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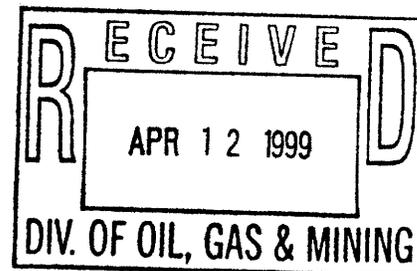
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April 9, 1999  
Via Facsimile & U.S. Mail



Ms. Mary Ann Wright  
Associate Director - Mining  
State of Utah, Department of Natural Resources  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
P.O. Box 14580  
Salt Lake City, Utah 84114-5801

RE: *Request for Termination - Cessation Order No. C99-26-1-1, Horizon Mining, LLC, Horizon Mine Permit ACT/007/020 #5* = CO file

Dear Mary Ann:

On behalf of Horizon Mining, LLC ("Horizon") we respectfully request termination of Cessation Order No. C99-26-1-1, ("CO"). As we discussed, as of 9:30 a.m. April 9, 1999, when the CO was served on me, Horizon had complied with the CO by ceasing mining activities in the 1<sup>st</sup> Left North Main section of the Horizon Mine. Horizon has met the requirements of the CO, therefore the order should be terminated and further affirmative obligations should be dropped.

On March 26, 1999, Earthfax Engineering, Inc. submitted an incidental boundary change for Horizon Mine Permit no. ACT/007/020. Horizon may supplement this submission to include a complete plan for the mining of Federal Coal Lease UTU-74804. However, Horizon's decision whether or not to resume mining within the Federal Coal Lease is outside the scope of the CO. Horizon has ceased mining and does not intend to conduct further operations to extract coal with out a valid amendment to its existing coal mining permit. If mining operations continue at Horizon Mine they will proceed within the permitted area. Horizon's operations in the 1<sup>st</sup> Left North Main will be limited to activities necessary to meet the requirements of the Bureau of Land Management's Order dated April 8, 1999, the Mine, Safety and Health Administration and R645-400-316.

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Horizon has asked me to express its displeasure with the manner in which the CO was served. Horizon is disappointed that the BLM and the State of Utah notified Channel 4 and provided a television interview prior to serving the CO on the operator. This precipitous action was unfair to the operator and undermines their good faith efforts to resolve this matter. Unfortunately Channel 4 has left the public with the misunderstanding that all mining operations have ceased at Horizon Mine. Because the operator had not been served with the citation prior to your notification to the press, it was unable to timely respond to Channel 4. As a result, Horizon has been harmed unnecessarily in its business relations and in the ongoing negotiations for the sale of the mine.

Finally, in the event that Horizon proceeds with permitting, communications between the Division and the operator need to be more open and forthcoming. Horizon would appreciate written confirmation regarding the status of its incidental boundary change and an opportunity to address deficiencies in that document. If the submittal is not acceptable, Horizon requests a meeting with the Division, OSM and Earthfax to determine what further requirements are necessary for federal mine plan approval.

Thank you for your assistance in this matter.

Very truly yours,



Denise A. Drago

DAD:jmc:79162

cc: Larry Jones  
Alan Rabinoff  
Dan Moquin  
Bruce Hill, Esq.  
Richard Manus  
Steve Falk  
William Malencik