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**UtahAmerican
Energy, Inc.**

UtahAmerican Energy, Inc.
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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

Incoming
ACT/007/013
cc Pam

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.

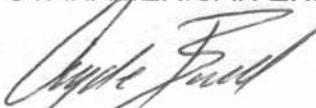
All associated water rights and rights-of-ways that IPA controlled.

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 DOGGM in the future.

Sincerely,
UTAHAMERICAN ENERGY, INC.



Clyde I. Borrell
Vice President

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DIVISION OF
OIL, GAS AND MINING