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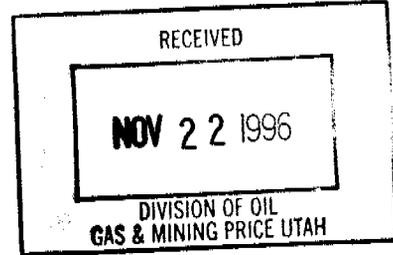


**Coastal**  
The Energy People

KENNETH E. MAY  
GENERAL MANAGER  
SOUTHERN UTAH FUEL COMPANY

November 18, 1996

*ACT 10411002 #2*  
*all*



Mr. Peter Hess  
Utah Division of Oil, Gas and Mining  
451 East 400 North  
Price, UT 84501

Re: Exploration Plan

Dear Mr. Hess:

Southern Utah Fuel Company would like to drill three exploration drill holes in the summer of 1997. Enclosed please find one xerox copy of our proposed exploration plan which was submitted to the Bureau of Land Management for approval. This copy is sent to the Utah Division of Oil, Gas and Mining to start their review as soon as possible following the Bureau of Land Management's instructions.

We expect to have only mid-July to the end of August in which we could drill these holes because of wildlife, hunting seasons and other restrictions. Thus, it is most important that we receive approval as soon as possible in order to schedule contractors.

The USFS will start the necessary paper work to allow SUFCO to obtain water from the north fork of Quitcupah Creek. We will submit the USFS road use permit application in the Spring.

Let us know if there is anything else we can do to help ensure timely approval of this exploration plan.

Sincerely,  
SOUTHERN UTAH FUEL COMPANY

Kenneth E. May  
Vice President and General Manager

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**Southern Utah Fuel Company**

A SUBSIDIARY OF THE COASTAL CORPORATION  
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