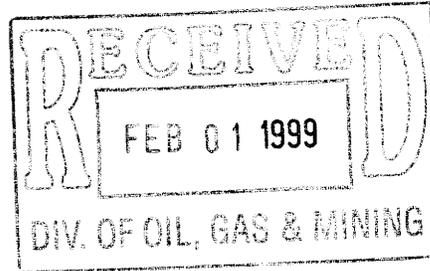




EarthFax

EarthFax
Engineering Inc.
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861



January 28, 1999

Mr. Ken Wyatt
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: 1998 Fourth Quarter Hydrologic Report for Horse Canyon Mine, ACT 007/013

(Handwritten circle around 'ACT 007/013' and '#7')

Dear Mr. Wyatt:

Please find enclosed one copy of the 1998 fourth Quarter Hydrologic Report for the Horse Canyon Mine. Included with this report are copies of the laboratory data sheets and spreadsheets describing the analytical results for each sampling site. Also included are the field data sheets for the sampling.

If you have any questions regarding this information, please call me at (801) 561-1555.

Sincerely,

(Handwritten signature of Thomas J. Suchoski)

Thomas J. Suchoski

cc: Mr. William E. Engels, IPA
Mr. Jay Marshal, UEI
Mr. Paul Clark

enclosures