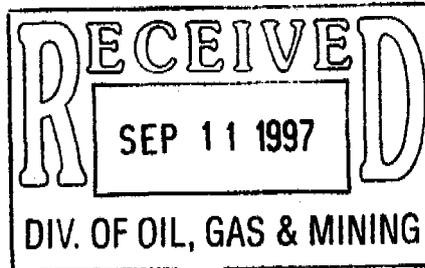


**Mountain Coal Company**  
West Elk Mine  
Post Office Box 591  
Somerset, Colorado 81434  
Telephone 303 929-5015



*August 29, 1997*

*Calvin K. Jacob & Sons  
Partnership  
754 S. Cherry Drive  
Orem, Utah 84057*

*Re: Application for Partial Bond Release  
Gordon Creek No. 2/7/8 Mines  
ACT/007/016  
Carbon County, Utah*

*Gentlemen:*

*Mountain Coal Company has completed Phase I of the approved reclamation plan for the Gordon Creek No. 2/7/8 Mines. This is based upon the completion of backfilling, grading, topsoil replacement and drainage control in accordance with the approved reclamation plan.*

*In accordance with the provisions of R645-301-880 of the Utah Coal Mining Reclamation Act, this letter will serve as notification that Mountain Coal Company intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond.*

*The present bond posted for this site is \$641,443.00. Mountain Coal Company is applying for release of 60% of the original bond, or \$384,865.00.*

*If you have any questions, or need any further information, please contact Ms. Pamela Grubaugh-Littig of the Utah Division of Oil, Gas & Mining, 1594 W. No. Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801.*

*Respectfully,*

A handwritten signature in cursive script, appearing to read "Dan W. Guy".

*Dan W. Guy, P.E.  
for Paige B. Beville*

*cc: Paige Beville  
File*