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Norman H. Bangertter
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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF STATE LANDS AND FORESTRY

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Salt Lake City, Utah 84180-1204
801-538-5508

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15/032 #2

RECEIVED

NOV 06 1991

DIVISION OF
OIL GAS & MINING

November 6, 1991

CERTIFIED MAIL NO. P 879 599 555

Genwal Coal Company
Attn: Allan Childs
P.O. Box 1201
Huntington, UT 84528

Dear Mr. Childs:

RE: ML 21569--Coal

The Utah Division of State Lands and Forestry, as Lessor, is concerned over the possible loss of coal resources in the above-numbered lease.

Article XII of the lease requires Lessee to conduct operations in a prudent manner to avoid unnecessary damage to the leasehold.

Please be advised that Lessor shall hold Lessee liable for payment of royalty on recoverable coal in this leasehold, which is avoidably lost by Lessee's failure to adequately Permit the mining operation.

It is suggested that you not conduct any secondary mining in this leasehold until the Permit area is expanded to allow for ground subsidence. In the interim you should re-examine your planned mining sequence and develop additional sets of entries within the leasehold.

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'John T. Blake'.

JOHN T. BLAKE
MINERAL RESOURCES SPECIALIST

JTB/tdw

cc: Lowell Braxton, Division of Oil, Gas, and Mining