

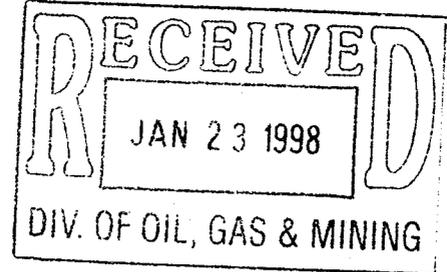
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January 23, 1998

HAND DELIVERED

Ms. Mary Ann Wright
Associate Director of Mining
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

**RE: Consumer's Canyon Road, Horizon Mining, LLC,
ACT/007/020, Folder #3, Carbon County, Utah**

*ACT/007/020 #2
Copy Maylin,
Dana, Joe,
FAM*

Dear Ms. Wright:

As you are aware, I am the registered agent for Horizon Mining, LLC ("Horizon"). Enclosed on behalf of Horizon is information you requested regarding the Consumer's Canyon Road which confirms that the realigned portion is public and should be exempt from regulation under the Utah Coal Program. Utah's public road policy, stated in a letter dated July 3, 1995, states that a road may not be required to be permitted if: (a) it was properly acquired by a governmental entity; (b) it is maintained with public funds or in exchange for taxes or fees; (c) it was constructed in a manner similar to other public roads of the same classification; and (d) impacts from mining are not significant under the definition of "affected area" and "surface coal mining operations."

*(documents to file)
Copy
Documents to Dana*

Enclosed are the following documents which confirm that the realigned portion of the Consumer's Canyon Road should not be permitted under the Mining and Reclamation Plan for the Horizon Mine. These documents are as follows:

1. Carbon County Ordinance #259 dated November 5, 1997, confirming that the County owns the realigned portion of Consumer's Canyon Road, that such realigned portion has been dedicated to operation, use and maintenance by the County as a public road, that the Consumer's Canyon Road and the realigned parcel are classified as a Class B road constructed and maintained in a manner similar to other Class B road systems within the County and that the road is maintained by the County with public funds as a multiple use, open access, public road not subject to the control of Horizon or any other private entity.

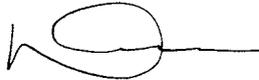
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2. Executed and recorded copies of a Reciprocal Grant and Quit Claim Deeds which effect the ownership of the realigned road in Carbon County. The enclosed Commitment for Title Insurance confirms title to this parcel as requested by the County.
3. Agreement between Carbon County and Horizon confirming the County's commitment to pay certain costs associated with realignment of Consumer's Canyon Road.

These documents should provide the Division with more than adequate information to support a finding that this road should not be regulated under the Utah Coal Program.

Please let me know if you need anything further concerning this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:161889

Enclosures

cc: Scott Kiscaden
Todd Kiscaden
Larry Jones