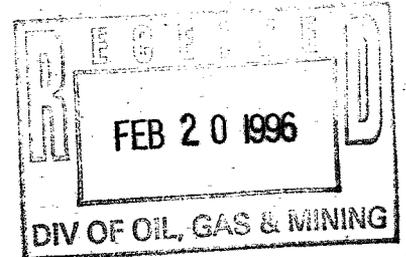


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Mountain Coal Company
West Elk Mine
Post Office Box 591
Somerset, Colorado 81434
Telephone 303 929-5015



February 15, 1996



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 Final Bond Release
Huntington Canyon No. 4 Mine
INA/015/044, UT-004
Emery County, Utah

Copy FAM

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Dear Mr. Braxton:

Mountain Coal Company has completed Phase III of the approved reclamation plan for the Huntington Canyon No. 4 Mine. This is based upon the establishment of revegetation and sediment control in accordance with the approved reclamation plan with a minimum period of 10 years following reclamation. The sedimentation pond was removed and the area was reseeded in the Fall of 1995.

In accordance with the provisions of R645-301-880, Mountain Coal Company is hereby applying for release of the remaining performance bond. The original bond posted for this property was \$360,104.00. 60% (\$216,062.40) was released on November 10, 1986 upon approval of Phase I Bond Release. Phase II Bond Release was granted by the Division on November 15, 1995. The present bond posted for this site is \$46,734.00. Mountain Coal Company is hereby applying for release of the balance of the original bond, or \$46,734.00. The disturbed area for this site was 12.29 acres, with affected area of approximately 37 acres. The initial site reclamation was completed in September, 1985.

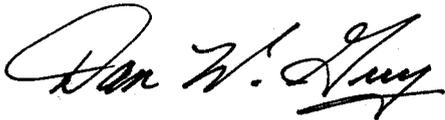
Copies of letters for notification to land owners, agencies, and water companies in the area are enclosed. A copy of the newspaper advertisement placed prior to submittal of this application is enclosed. This advertisement will run for four consecutive weeks in the local area papers. Proof of publication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

February 15, 1996

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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". The signature is written in black ink and is positioned above the typed name.

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

Encl.

**cc: Scot Anderson
Paige Beville
File**