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DIVISION OF OIL, GAS &amp; MINING



*Lodestar Energy, Inc.*

*Mountain Operations*

*White Oak Mines, Horizon Mine and Grand Valley Mines*

*HC 35 Box 370*

*Helper, Utah 84526*

December 17, 1999

Mr. Daron Haddock  
State of Utah  
Dept. of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, UT 84114-5801

ACT/007/001 #2

Dear Daron:

Per our telephone conversation on December 17<sup>th</sup> and my discussion with our inspector – Peter Hess on December 15<sup>th</sup> about the White Oak Permit ACT/007/001 permit boundary extension, the timeliness of the review and the deadline that we have for approval in-order not to sterilize any coal reserves directly in front of our current panel, I am sending this letter to make record of our conversation.

The permit extension into the extended Federal Coal Lease No. U-017354 was submitted by Earthfax Engineering on December 9, 1999. I talked with Peter Hess about the timing of when we would be to the current permit boundary. This date is presently February 3, 2000. He suggested I make contact with you to discuss speeding up the review process of this permit extension. I have contacted Earthfax Engineering to get the four (4) additional copies of the permit to you to speed up the review. They are to get the extra copies to you next week. Any problems should be directed through me with a copy to Vicky Miller - Earthfax Engineering.

Please keep me posted if anything arises that could delay the approval of this permit.

Thank you for any assistance that you can provide to assure a timely review of this permit extension.

Sincerely,

David B. Miller  
Business Manager

Cc: Mary Ann Wright Pamela Grubaugh-Littig Peter Hess  
Vicky Miller – Earthfax