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Mountain Coal Company
West Elk Mine
Post Office Box 591
Somerset, Colorado 81434
Telephone 303 929-5015
Fax 303 929-5595

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DIVISION OF
OIL, GAS & MINING

December 6, 1993

Mr. Lowell Braxton, Administrator
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Application for Partial Bond Release
Gordon Creek No. 3 & 6 Mines
INA/007/017
Carbon County, Utah # 2 Copy DAM

Dear Mr. Braxton,

Mountain Coal Company has completed Phase II of the approved reclamation plan for the Gordon Creek No. 3 & 6 Mines. This is based upon the establishment of revegetation and sediment control in accordance with the approved reclamation plan, as verified in the attached 1993 Vegetation Monitoring Report and Sediment Production Evaluation.

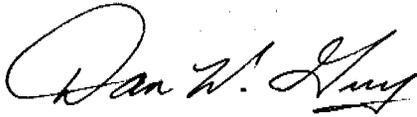
In accordance with the provisions of R645-301-880, Mountain Coal Company is hereby applying for partial release of the performance bond. The original bond posted for this property was \$346,000.00, of which \$207,600.00 (60%) was released on June 26, 1987 upon approval of Phase I Bond Release. The present bond posted for this site is \$138,400.00. Mountain Coal Company is hereby applying for release of an additional 30% of the original bond, or \$103,800.00. This will leave an amount of \$34,600.00 to be held until final bond release. The disturbed area for this site was 7.98 acres, with an affected area of approximately 28 acres. The remaining bond would provide for approximately \$4,335.84/acre of disturbed area or \$1235.71/acre of affected area, which is considered more than adequate for possible third party revegetation as noted in R645-301-880.320.

Copies of letters for notification to land owners, agencies, and water companies in the area are enclosed. A copy of the newspaper advertisement placed prior to submittal of this application is enclosed. This advertisement ran for four consecutive weeks in the local area papers. Proof of publication is also enclosed.

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It is our hope this application will meet with your approval. If you have any questions, or need any further information, please let me know.

Respectfully,

A handwritten signature in cursive script that reads "Dan W. Guy".

Dan W. Guy, P.E.
for Kathleen G. Welt

Encl.

cc: Scot Anderson
Kathy Welt
File