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Ms. Mary Ann Wright
 Utah Division of Oil, Gas & Mining
 1594 West North Temple, Suite 200
 Salt Lake City, Utah 84106

RE: Whiskey Creek Mine, C/007/001

Dear Ms. Wright:

On behalf of Blue Ridge Services, LLC ("Blue Ridge"), I have been requested to contact you regarding the Division's intent to issue a cessation order at the Whiskey Creek Mine, C/007/001. Please be aware that Blue Ridge has ceased all activities at the Mine until it can provide you with the necessary documentation for it to continue as a short-term contractor. Blue Ridge was engaged by the chapter 11 Trustee in bankruptcy proceedings designated *In Re Lodestar Energy, Inc., Lodestar Holdings, Inc., Industrial Fuels Minerals Co.* ("Debtors"), Case Nos. 01-50969, 01-50972 and 03-70015, jointly administered by Judge Joseph M. Scott, Jr. The Trustee entered into a Stipulation dated February 13, 2003, enclosed, granting Blue Ridge access to the Whiskey Creek Mine and the right to operate and use equipment to load, haul, remove and receive the sale proceeds from coal properties identified therein including "all pit coal located at the Whiskey Creek Mine, Utah." Enclosed for your information is a proposed Designation of Operator, which serves as a non-significant amendment to the permit which provides information regarding Blue Ridge as the short-term contract operator.

Also enclosed is the Order of the Court appointing William D. Bishop as Trustee dated February 10, 2003. We understand that a separate non-significant amendment to the permit will need to be provided to confirm that Mr. Bishop is authorized to sign on behalf of Debtors.

Blue Ridge met with Division Director Braxton and understood that it was authorized to operate. However, the enclosed information is provided to abate the pending cessation order. Please let me know if this information is adequate and we will have the Trustee and Blue Ridge Services, LLC, execute these applications.

Thank you for your assistance.

Very truly yours,



Denise A. Dragoo

DAD:jmc:244374

Enclosures

cc: Daron Haddock (via e-mail)
 Lowell Braxton (via e-mail)
 Steve Alder, Esq. (via facsimile, with enclosure)
 Williams Bishop, Esq. (via e-mail)
 Gregory Schaaf, Esq. (via e-mail)
 Scott Kiscaden (via e-mail)
 Mark Wayment

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CONFIRMATION OF
 FACSIMILE

C/007/001 Incoming
 cc: Mary Ann, Pam, Daron

SALT LAKE CITY, UTAH

PHOENIX, ARIZONA

TUCSON, ARIZONA

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DENVER, COLORADO

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MAR 11 2003

DIV. OF OIL, GAS & MINING

FEB 1 2003

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
(LEXINGTON DIVISION)

IN RE

LODESTAR ENERGY, INC.
LODESTAR HOLDINGS, INC.

DEBTORS.

CHAPTER 11 PROCEEDING

CASE NOS. 01-50969 and
01-50972

Jointly Administered Under
Case No. 01-50969

Judge Joseph M. Scott, Jr.

ORDER

In accordance with the Court's Order Directing Appointment of the Interim Chapter 11 Trustee, entered January 31, 2003, and the subsequent Notice of Appointment of Chapter 11 Trustee filed by the Office of the United States Trustee on January 31, 2003, it is hereby

ORDERED that William D. Bishop shall serve as Chapter 11 Trustee until further ordered by the Court.

Entered: _____ FEB 10 2003


HON. JOSEPH M. SCOTT, JR., JUDGE
UNITED STATES BANKRUPTCY COURT