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**UtahAmerican Energy, Inc.**

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May 24, 2000

Mr. David W. Darby  
Department of Natural Resources  
Division of Oil, Gas and Mining  
Box 145801  
Salt Lake City, UT 84114-5801

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Incoming  
ACT/00/013*

Dear Dave:

I want to thank you for the information on the abutments out at Horse Canyon, i.e., that they are owned by the County. It is nice to get good news on occasion.

As you know, the Intermountain Power Agency is actively trying to sell their position in Lila Canyon and Horse Canyon, and we have been told that bids have been received. At this point, we do not know who our landlord is going to be once the sale is complete, and, as a result, we do not want to perform any reclamation on the property until we can discuss reclamation plans with the new landlord.

I expect that we will know the status of the sale in a couple weeks and would anticipate a closing within a couple months. Unfortunately, it is doubtful if we will be allowed to talk with the new landlord until after the closing. At that point (after the closing), we will determine what we, and the new landlord, want to do regarding the timing of the reclamation in question at Horse Canyon. Naturally, all reclamation bonds are in place so there is no exposure to anyone, simply a delay.

Dave, I'll let you know the timing as soon as I know. If you have any questions, please call or write.

Sincerely,  
UtahAmerican Energy, Inc.

  
Clyde I. Borrell  
Vice President

cc: Mel Coonrod

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DIVISION OF  
OIL, GAS AND MINING