

September 13, 2004

W. Layne Ashton, Corporate Manager
Covol Engineered Fuels, LC
10653 South Riverfront Parkway, Suite 300
South Jordan, Utah 84095

Re: Preliminary Finding, of Proposed Coal Beneficiating Air Processing Facility
in Carbon County – Covol Engineered Fuels, LC

Dear Mr. Ashton:

Enclosed please find a memo outlining the Division's preliminary finding Concerning Covol's proposed operation in Carbon County, dated August 5, 2004. In order to finalize the finding, we request further information about the 'tolling fee' agreement with Pacificorp. Covol agreed to provide this information in our meeting of July 13, 2004.

Subject to a determination regarding the above noted information, and also subject to the result of an on site Division inspection, the initial determination is that mining activities will not be taking place at this site. Therefore, it does not appear at this time that this project will be subject to regulation under the Utah Coal Mining Act.

Please supply the needed information, and/or contact me if you have further questions at (801) 538-5306 or maryannwright@utah.gov.

Sincerely,

Mary Ann Wright
Associate Director, Mining

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Enclosure
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