



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

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Division Director

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Governor

GARY R. HERBERT
Lieutenant Governor

OK

June 28, 2005

Certified Return Receipt
7002 0510 0003 8602 8772

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

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

Dear Mr. Ashton:

The Division sent you a letter on September 13, 2004 with a preliminary finding concerning SMCRA's regulation of Covol's proposed operation in Carbon County, Utah. We stated that the initial determination would be subject to an on-site Division inspection. This inspection was conducted on June 15, 2005.

In addition, to finalize the finding, we requested further information about the 'tolling fee' agreement with Pacificorp. Covol agreed to provide this information in our meeting of July 13, 2004, but the Division has not received that information to date.

Please supply the needed information. The Division will consider all of the information and then make a final determination. If you have any questions, please call me at (801) 538-5306 or Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

For Mary Ann Wright
Associate Director, Mining

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