



**Coastal States
Energy Company**

1354 E 3300 South
Suite 303
Salt Lake City, Utah 84106
(801) 487-0756

0005

Subsidiary of
Coastal States
Gas Corporation

July 27, 1979

Mr. Mike Thompson
Reclamation Hydrologist
Division of Oil, Gas & Mining
State of Utah
1588 West North Temple
Salt Lake City, UT 84116

Dear Mr. Thompson:

Attached is a copy of the drilling permit for Coastal States Energy Company's Skyline Project. The permit has been approved by the United States Geological Survey with concurrence from the United States Forest Service. Additional drill holes have received approval and these include 78-11-1, 78-15-2, and 78-26-1.

Coastal is working closely with the USGS and USFS to comply with all of their concerns associated with this drilling program.

I thank you for the time and suggestions you gave us at our meeting yesterday in your office. We welcome any further help you can give us.

Please let me know if you or your staff would like to visit the operations at Skyline. I will do my best to accomodate your needs.

Sincerely,

Roger F. Holland
Senior Geologist

RFH:lg
Encl.

cc: L.A. Williams
R.V. Hall
Skyline Distribution