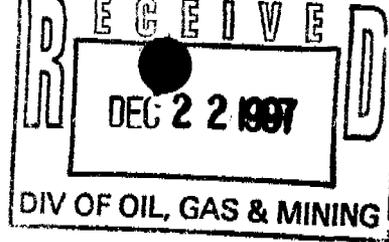


0001

Mountain Coal Company

Paige B. Beville
555 Seventeenth Street
Denver, Colorado 80202
Telephone 303 293 7913
Facsimile 303 293 4820



December 19, 1997

Mr. Joseph C. Helfrich
Permit Supervisor
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

A handwritten signature in cursive script that appears to read "Dave".

RE: Proposed Assessment for State Violation No. N-97-47-2-3, Mountain Coal Company, Gordon Creek Nos. 2,7, and 8 Mines, ACT/007/016, File #2, Carbon County, Utah.

Dear Mr. Helfrich:

In reference to the above State Violation, I wish to request both an Appeal of Fact Hearing and an Assessment Conference to review the Violation and the proposed penalty for same. Further, in order to properly prepare for both the Hearing and the Conference, I would like a comprehensive written explanation regarding the basis for the State's decision to deny our request to vacate the Violation. I understand from a phone message you left me on December 8th that the Utah Department of Oil, Gas, and Mining (UDOGM) regarded either the Violation, the rainfall damage to our hydrologic control structures or the repair of those damages to be "... an exercise of due diligence to maintain structures". Whatever that means, it is inconsistent with the claims made in the Violation and consequently leaves me completely confused as to exactly what Mountain Coal Company was supposed to do to ensure vacation of the Violation or now, how to prepare for both the Hearing and the Conference. While I requested such an explanation from you on December 8, a response has not been forthcoming. Therefore, I am requesting again, the basis for the State's decision to deny our request to vacate the Violation.

Sincerely,

A handwritten signature in cursive script that reads "Paige B. Beville".

Paige B. Beville

c: Dan Guy, Blackhawk Engineering
Phil Schmidt, WEM

1001 S S

December 19, 1997

Page 2

Dave Darby, UDOGM
Vicky Bailey, UDOGM