



Lodestar Energy, Inc.
Mountain Operations
White Oak, Horizon, and Grand Valley Mines
HC35 Box 370
Helper, Utah 84526

February 23, 2001

Mr. Daron Haddock
 Utah Coal Program
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114-5801

Fax PFO

SUBJECT: Minor Coal Exploration Section 30- C/007/001-EX00E White Oak Mines
 Addressing Outstanding Deficiencies

Dear Mr. Haddock:

Lodestar Energy, Inc. is requesting some additional time to respond to the deficiencies on this exploration permit. We are still pursuing the necessary information to answer the deficiencies.

Lodestar is having Mencon complete the section requirements on the reclamation cost estimates for the drill sites and any road construction. This should be ready shortly for submittal.

The road easement issue on Oman's, Madsens and Otanis' property. Current surface leases with the Madsen's and Oman's along with an agreement with Oman's for access and a 100 foot wide easement in Boardinghouse Canyon are included in the purchase agreement. There currently is not an agreement with Mr. Otanis for access and exploration holes. This issue is currently being corrected. We will be contacting him in the next few weeks.

Lodestar is hoping to have this review completed and approved by mid-April. If there are any questions, please feel free to call me at (435)448-9454 or 9455.

Sincerely,

David B. Miller
 Business Manager

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 OIL, GAS AND MINING