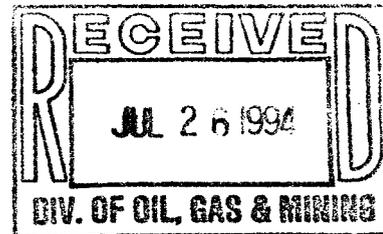


0048

SUNNYSIDE COAL COMPANY

Debtor in Possession

1113 Spruce Street
Boulder, Colorado 80302
(303) 938-1506
Facsimile: (303) 938-5005



*Copy to mine file
cc [unclear] [unclear]
[unclear]*
July 21, 1994 *7-26-94*

Mr. James C. Carter
Director
Utah Division of Oil, Gas and Minerals
State of Utah Natural Resources
355 W. North Temple, Suite 350
Salt Lake City, UT 84180-1203

Fax: (801) 359-3940

Re: D.O. #94B, Sunnyside Coal Company, Sunnyside Mine,
ACT/007/007, Folder #3, Carbon County, Utah

Dear Jim:

Thank you for the meeting with us on July 14, 1994 to discuss the subject Division Order ("D.O."). While I believe that the issuance of a D.O. was an over reaction, I recognize and share your objective of assuring the reclamation of the Sunnyside mine. I am also glad to know that you share our desire that funds spent at the Sunnyside mine go to actual reclamation instead of legal and administrative costs.

I want to confirm that an acceptable response to the D.O. is our submission of a schedule for meetings to resolve the issues addressed. I understand that the issues will be resolved based on the Division's review of available data and on-site inspection of the related areas. I further understand that reclamation will proceed a "design/build" basis. Work will be performed based on site inspections to minimize the need for costly and time consuming engineering studies. I agree with this approach and believe it will maximize the results of our efforts.

If this does not agree with your understanding of or discussions please advise me as soon as possible. If we are in agreement on this, I will begin preparing a proposed schedule and collecting the necessary maps and other data.

Mr. James C. Carter
July 21, 1994
Page 2

As I stated at our meeting, we request that these meetings be held at the Sunnyside mine where most of the data is located. In addition site inspections of the mine may be included in the process.

If you have any questions please feel free to call me.

Sincerely,



Robert M. Burnham
President

cc: J. Semborski
Mike Elder

File: 40721jwc.wp