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**Coastal States  
Energy Company**

411 West 7200 South  
Midvale, Utah 84047  
(801) 566-7111

NOV 03 1981

Subsidiary of  
The Coastal  
Corporation

DIVISION OF  
OIL, GAS & MINING

November 3, 1981

Mr. Ron Daniels, Deputy Director  
Division of Oil, Gas, & Mining  
Department of Natural Resources  
1588 West Temple  
Salt Lake City, Utah 84116

#3 ACT/041/602

Dear Ron:

This letter is a follow-up of our conversation yesterday at your office pertaining to the extension of our Mining Lease U-47080 at our Southern Utah Fuel Company mining operation in Convulsion Canyon near Salina.

You will recall that we received a partial approval in February of 1981 from OSM and your office to mine portions of Lease U-28297 which we presently are operating.

We now find it necessary, in the interest of best mining practices, to request a similar consideration from your office allowing approval for additional mining on Lease U-28297 and permission to extend our mining operation onto Lease U-47080. Lease U-47080 was recently acquired by Coastal States Energy Company and is shown in the most recent mining plan addendum on Exhibit I.

Interim approval to enter these leases, as illustrated on the attached map, is needed by December 1 of this year if we are to meet our present mining commitments and develop our mine according to good mining practices. No additional surface facilities or surface disturbance will be incurred as a result of these expanded mining operations. The mine plan conforms with the long range mine plan as identified in Volume 7 of the SUFCo Mine Plan Submittal.

Your prompt consideration and approval of the above two extensions would be appreciated.

Sincerely,

Vernal J. Mortensen  
Vice President  
Utah Operations

VJM:jb

sc: Robert Hagan  
Ken Payne  
John M. Garr