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DIVISION OF
OIL, GAS AND MINING

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P.O Box 1106
Price, Ut. 84501
Ph. 435-637-5444*incoming
3/20/02*

MEMORANDUM

TO: Mary Ann Wright, Associate Director - Mining *Mary Ann*
Utah Division of Oil Gas and Mining
1594 W. North Temple
P.O. Box 145801
Salt Lake City, UT 84114-5801

FROM: Bill Howell, Executive Director *Bill*

DATE: March 22, 2002

SUBJECT: Lila Canyon mine permit application

At its regular meeting yesterday, March 21, 2002, the Executive Board of the Southeast Utah Association of Local Governments reviewed the application by Utah American Energy, Inc. for a mine permit on their Lila Canyon lease tract.

The Board recognizes the benefits of the Lila Canyon project to both Carbon and Emery Counties in terms of economic and employment stability for the region. The Board also recognizes the long-term need for a reliable and uninterrupted supply of coal for local and regional markets.

For these reasons, the Board expresses, by way of this letter, its support for favorable and expeditious review and approval of the Lila Canyon permit application upon a demonstration of the application having complied with all applicable laws and regulations.

As always, this Association sincerely appreciates the working relationship it has had over the years with the Division of Oil Gas and Mining and with you.