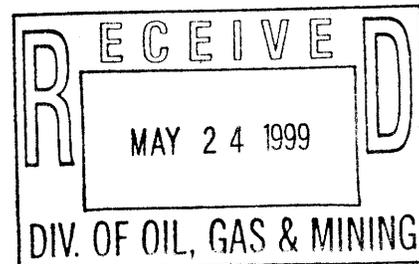




EARTHCO

Reclaiming the Earth's Resources

May 21, 1999



Ms. Pamela Grubaugh-Littig
Utah Department of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: Wellington Coal Plant (WCP)

Dear Pam:

The purpose of this letter is to clarify the current status of WCP. I forwarded to your office the reclamation bond in the amount of \$3 million. This amount of bond by itself would not be sufficient to replace the \$4.9 million bond that is on the entire project. I am requesting that you hold the \$3 million bond for a period of two weeks so that we may finalize the necessary paperwork involved in the permit transfer. Several events have transpired over the past couple of days that have moved us closer to the conclusion of this transfer.

I will keep you apprised of developments and will be delivering to you the deficiencies as you have outlined in the Application for Transfer as well as the consent of Nevada Power.

We would like to thank you and your staff at DOGM for your understanding and your efforts given to this project. If you have further questions, please do not hesitate to contact me at 1-800-641-1403 or at my California office, (408) 267-1909.

Regards,

J.W. Scott
President

JWS:jh

*ACT/005/012 #2
Copy May Ann & Paul
Pam*