007/012 #2

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HAND DELIVERED

January 10, 1994

Mr. Daron Haddock
Permit Supervisor
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Application for Permit Transfer, NEICO, Wellington Preparation Plant, ACT/007/012, Folder #3, Carbon County, Utah

Dear Daron:

On behalf of Genwal Coal Company ("Genwal"), we have been requested to update you on the status of the Application for Approval, Transfer, Assignment or Sale of Permit Rights in the Wellington Preparation Plant, ACT/007/012. By application dated November 5, 1993, Genwal, who has been and will continue to be the owner of portions of the permit area of the Wellington Preparation Plant, submitted an application for approval of the transfer of 100% of its stock to Utah Energy Development Company, Inc. ("UEDC"). In addition, the Division's approval of the transfer of permit and operating rights in the Wellington Preparation Plant from Castle Valley Resources ("CVR") to Nevada Electric Investment Company ("NEICO") was sought under that application. The parties to the Application for Approval of Transfer, Assignment or Sale of Permit Rights request the Division to continue to consider approval of the transfer of permit and operating rights from CVR to NEICO. However, UEDC is no longer seeking to purchase the stock of Genwal. Therefore, Genwal withdraws the portion of the application relating to the UEDC purchase.

Thank you for your consideration in this matter.

Very truly yours,

Denise A. Dragoo

DAD:jmc:26945

cc: Richard Hinckley, Esq.
Allen P. Childs
Larry W. Johnson