

*Department of Environmental Quality*

LAND QUALITY DIVISION

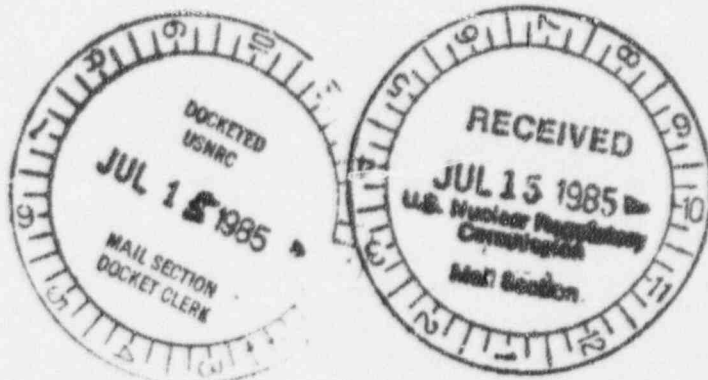
HERSCHLER BLDG. - THIRD FLOOR
122 WEST 25TH

TELEPHONE 307-777-7756

CHEYENNE, WYOMING 82002

July 11, 1985

Mr. Harold S. Bloomenthal
Roath & Brega, P.C.
Attorneys at Law
1700 Writers' Center Five
1873 South Bellaire Street
P. O. Box 5560 T.A.
Denver, CO 80217



Dear Mr. Bloomenthal:

RE: LETTER OF CREDIT TO PERMIT 504, OGLE PETROLEUM, INC. (OGLE PETROLEUM-WESTERN FUEL JOINT VENTURE)

We are in receipt of your July 3, 1985 letter and Western Fuel's Letter of Credit No. 33008 issued by the NCNB National Bank of North Carolina on July 2, 1985, in the amount of \$500,000. We understand that while this letter of credit is being presented to us to evidence the good faith concern of Western Fuel, Inc., about reclamation performance, the letter is written with certain conditions. Specifically, we may present it to the bank for payment in the event the Department of Environmental Quality enters into bond forfeiture proceedings to gain the funds represented by the two existing surety bonds, and secondly, we may present it in the event that the value of this letter of credit (\$500,000) represents half of the cost to complete reclamation. If half of the cost is less than \$500,000, then this letter may not be presented.

Please be advised that when The Environmental Quality Council orders a bond forfeiture, they require that all funds not needed for reclamation be returned to the operator. Therefore, we would prefer that the second condition of the letter of credit which restricts its use if one-half of the cost falls below \$500,000 be removed.

Please inform us immediately if our understanding of the conditions of this letter of credit differ from your understanding and Western Fuel's intended obligations under this letter of credit.

Sincerely,

9609250085 850711
PDR ADOCK 04008745
C PDR

Vicki J. Bryan
Vicki J. Bryan
Mine Permit Evaluation Specialist

OFFICIAL DOCKET COPY

VJB:lg

cc: Roger Shaffer, Rick Chancellor, Rick Engelmann (w/enc.-copy of LOC & letter)
Welton Calbeck, Ed Hawkins (NRC-Denver), Kathy Ogle

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