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Mine file

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 15, 1997

Nick Sampinos
Attorney at Law
First Interstate Bank Building
80 West Main, Suite 201
Price, Utah 84501

Re: Gordon Creek 2, 7 & 8, ACT/007/016, Gordon Creek 3 & 6, ACT/007/017 and Horizon Mine, ACT/007/020, Folder #2, Carbon County, Utah

Dear Mr. Sampinos:

I received your letter this morning and wish to clarify two items with you and your clients.

My first concern about your letter of October 10, 1997 was the issue of Mr. Falk not showing up at the meeting on October 3. Please understand that I did not speak with his supervisor. I am not even sure that I know who is his supervisor. I did, however, speak with Mr. Alan Rabinoff, State Office of the BLM. He apparently supervises Jim Kohler, who appeared in our offices the afternoon of October 2 and made it known to Dave Darby that he would like to come along on this trip. Dave consulted with me about this. Since I had to speak with Alan on another subject, I brought this issue up. I explained to Mr. Rabinoff that we were taking a field tour at the request of the attorney for the Stamatakis brothers.

It was then that I called your office to see if you wished to have the BLM involved. Your secretary responded to me that you had no knowledge of the BLM being asked to come along on the tour. I relayed that information to Mr. Rabinoff by phone message, saying that was the best information that I had. Mr. Rabinoff has no line authority over the Price office but likely apprised someone in the Price BLM office of the information I had given him. So, I apologize if it seems that I caused this difficulty but, in truth, I tried very earnestly to find out if it was your clients' desire to have Mr. Kohler as part of this exercise.

Now on to the more important issue that I wish to clarify. You mentioned your concern in your letter of my "staff members' apparent lack of knowledge regarding the existence of the various subsidence cracks, slope slumping, embankment failure, and other issues... which are apparently related to the Beaver Creek Mining operation." I believe that your clients may have heard that they had not been out on the ground to view the specific subsidence manifestations which we hiked down the hill and viewed at Gordon Creek 2, 7 & 8. We do not have staff time to hike around and view all of these. We do, however, review the company's annual reports in

which they are required to report on these. Therefore, we were aware, even though each subsidence manifestation may not have been personally visited.

Finally, for your information, Mr. Jesse Kelley, mining engineer with DOGM who attended on October 3, will also attend the second site tour scheduled for October 16, 1997 with the BLM. We wish to ensure that we did not miss anything brought up on the October 3 tour. Thank you for sharing your concerns with us. We will continue to work on this issue.

Sincerely,

Mary Ann Wright
Associate Director of Mining

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