



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 30, 1999

Denise A. Dragoo
Horizon Mining, LLC
SNELL & WILMER, LLP
111 East Broadway, Suite 900
Salt Lake City, UT 84111

Re: Informal Hearing on State Notice of Violation N99-26-1-1, Horizon Mining, LLC,
Horizon Mine, ACT/007/020, Folder #5, Carbon County, Utah

Dear Ms. Dragoo:

In accordance with your written request of April 14, 1999, an Informal Hearing on Notice of Violation N99-26-1-1 (the NOV) was scheduled for 9:00 a.m. in the Division's offices. The undersigned was to serve as the informal hearing officer. The NOV was written on April 7, 1999 "for failure to comply with the DOGM Division Order (the Order) dated February 25, 1999." Your request for a hearing also included a request to review elements of the Order that were not included in the NOV.

Prior to the hearing you were contacted by Thomas A. Mitchell, Assistant Attorney General, regarding discussing a settlement of issues raised in the Order, including issues before the Board of Oil, Gas and Mining listed as Docket No. 99-001, Cause No. ACT/007/020.

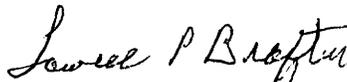
At the appointed hearing time, Horizon Mining, LLC was represented by yourself and by Mr. Mark Wayment. Thomas A. Mitchell represented the Division, and Division Permit Supervisors Pam Grubaugh-Littig, Daron Haddock, and Senior Reclamation Specialist Bill Malencik were in attendance. I posed the question was there still interest in discussing settlement of the issues rather than proceeding with a hearing on the fact of the violation, and all parties readily agreed that such a discussion might be productive.

At the conclusion of the discussion, all parties felt that settlement terms had been established that could obviate the need for a fact of violation conference on the NOV, and a Board hearing on the Order, and you agreed to draft a settlement agreement for review by Horizon Mining, LLC and the Division of Oil, Gas and Mining.

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This letter substantiates that an opportunity for an informal hearing was provided by the Division, and that at the appointed hearing time Horizon opted to pursue the settlement route rather than the appeal route.

Sincerely,



Lowell P. Braxton
Director

dr
cc: M. Wright
P. Grubaugh-Littig
D. Haddock
W. Malincik
T. Mitchell

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