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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

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bcc: Mary Ann
Bill M.
Steve D.
Dave

July 20, 1999

David Campbell
Frontier Insurance Company
2636 Elm Hill Pike, Suite 500
Nashville, TN 37214

Re: Bonds Replaced, White Oak #1 and #2 Mines, ACT/007/001, Horizon Mine, ACT/007/020, Lodestar Energy, Inc., Folder #5, Carbon County, Utah

Dear Mr. Campbell:

The Division approved the transfer of the mining and reclamation permit for the White Oak #1 and #2 Mines (Permit ACT/007/001) from White Oak Mining and Construction, Inc. to Lodestar Energy, Inc. on July 14, 1999 and has accepted Lodestar's replacement reclamation bond for such permit (replacement bond is surety bond #143715, issued by Frontier Insurance Company, in the amount of $4,292,000.)

The Division has also approved the transfer of the mining and reclamation permit for the Horizon Mine (Permit ACT/007/020) from Horizon Mining, LLC to Lodestar Energy, Inc., (also approved on July 14, 1999 and has accepted Lodestar's replacement reclamation bond for such permit (replacement bond is surety bond #143714, issued by Frontier Insurance Company, in the amount of $711,000.)

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Jim Moore, Scheer's Incorporated
Eberley Davis, Lodestar Energy, Inc.
Mike Malmquist, Parsons, Behle and Latimer
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