

**Elaine Thompson  
315 South Virginia  
Prescott, AZ 86303**

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**August 3, 2002**

Ms. Mary Ann Wright, Associate Director of Mining,  
UTAH DIVISION OF OIL, GAS AND MINING  
1594 W. North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

Subject: Lila Canyon Extension, UtahAmerican Energy, Inc., Horse  
Canyon Mine

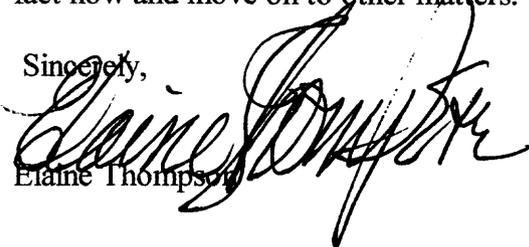
Dear Ms. Wright:

Thank you for recognizing the important geologic, hydrologic, and biologic resources of the Lila Canyon area, and the deficiencies of Utah American Energy's application during your recent considerations.

I would also like to suggest that you not even bother considering future application submittals from Utah American Energy until they have collected adequate biological information and a minimum of two-years of baseline hydrological data for all surface and underground water sources throughout the entire permit area, including the Range Creek drainage.

Finally, I would humbly remind you that the area under consideration is proposed for wilderness designation and is therefore inappropriate for mining development under any circumstance. The Division would save precious time and resources to recognize this fact now and move on to other matters.

Sincerely,

  
Elaine Thompson

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DIVISION OF OIL, GAS AND MINING