

**UtahAmerican Energy, Inc.**

February 19, 2003

Darron Haddock  
Permit Supervisor  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

RECEIVED

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DIV. OF OIL, GAS &amp; MINING

Dear Mr. Haddock;

A recent article in Coal Outlook states that DOGM has put the Lila Canyon permit on the back burner while it deals with permit changes for existing mines. The article further explains that since Lila is a development project for a new mine, no employment is at stake, so Arch PacifiCorp and CONSOL applications, which are existing mines, have priority in the review process.

~~After an approved 45-day extension, UtahAmerican Energy, Inc. submitted response to the first~~  
technical analysis in a timely manner. The responses were submitted on December 6, 2002 and as of yet DOGM has not completed their review.

UtahAmerican Energy, Inc. ("UEI") understands priorities but we are concerned. UEI's BLM lease suspension will only stay in effect as long as UEI diligently pursues the Lila Canyon Permit. I hope the BLM also understands priorities and DOGM's delay in reviewing the permit is not interpreted by the BLM as "UEI dragging their feet".

Sincerely,

R. Jay Marshall P. E.  
Project Engineer

c.c. Clyde Borrell UEI  
Jim Kohler BLM