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PAMELA GRUBAUGH-LITTIG		359-3940	
MIKE MALMQUIST, ESQ.		536-6114	
LARRY JONES		435-613-9093	

FROM:
Denise A. Dragoo

REMARKS:

RE: HORIZON MINE PERMIT NO. ACT/007/020 # 2

*Already copied
Mey Ann*

ORIGINAL DOCUMENT: Will not be sent

CONFIRMATION No.:
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NUMBER OF PAGES:
(INCL. COVER PAGE) 2

DATE: July 12, 1999

CLIENT/MATTER: 33999.0002

PLEASE RETURN TO: Julie McKenzie, 801-237-1959

PERSONAL FAX: No

REQUEST/ATTORNEY: Denise A. Dragoo

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Snell & Wilmer

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CONFIRMATION OF FACSIMILE

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

July 12, 1999

Via Facsimile: 359-3940

Ms. Pamela Grubaugh-Littig
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Re: Horizon Mine Permit No. ACT/007/020 #2

Dear Ms. Littig:

This letter confirms our agreement with the Utah Division of Oil, Gas & Mining to extend the deadline for filing a bond increase to July 15, 1999. As we have discussed, this extension is necessary to accommodate the closing of the Horizon Mine Asset Purchase Agreement between Horizon Mining, LLC, and Lodestar Energy, Inc.

The penalty amount of \$280.00 for Notice of Violation N-99-26-2-1 has been set aside for payment at closing. The closing escrow agent will forward the \$280.00 to the Division of Oil, Gas & Mining following closing.

Very truly yours,



Denise A. Dragoo

dad:jmc:92567

cc: Mike Malmquist, Esq.
Larry Jones

