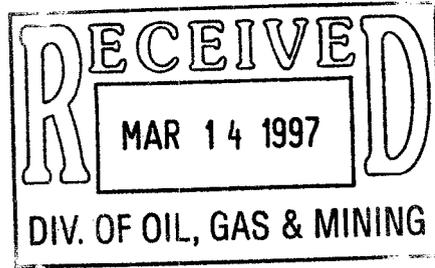


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Canyon Fuel Company, LLC
Skyline Mines
P.O. Box 719
Helper, Utah 84526
801/637-7925 Fax: 801/636-2632



March 11, 1997

Mr. Daron Haddock
Permit Supervisor
Division of Oil, Gas & Mining
Box 145801
Salt Lake City, Utah 84114-5801

ACT/007/005 #7

Re: Fourth Quarter 1996 water monitoring report for Skyline Mine

Dear Mr. Haddock:

As required by the Skyline Mine permit, water monitoring was conducted during the month of October 1996. Data are attached for the sites which were sampled. Monitoring sites not represented by the attached data were not sampled because of inaccessibility.

If there are any questions, please contact me.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Barry Barnum'.

Barry Barnum