deposits	225
Total Prepaid/Deposits	518
<b>TOTAL CURRENT ASSETS</b>	<b>5,761</b>
Property, Plant & Equipment	
Land	1,224
Mineral Property	10,961
Allowance For Depl.	(2,607)
Machine / Equipment	16,005
Allowance For Depr.	(11,679)
Capital leases	3,050
Allowance For Depr.	(3,050)
Autos	148
Allowance For Depr.	(148)
Construction In Process	678
Total Property/Plant	14,583
Other Assets	
Bonding	80
Deferred IPP	1,440
Total Other Assets	1,520
<b>TOTAL ASSETS</b>	<b>21,864</b>

UNITED STATES FUEL COMPANY  
Balance Sheet  
As of June 30, 1991

LIABILITIES	
Payables	
Accounts Payable	464
Royalty Payable	(8)
Reclamation/Excise Tax	41
Employee Deductions	11
Withholding taxes	31
Leases/Other Payables	4
	543
Accrued Liabilities	
Salaries & Wages	18
Vacations / Allowances	2
Taxes	(211)
UMWA Benefit Trust	10
Other Accrued Liabilities	391
	210
<b>TOTAL CURRENT LIABILITIES</b>	<b>753</b>
Long Term Liabilities	
Black Lung Accrual	157
Post Retirement	5,735
	5,892
<b>TOTAL LIABILITIES</b>	<b>6,645</b>
STOCKHOLDERS EQUITY	
Common Stock	6,400
Capital in Excess of Par	2,927
*Retained Earnings	5,892
	15,219
	<b>21,864</b>

\* Retained Earnings Contains Y-T-D  
Profit (Loss) of: 968



B. Total Liabilities/Net Worth =  
(2.5 times or less)

Current Assets/Current  
Liabilities (1.2 times or  
greater) =

Reference: \_\_\_\_\_


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Salt Lake City, UT 84101

UMC 800.23(b)(2)

Been in continuous operation of not less than five (5) years  
(immediately preceding the time of application) (submitted five  
annual reports--Yes X No    )

UMC 800.23(b)(4)

(i) Financial statements prepared by an independent certified  
public accountant in conformity with generally accepted accounting  
principles. Yes X No    

(ii) Unaudited financial statements for completed quarters in  
the current fiscal year. Yes X No    

(iii) Additional unaudited information as requested by the  
Division.

Balance Sheet (unaudited) as of September 30, 1991.

UNITED STATES FUEL COMPANY  
Balance Sheet  
As of September 30, 1991

ASSETS

Cash		
Regular	221	
Payroll	1	
On Hand	2	
<b>Total Cash</b>		224
Short Term Investments		72
Receivables		
Coal Customers	639	
Other	0	
Due From Affiliates	2,300	
<b>Total Receivables</b>		2,939
Inventories		
Coal	906	
Materials & Supplies	1,216	
<b>Total Inventories</b>		2,122
Prepaid Expenses	122	
Deposits	225	
<b>Total Prepaid/Deposits</b>		347
<b>TOTAL CURRENT ASSETS</b>		5,704
Property, Plant & Equipment		
Land	1,224	
Mineral Property	10,961	
Allowance For Depl.	(2,610)	
Machine / Equipment	16,071	
Allowance For Depr.	(12,055)	
Capital leases	3,050	
Allowance For Depr.	(3,050)	
Autos	148	
Allowance For Depr.	(148)	
Construction In Process	176	
<b>Total Property/Plant</b>		13,768
Other Assets		
Bonding	80	
Deferred IPP	0	
<b>Total Other Assets</b>		80
<b>TOTAL ASSETS</b>		19,552

UNITED STATES FUEL COMPANY  
Balance Sheet  
As of September 30, 1991

LIABILITIES

Payables	
Accounts Payable	155
Royalty Payable	(8)
Reclamation/Excise Tax	34
Employee Deductions	10
Withholding taxes	1
Leases/Other Payables	0
	<hr/> 192
Accrued Liabilities	
Salaries & Wages	9
Vacations / Allowances	41
Taxes	(222)
UMWA Benefit Trust	4
Other Accrued Liabilities	403
	<hr/> 235
<b>TOTAL CURRENT LIABILITIES</b>	<hr/> <b>427</b>
Long Term Liabilities	
Black Lung Accrual	157
Post Retirement	5,738
	<hr/> 5,895
<b>TOTAL LIABILITIES</b>	<hr/> <b>6,322</b>
STOCKHOLDERS EQUITY	
Common Stock	6,400
Capital in Excess of Par	2,927
*Retained Earnings	3,903
	<hr/> 13,230
	<hr/> <b>19,552</b> <hr/> <hr/>

\* Retained Earnings Contains Y-T-D  
Profit (Loss) of: 2,958