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

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June 24, 1997

Denise Dragoo
Resident Agent for Horizon Coal Corporation
c/o Van Cott Bagley, Cornwall and McCarthy
50 South Main Street, Suite 1600
Salt Lake City, UT 84145-0340

Re: Status of Permit Transfer, Horizon Coal Corporation, Horizon Coal Mine, ACT/007/020, Folder #3, Carbon County, Utah

Dear Ms. Dragoo:

This letter is to verify the status of the permit transfer of the Horizon Coal Mine. The Division is in receipt of your letter to James Carter, dated June 18, 1997 that outlined how the objection to the permit transfer, filed June 12, 1997 is being handled, i.e. the Sweets Pond and its utilities will not be utilized by Horizon Coal Corporation.

As I mentioned to you in our telephone conversation this morning, Earthfax, upon a request by Horizon Coal Corporation, submitted a permit change along with the responses to "Attachment A, Special Conditions to Permit Approval and Division Order 96A" on June 16, 1997. Although Division staff had encouraged this permit change be submitted separately, this permit change is being processed along with the entire package of responses to the Special Conditions and Division Order 96A. Therefore, the permit transfer will proceed after the review of this entire submittal is completed.

There are two other outstanding items that must be submitted prior to the permit transfer: the surety bond and the executed Reclamation Agreement. If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

cc: Vicky Bailey, Earthfax
Robert Peirce, Objector to Permit Transfer
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