

0012

UNITED STATES FUEL COMPANY

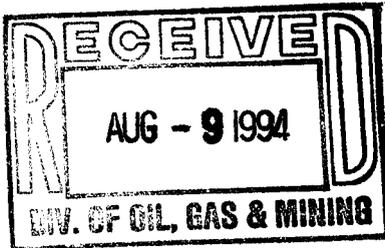
007/011 #2

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August 8, 1994

Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

**RE: Bond Calculation Submittal; U.S. Fuel Company, Hiawatha Mine, Permit ACT/007/011.**

Dear Sirs,

U. S. Fuel Company requests that the required performance bond be reduced on the Hiawatha property to reflect the current property condition. The bond reduction is vital to a pending property sale which would reopen the coal mine and replace the existing self-bond with a surety bond. The bond reduction is justified due to the extensive reclamation work performed to date by U. S. Fuel Co.

Therefore, U. S. Fuel Company is submitting the attached bond calculations for your review. Certain areas of the permit have been backfilled and regraded, all portals have been sealed and backfilled, many structures have been demolished and removed. The calculations reflect this work and the maps have been provided showing this work. We have also included additional information, support and calculations which the Division has requested.

Please give us a phone call if you have any questions.

Sincerely,

Michael P. Watson,  
President