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DIV. OF OIL, GAS & MINING

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November 23, 2005

HAND DELIVERED

Mr. John Baza
 Director
 Utah Division of Oil, Gas & Mining
 1594 West North Temple
 Salt Lake City, Utah 84114

RE: *Horse Canyon Mine, Lila Canyon Extension, C/007/013, Informal Conference-Utah Admin. R. 645-300-123*

Dear Director Baza:

On behalf of UtahAmerican Energy, Inc. ("UEI"), applicant/permittee for the Lila Canyon Extension Coal Mining Permit ("Permit"), we request an opportunity to meet with the Utah Division of Oil, Gas & Mining ("Division") and the Southern Utah Wilderness Alliance ("SUWA") at a meeting scheduled at 1:30 p.m. on December 8, 2005. SUWA and the Division have scheduled this meeting to follow up on issues addressed at the informal conference held on November 8, 2005 regarding the Division's determination that the Lila Canyon Mine permit is administratively complete and technically adequate. Specifically, the Division has requested SUWA to respond to the issues raised in the Division's letter dated November 8, 2005, discussed at the informal conference. Although SUWA is open to considering UEI's participation, the Division has initially declined UEI's request to attend this meeting. UEI is being excluded from this discussion, despite the fact that the meeting involves issues raised at the informal conference and directly relates to UEI's pending application.

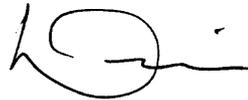
The Division's decision in this regard is contrary to the spirit and intent of Lowell Braxton's Order dated July 30, 2004 ("Order"), which provided all parties to the informal conference the opportunity to meet and address the Division's final technical adequacy determination. Order, ¶¶ 5 and 6. The follow up meeting held on November 8, 2005, at which you presided as hearing officer, was requested by SUWA and involved all parties to the original conference, including UEI. Despite your request that SUWA respond to the Division's letter by the close of the informal conference record on November 18, 2005, SUWA and the Division apparently agreed to address this letter in a separate meeting scheduled for December 8, 2005. In

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all fairness, and consistent with the earlier Order, the applicant should be included in this meeting to complete the discussion which was initiated at the informal conference. Certainly, the applicant should have the opportunity to hear SUWA's concerns firsthand and have the opportunity to respond to the Division and SUWA at the meeting on December 8, 2005.

UEI appreciates your consideration in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:374493

cc: Clyde Borrell
Michael McKown, Esq.
Jay Marshall
Steve Alder, Esq.
Steven Bloch, Esq.
Heather Shilton, Esq.