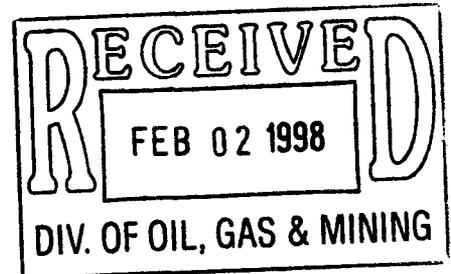


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Horizon Coal Corporation
P.O. Box 599
Helper, UT 84526



January 30, 1998

Mr. Daron Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Subject: Submittal of 4th Quarter Water Data for 1997
Permit No. ACT/007/020
Horizon Coal Corporation, Carbon County, Utah

#7 ACT/007/020

Dear Daron,

Enclosed please find a copy of the water data for the 4th Quarter of 1997. In cooperation with a letter dated November 5, 1997 from Pamela Grubaugh-Littig which stated "In the future, you need to send only one copy of the operational water data to the Division".

For clarification the site was visited twice (November 26 and December 22) to collect water samples for the 4th quarter of 1997, conditions were similar both times. Attempts to reach the Beaver Creek area were tried from both the Horizon side and the Clear Creek side.

If you have any questions please call me at (801) 561-1555. Thank you for your assistance.

Sincerely yours,

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

Vicky S. Bailey
Permit Coordinator