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State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple, Suite 1210

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September 20, 1996

Richard Hinckley, Esq  
Nevada Electric Investment Company  
226 West Sahara  
P.O. Box 230  
Las Vegas, Nevada 89151

Re: Division Order 96A, Demolition Schedule, Wellington Preparation Plant, ACT/007/012, Folder #2, Carbon County, Utah

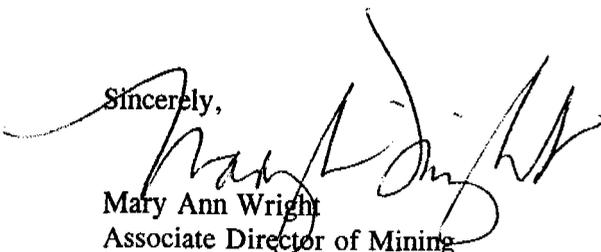
Dear Mr. Hinckley:

By way of this letter I would like to introduce myself as the Associate Director of Mining for the Division of Oil, Gas and Mining, formerly occupied by Lowell P. Braxton who is now the Deputy Director of our agency. My objectives by this correspondence are to bring to closure the Demolition Schedule as previously discussed with Denise Drago, representing NEICO and establish a reclamation schedule as provided for in Division Order 96A. Requisite information for the Demolition Schedule included written confirmation of a contract for demolition to be completed by no later than March of calendar year 1997. Correspondence dated August 15, 1996, and September 10, 1996, falls short in meeting this objective.

The Division Order 96A dated May 31, 1996, provided NEICO the opportunity to participate in the establishment of a reclamation schedule by June 30, 1996. The order was subsequently extended to August 15, 1996, which allowed NEICO the opportunity to prepare a schedule for demolition, develop a proposal for postmining land use and submit an amendment to the mining and reclamation plan to reduce the bond amount for reclamation of the coarse refuse pile. As well, negotiations and correspondence to date fall short in meeting these objectives. Therefore, the Division will proceed with the establishment of a reclamation schedule as provided for under Utah Coal Rule R645-301-352 of the R645 coal mining rules.

In summary a demolition contract and commitment for completion by March 1997, is due at the Division office by close of business on Tuesday, October 15, 1996. The opportunity for NEICO to participate in the establishment of the reclamation schedule is still open.

Sincerely,

  
Mary Ann Wright  
Associate Director of Mining

blb  
cc: S. Demczak  
D. Drago, Van Cott, Bagley, Cornwall & McCarthy  
P. Collins, Mt. Nebo Scientific  
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