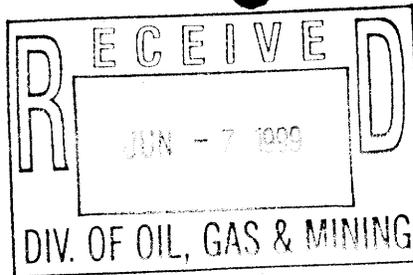


# Snell & Wilmer

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SALT LAKE CITY, UTAH  
PHOENIX, ARIZONA  
TUCSON, ARIZONA  
IRVINE, CALIFORNIA

June 4, 1999

*Via Facsimile, 435-636-3657, and U.S. Mail*

Mr. Richard Manus  
Field Manager, Price Field Office  
125 South 600 West  
Price, Utah 84501

**RE: Horizon Mining, LLC -- Federal Coal Lease UTU-74804**

*Copy Mary Ann,  
ACT/00/020 #2 Aaron,  
Je,  
ASM,  
Bill M.  
(2-sided)*

Dear Field Manager Manus:

On behalf of Horizon Mining, LLC ("Horizon"), we have been requested to update you regarding the compliance of Horizon with the Notice of Noncompliance ("Notice") and Order for Immediate Cessation of Operations ("Order") dated April 8, 1999. In addition, this letter responds to your correspondence dated April 23, 1999. Enclosed are Orders of the Utah Division of Oil, Gas & Mining (the "Division") regarding Cessation Order No. C99-26-1-1 ("CO"), served on Horizon on April 9, 1999. The CO has been modified to delete part 3 of the "affirmative obligations" which had required Horizon to obtain approval from the Division and the Department of the Interior to mine Federal Coal Lease UTU-74804 ("Federal Lease"). The Division then issued an Order terminating the CO on the basis of Horizon's submission of a complete plan for mining the Federal Lease. These Orders were issued as the result of today's meeting between Horizon and the Division during which Horizon submitted a twelve-volume federal mine plan regarding the Federal Lease.

Based upon Horizon's submission of a complete federal mine plan and cessation of mining activities in the 1<sup>st</sup> Left Main North entries, Horizon once again requests that the Order be lifted. By letter dated April 23, 1999, you confirmed that the BLM had inspected Horizon on April 13, 1999 and verified that it had stopped mining off the permit area. Horizon does not intend to conduct mining operations in this area until it has an approved mining plan. This requirement is addressed in BLM's Notice. Due to the fact that BLM has verified Horizon's cessation of operations, and in that the Notice continues to require an approved mining plan, Horizon requests termination of BLM's Order.

**Snell & Wilmer**  
LLP

Mr. Richard Manus  
June 4, 1999  
Page 2

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Thank you for your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:79162

Enclosures

cc: Larry Jones  
Alan Rabinoff  
Michael Malmquist, Esq.  
Mary Ann Wright  
Steve Falk  
Eberley Davis, Esq.



UTAH NATURAL RESOURCES  
Oil, Gas & Mining

3 Triad Center - Suite 350 - Salt Lake City, UT 84180-1203 - 801-538-5340

### MODIFICATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name HORIZON MINING LLC

Mailing Address 111 EAST BROADWAY, SUITE 900 SLC, UT. 84111

State Permit No. ACT 1007/020

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_\_.

Cessation Order No. C - 99-26-1-1 dated APRIL 8<sup>TH</sup>, 19 99.

Part 3 of 1 is modified as follows: PART 3 OF THE AFFIRMATIVE OBLIGATIONS IS DELETED.

Reason for modification is THE SUBMITTAL OF A COMPLETE PLAN FOR THE MINING IN THE FEDERAL COAL LEASE (UTU-74804), WOULD BE ADEQUATE TO

Part \_\_\_\_\_ of \_\_\_\_\_ is modified as follows: TERMINATE THE CESSATION ORDER.

Reason for modification is \_\_\_\_\_

Part \_\_\_\_\_ of \_\_\_\_\_ is modified as follows: \_\_\_\_\_

Date of service (mailing) 6/4/99 Time of service (mailing) 3:00 10:30 a.m.  p.m.

Date of inspection 4/7/99

DENISE DRAGOO  
Permittee/Operator representative

RESIDENT AGENT  
Title

MAILED FROM DGM OFFICE  
Signature

JOSEPH C. HEYFRICH  
Division of Oil, Gas & Mining

PERMIT SUPERVISOR  
Title

Joseph C. Heyfrich  
Signature

WHITE - DOGM YELLOW - OSM PINK - PERMITTEE/OPERATOR GOLDENROD - NOV FILE  
DOGM/MVC-1

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Oil, Gas & Mining

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### VACATION/TERMINATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name HORIZON MINING LLC.

Mailing Address 111 EAST BROADWAY, SUITE 900 SLC, UT 84111

State Permit No. ACT 10071020

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N \_\_\_\_\_ dated \_\_\_\_\_, 19 \_\_\_\_\_.

Cessation Order No. C - 99-26-1-1 dated APRIL 8, 19 99.

Part \_\_\_\_\_ of \_\_\_\_\_ is  vacated  terminated because THE PERMITTEE HAS NOT MET THE AFFIRMATIVE OBLIGATIONS AS STATED IN THE CESSATION ORDER.

Part \_\_\_\_\_ of \_\_\_\_\_ is  vacated  terminated because \_\_\_\_\_

Part \_\_\_\_\_ of \_\_\_\_\_ is  vacated  terminated because \_\_\_\_\_

Date of service/ mailing 6/4/99

Time of service/ mailing 3:00 PM ~~10:30~~  a.m.  p.m.

Denise Dragoo  
Permittee/Operator representative

RESIDENT AGENT  
Title

MARG FROM DOGM OFFICE  
Signature

JOSEPH C. HEDRICH  
Division of Oil, Gas & Mining

PERMIT SUPERVISOR  
Title

Joseph C. Hedrich  
Signature

