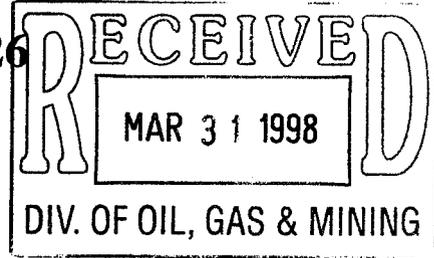


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Horizon Coal Corporation

P.O. Box 599

Helper, UT 84526



March 31, 1998

Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

ACT 1057 1020 #6

Subject: Annual Report

Enclosed please find 2 copies of the Annual Report for Horizon Mining, LLC.

Should you need additional copies or information please contact Vicky Bailey at (801) 561-1555.

Sincerely yours,

A handwritten signature in cursive script that reads "Vicky S. Bailey".

Vicky S. Bailey
EarthFax Engineering, Inc.
Permitting Coordinator