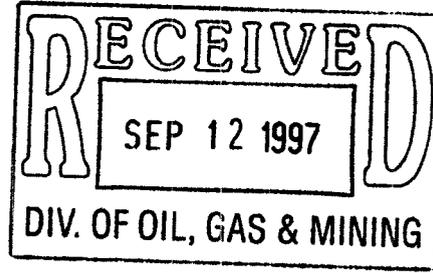




Canyon Fuel Company, LLC
Skyline Mines
P.O. Box 719
Helper, Utah 84526
(801) 637-7925 Fax: (801) 636-2632



ACT 1007/005 #2
ACT 1007/005-961
Daron

September 9, 1997

Mr. Daron Haddock
Permit Supervisor
Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114

Dear Mr. Haddock:

On September 5, 1996, Utah Fuel Company, which is now Canyon Fuel Company, LLC, submitted an extensive revision to incorporate the North Lease into Skyline Mines permit. At that time, it was anticipated that mining would quickly proceed into the North Lease area. With the sale of Utah Fuel Company to Canyon Fuel Company plans have changed and mining into the North Lease has been delayed. Because of this delay, Canyon Fuel is withdrawing the proposed North Lease Significant Revision. The Revision will be re-submitted at a more appropriate time in the future.

Thank you, and please call Dan Ferriter at (801) 636-2669 if you have any questions.

Sincerely,

Dan Meadors

General Manager