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CO-OP MINING COMPANY

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RECEIVED
JAN 28 1999
DIV. OF OIL, GAS & MINING

January 25, 1999

Coal Program
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Gary Daron

To Whom It May Concern,

Re: Revised Bond Amount, Bear Canyon Mine, ACT/015/025, Emery County, Utah

On December 3, 1998, The Division notified Co-Op in writing that the Bear Canyon Mine bond had been determined at $899,000, and would need to be increased. The letter set a deadline for the increase to made by no later than January 29, 1999.

Due to the amount of the increase, the bank has been performing a new appraisal for the increased bond. The bank has notified us that this process will require a time period by the January 29th deadline. The bank estimates an additional 30 days will be required, or approximately the end of February. However, they do not anticipate a problem with approving the increase within this time frame.

Based on the necessity for additional time, Co-Op requests an extension of time to increase the Bear Canyon Mine reclamation bond. Co-Op asks that the Division allow until March 1st to post the additional bond. This would still maintain the deadline within 90 days from the December 3rd notification date. Co-Op is currently taking additional steps to insure that this deadline will be met, in the event the bank does not have an approval by the end of February.

If you have any questions, please call me or Charles Reynolds at (435) 687-2450.

Thank You,

Wendell Owen
Resident Agent

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