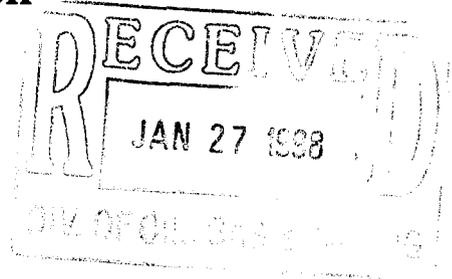


Horizon Coal Corporation
P.O. Box 599
Helper, UT 84526



January 27, 1998

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

Subject: Cessation Order No. C98-26-1-1
 ACT 007/020, Horizon Coal Corporation,
 Carbon County, Utah

#5 & NOV/CO
 file
 Copies for Joe
 Bill @ PFD
 Copied)

Dear Joe,

In the "Affirmative Obligation" section of Cease Order C98-26-1-1 issued to Horizon Coal Corporation, the following obligations are listed:

- (1) Complete final construction on the 36" culvert, topsoil removal/storage and pad thirty days after the plan is approved and/or modified by the Division (97D).
- (2) Submit plan on the smaller culvert, Jan 27, 1998. Complete installation as specified by Division approval within 30 days thereafter.
- (3) Install sediment control (straw bales) to treat runoff from new disturbed areas.

Obligation No. 1 is not addressed in this letter since, to date, the plan submitted in September 1997 for the extension of Culvert U-3 has not been approved.

Obligation No. 2 pertains to a section of 10-inch diameter PVC pipe which was placed within the fill material of the Jewkes Canyon pad area over and adjacent to the extended culvert. The aforementioned pipe was installed during pad construction in the event that the decision was made to install a future mine-water discharge line at that location. However, subsequent plans changed regarding the future location of the mine-water discharge line. As a result, the existing 10-inch diameter PVC pipe is not currently needed and will be capped on each end and left in place. Should the pipe be needed in the future for a Division-regulated use, a permit amendment which complies with R645 regulations will be submitted to the Division for approval prior to its use.

Obligation No. 3 has been completed as of January 24, 1998. This work involved the installation of straw bales, berms, silt fences, and riprap which were placed to control erosion from the new disturbed areas. Specifically, a berm was placed at the top of the fill over the

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culvert extension to prevent runoff from the pad from flowing down the face of the fill. Riprap was placed on the face of the fill to preclude erosion from raindrop impact and from surface water in Jewkes Creek which might contact the face prior to flowing into the culvert. The silt fences and straw bales were placed around the temporary stockpiles of topsoil which was salvaged from the area prior to the installation of the extended culvert.

Please contact me if you have any questions.

Sincerely yours,



Vicky S. Bailey
Permit Specialist
EarthFax Engineering, Inc.

cc: Bill Malencik