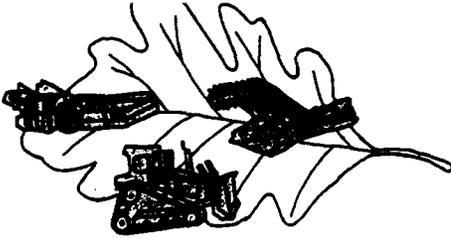


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ACT/007/001



White Oak Mining

Scofield Route • Helper, Utah 84526 • Phone: 1-801-637-9200 • Fax: 1-801-448-9456

September 2, 1997

ACT/007/001 #2

Mr. Bill Knepp
Assistant District Manager
U.S. Department of Labor
MSHA, Coal Mining Division
District 9
P.O. Box 25367
DFC, Denver, CO 80225-0367

Subject: Cleaning of Sediment Pond 004A
 WHITE OAK MINING & CONSTRUCTION

Dear Mr. Knepp,

White Oak is submitting this letter to inform MSHA of the methodology proposed for dredging the sediment slurry from Sediment Pond 004A and placing the material within the mine in the area labeled "West Mains" on the enclosed drawing. White Oak is pressed to complete this project before the onset of winter and would appreciate your assistance in expediently acquiring permission.

White Oak has scheduled Western Dredge, Inc. to dredge Sediment Pond 004A the week of September 22, 1997. Although, the ponds at White Oak have been cleaned by dragline and truck in the past, due to limited space for drying, cooler temperatures and precipitation in 1997 this method cannot currently be used. The pond cleaning is planned to comply with UDOGM regulations, which dictate the cleaning and disposal of sediment materials from ponds.

A dredge will be utilized to pump the sediment and water to an area within the mine which has been retreat mined and will not be used again. The area is currently barricaded to prevent entrance and will continue to be barricaded during and after the pumping is completed. No pumps or machinery will be used within the mine to transport the sediment slurry to its intended destination. The dredge and pumping equipment will be in the pond, with a pipeline extending from the dredge to the disposal point within the mine. The pipeline will be blocked/braced within the mine and secured on the surface. The dredging system is powerful enough to pump directly from the pond to the intended in-mine destination.

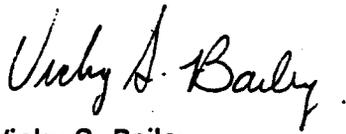
The "West Mains" at its furthestmost point is the most advantageous storage location due to the down-dip attitude of the entries and crosscuts. This will allow for even flow and distribution of the sediment within the area. The "West Mains" is at a lower elevation than the portals by approximately 100 feet.

The pond is filled to it's intended capacity, therefore the assumption is that there is approximately 300,000 cf of combined sediment and water.

The slurry material is a non combustible combination of water and sediment (silt and sand).

Should you have any questions, I can be contacted at (801) 561-1555. Thank you for your assistance.

Sincerely yours,

A handwritten signature in black ink that reads "Vicky S. Bailey". The signature is written in a cursive, flowing style.

Vicky S. Bailey
Permitting Consultant

cc: Mark Wayment
Larry Jones