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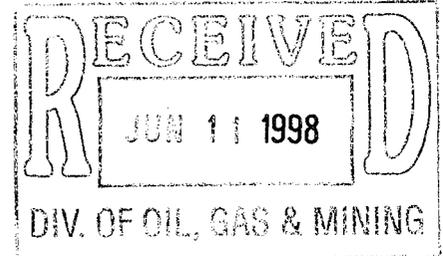
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June 9, 1998

Lowell Braxton, Acting Director  
Division of Oil, Gas and Mining  
Department of Natural Resources State of Utah  
1594 W. North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801



Re: *011 #2*  
*Mining Permit/ACT/007/001-*  
*United States Fuel Company*

Dear Lowell:

*Copy BSM*

Under date of December 10, 1997, United States Fuel Company ("U.S. Fuel") completed a transaction by which the captioned Permit was transferred to Hiawatha Coal Company, Inc. ("Hiawatha") after written confirmation by DOGM that a reclamation surety bond replacing those of U.S. Fuel had been posted by Hiawatha and the Permit transfer approved.

U.S. Fuel's records reflect that DOGM still holds the following U.S. Fuel reclamation bonds:

(a) Insurance Company of North America Bond No. KO 1733369 dated April 8, 1983 in the amount of \$1,450,000 issued on behalf of United States Fuel; and

(b) U.S. Fuel's self bond under the terms of Self Bonding and Indemnity Agreement between U.S. Fuel and DOGM dated October 29, 1986, in the amount of \$1,388,000 as reduced by joint DOGM/U.S. Fuel Stipulation to Change Bond Amount dated March 20, 1995.

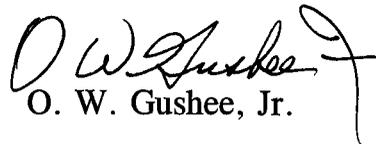
It is requested that DOGM take immediate effective action to relinquish the described bonds. In addition, please confirm the termination of the Guarantee of Mueller Industries, Inc., the parent company of U.S. Fuel, dated November 10, 1995, which,

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according to its own terms, continued only until DOGM and the Board of Oil, Gas and Mining approved and accepted in writing a replacement reclamation bond and/or U.S. Fuel is released from all obligations under the described Self Bonding Indemnity Agreement.

Your prompt attention to this request will be appreciated.

Very truly yours,

  
O. W. Gushee, Jr.

OWG:sh

cc: Gary Barker  
Mike Watson

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