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Coal Services Group

Coal Services Group
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ACT/002/013
INCOMING
Copy Susan
Susan

Facsimile

To: Pam Grubaugh-Littig
@Fax: 801-359-3940
From: Clyde I. Borrell
Date: Saturday, September 9, 2000 @ 9:47AM
Re: Couple Items
Pages: 2, including this

Dear Pam:

Attached is a "formal looking" letter showing that we purchase the IPA assets. Mel Coonrod wanted a "formal looking" letter for the PAP / MRP update.

Speaking of the update. Mel is going to be with Dave Darby next week (Tuesday I believe) and he will give Dave our responses to the last TA.

Pam, if there is any way to expedite the review of our responses it would be greatly appreciated. I am concerned that the PAP (MRP) process involving DOGM, and the Right-of-way process with the BLM, are moving so slowly that neither will be done this year. I have assured our owner that both would be done by the end of 2000. Again, anything that can be done to speed up the process would be appreciated.

I've explained my concerns to the BLM about the timing in a more formal manner. It has been 4 weeks since the end of the public comment period regarding our EA and they, the BLM, have not even started on their Letter of Decision. Once their Letter is made public it will be 75 days after that before the ROW is granted assuming all goes well with the appeal (there will be an appeal). Again, we are pushing the end of the year.

Not much else to report. Please let me know if you need any additional information as shown on the "formal looking" letter. By the way, the original to the letter is in the mail.

Thanks - Clyde Borrell

**UtahAmerican
Energy, Inc.**

UtahAmerican Energy, Inc.
Box 187
St. Clairsville, OH 43950

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email: CBorrell@CoalSource.com

Saturday, September 09, 2000

Ms. Pamela Grubaugh-Littig
Permit Supervisor / Reclamation Engineer
Utah Division of Oil, Gas, and Mining
Box 145801
Salt Lake City, UT 84114-5801

Dear Ms. Grubaugh-Littig:

On July 31, 2000, UtahAmerican Energy, Inc., ("UEI") purchased certain assets from the Intermountain Power Agency ("IPA"). The assets purchased include;

All the federal coal leases that IPA controlled that were associated with the Horse Canyon / Lila Canyon Mines (SL-066490, U-014218, U-0126947, U-014217, SL-069291, SL-066145.

Approximately 1,600 acres of surface land and some fee coal lands.

The Horse Canyon Mine including all the surface facilities.

All associated water rights and rights-of-ways that IPA controlled.

In essence, UEI now owns or controls all the assets that IPA controlled regarding the Horse Canyon Mine and Lila Canyon Mine Project with the exception of the Carbon County Railroad and certain water rights on the Price River.

If you, or the Division of Oil, Gas and Mining ("DOGGM"), need a formal list of the assets UEI now owns, please let me know.

Again, I look forward to working with you and the other members of DOGM in the future.

Sincerely,
UTAHAMERICAN ENERGY, INC.



Clyde I. Borrell
Vice President