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September 20, 1989

RECEIVED
SEP 21 1989
OIL, GAS & MINING

Mr. Wayne Hedberg
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Re: M/019/005 MOAB SALT, INC.
Cane Creek Mine
Grand County, Utah

Dear Wayne:

Per Holland Shepherd's instructions, enclosed is form of Self Bonding and Indemnity Agreement which has been prepared for execution by Moab Salt, Inc. (Principal) and Texasgulf Inc. (Guarantor) and the Board of Oil, Gas and Mining. The form is consistent with similar self bonding and indemnity agreements entered into recently by the Board of Oil, Gas and Mining and other responsible operators in Utah.

The Self Bonding and Indemnity agreement form is currently being executed by officials of Moab Salt, Inc. and Texasgulf Inc. and will be furnished to you prior to the date of the hearing (i.e. September 28, 1989).

In addition, enclosed is a copy of Audited Financial Statements for Texasgulf Inc. of December 31, 1988, and December 31, 1987, prepared by Ernst & Whinney, accountants. You will note that the Financial Statements have the stamp "confidential" upon them and are filed with the request that the Financial Statements be maintained in that status.

Please let me know if you have any further questions.

Very truly yours,

O. W. Gushee, Jr.

OWG:bt
0598.05
Enclosures
cc: Gene McGuire (w/encls.)
Allan Tapp (copy of Self Bonding Agreement)