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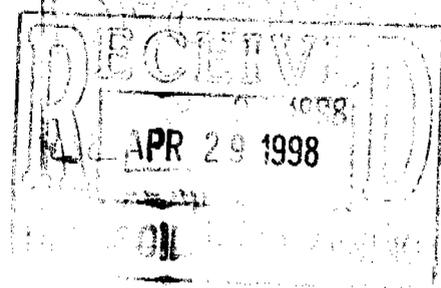


**CYPURUS PLATEAU
MINING CORPORATION**
A Cyprus Amax Company

Willow Creek Mine
847 Northwest Highway 191
Helper, Utah 84526
(435) 472-0475
Fax: (435) 472-4780

April 25, 1998

Paul Baker
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801



RE: Removal of Substation in Hardscrabble Canyon, AMAX Coal Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah

Dear Mr. Baker: #2

Copy Paul, Joe, Duon, Pam

As per our recent telephone conversation regarding the aforementioned, it is AMAX's understanding that removal of the substation in Hardscrabble Canyon will not force them into reclaiming the pad area facilitating the structure. Because of financial conditions, AMAX is soliciting bids from prospective buyers for the substation. The monies received for the substation will be used to augment Willow Creek's immediate cash requirements.

The Willow Creek Mine's long range mine plan shows mining activities west of the Price River, whereby utilization of the Crandall Canyon facilities are necessary to accommodate the proposed mining. With this in mind, power must be provided to the facilities via the original power distribution system; which requires power to be distributed from the Sowbelly Gulch substation to a substation in Hardscrabble Canyon and finally to a substation in Crandall Canyon.

Therefore, AMAX Coal Company does not see any reason why they should have to reclaim the pad area, only to be redisturbed in the future. AMAX will continue to inspect the pad area to ensure compliance with the Castle Gate Mine's operating permit.

AMAX would like a letter from the Division confirming its understanding of the issue, so that removal of the substation can proceed. If AMAX does not receive a letter from the Division within two weeks, then they will proceed with the removal of the substation with the understanding stated in this letter.]*

BY 5/16/98

If you have any questions, please do not hesitate to contact me at (435) 472-4741.

Sincerely,

Johnny Pappas
Sr. Environmental Engineer