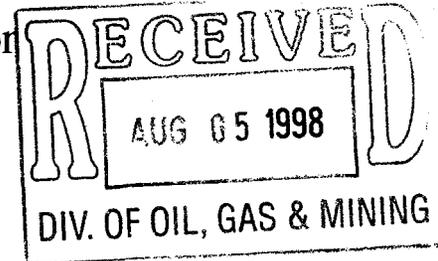




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



In Reply Refer To:
3485
U-017354
(UT-932)

JUL 31 1998

CERTIFIED MAIL--Return Receipt Requested

NOTICE

White Oak Mining & Construction Co., Inc.	:	Coal Lease
c/o Denise Dragoo, Esq.	:	U-017354
Van Cott, Bagley, Cornwall & McCarthy	:	
P.O. Box 45340	:	
Salt Lake City, Utah 84145-0340	:	

ACT/007/001 #2

Royalty Rate Recertification Accepted
Royalty Rate Reduction Continues

On July 18, 1997, White Oak Mining & Construction Co., Inc. (White Oak) filed for a royalty rate reduction from 8 percent to 5 percent for the duration of production on coal lease U-017354.

The Bureau of Land Management approved the royalty rate reduction effective August 1, 1997, subject to the annual submission of a certified statement that the conditions that justified the granting of the reduction continue to exist. The first recertification statement was due August 1, 1998.

White Oak filed a recertification statement with this office on July 30, 1998. It is hereby accepted and a royalty rate of 5 percent is to continue on coal lease U-017354 until August 1, 1999. A certified statement that the conditions that justified the granting of the royalty rate reduction continue to exist must be submitted to this office on or before August 1, 1999. **Failure to submit this annual certification shall result in the immediate termination of the royalty rate reduction, at which time the production royalty rate shall automatically revert to the production royalty rate of 8 percent.**

/s/ Linda S. Colville

FOR G. William Lamb
State Director

cc: White Oak Mining & Construction Co., Inc.
Attn: Mark Wayment
Scofield Route
Helper, Utah 84526

bc: MMS, Solids
UDOGM
Price Coal Office (Attn: Steve Falk)
Manti-LaSal National Forest