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# UtahAmerican Energy, Inc.

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Tuesday, March 28, 2000

Ms. Pam Grugaugh-Littig  
Mr. Daron Haddock  
Mr. David Darby  
Mined Land Reclamation Program  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

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DIVISION OF  
OIL, GAS AND MINING

*Incoming*

*ACT/007/013*

Dear Pam, Daron, and Dave:

I wanted to take a few minutes to thank you for meeting with me last Friday, March 24, 2000. It was good to meet (or see) all of you again. I felt our meeting was very worthwhile, and I look forward to working with all of you in the future.

As I believe I mentioned during our meeting, I met with the Bureau of Land Management ("BLM") at the Price Field Office later that Friday. I met with Mr. Tom Rasmussen and Mr. Mark Mackiewicz.

After my meeting with the BLM, I came away feeling that they, the BLM, very much want the Lila Canyon Project to come to fruition, but they will be the first to admit that there are obstacles ahead. The Environmental Assessment ("EA") was reviewed by the State office of the BLM, and their comments were being addressed while I was in Price. The BLM, both at the Price and State offices, want the EA to be as "Appeal Proof" as possible. It was mentioned that the EA should be ready for public comment sometime around the first week of April. However, the BLM feels that an appeal will be made by the Southern Utah Wilderness Alliance ("SUWA") which will delay the EA's final approval and the associated Rights-Of-Way ("ROW") being granted.

Once the ROW has been granted, I plan on meeting with Emery County to start work on the proposed haul road. We have an agreement already in place with the County to design and build the aforementioned haul road once the ROW has been granted. We would like to start actual construction of the haul road this fall, if possible, or early next spring at the latest.

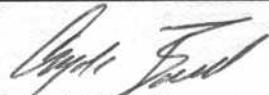
I know we talked, in general, about the timing of the MRP approval. I believe the date we discussed, assuming everything went well, was sometime in October. Would it be possible to estimate, and show, the expected dates for the remaining steps on

completion of the MRP? It would be very helpful to me, both from a learning standpoint, as well as a project management standpoint. From a marketing standpoint, we really need to know when we will have a valid mining permit. It is hard enough to sell coal in today's market, but trying to sell coal to someone when you don't even have a permit to mine is nearly impossible. Please see if you could put together a time line of the remaining steps in the approval process. I know that some of the times will need to be highly estimated since they will involve agencies, like the Office of Surface Mining, where you would have no control of the process. Any estimate is better than none at this point.

That's about all for now. I really enjoyed my short stay in Utah. I made it to every coal mine in the State Saturday and Sunday. Even found, by accident, a mine I did not know about, Hidden Valley. Nice road, no mine. Guess that might be the reason the County wants us to pay for the haul road, up front!

If you have any questions, please do not hesitate to call me anytime. The number I'm normally at is 740-926-1351. In case you ever need to reach me after hours (remember we are 2 hours later than you) my home number is 304-233-6473.

Thanks again,  
UTAHAMERICAN ENERGY, INC.



Clyde I. Borrell  
Vice President

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