



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

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May 11, 1999

Denise Dragoo, Resident Agent
Horizon Mining, LLC
c/o Snell & Wilmer
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: Reply to Request for Termination of Cessation Order No. C99-26-1-1 of April 9, 1999,
Horizon Mining, LLC, Horizon Mine, ACT/007/020, Folder #3, Carbon County, Utah

Dear Ms. Dragoo:

We are in receipt of your letter dated April 9, 1999, requesting termination of the cessation order as noted above. The Division acknowledges that Horizon Mining has ceased mining in the 1st Left North Mains section of the Horizon Mine as verified by the BLM inspector.

At this time, the Division can only conjecture what Horizon Mining's intentions are in regard to permitting and mining in Federal Lease UTU74-804. The division is not in receipt of written intentions in this regard. Upon submittal of a complete application for mining of the entire lease, the Division will be able to make a determination concerning environmental effects of underground mining in the lease area. Upon written verification of other intentions, the abatement may be modified to reflect requirements for a different submittal which can aid the Division in determination of environmental harm in relation to the effects of mining in the lease area without a permit.

Until Horizon Mining updates its permit in either regard, the Cessation Order will remain in effect and can later be terminated, effective to a given date.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright".

Mary Ann Wright
Associate Director, Mining