



Lodestar Energy, Inc.
Mountain Operations
 White Oak Mines, Horizon Mine and Grand Valley Mines
 HC 35 Box 370
 Helper, Utah 84526

December 21, 2000

Ms. Pamela Grubaugh-Littig
 Utah Coal Program
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, UT 84114-5801

Gregory M. Hansen
 FAX PFO
 12/21/2000

Subject: Use of Coal Storage Area for Staging Area during the Construction Phase of Reopening the Horizon Mine

Dear Ms. Grubaugh-Littig:

Lodestar Energy, Inc. respectfully requests the ability to use the area designated as the coal storage area during the construction phase of reopening the Horizon Mine. This request is due to our inspector's zeal in the application of the regulations.

The remaining coal material is to be removed from the site by the end of January. A majority of the coal has already been moved. We are in the process of reinstalling the underground belt system. The belting is dragged from the mine to the surface so it can be lying flat in order to roll the belt. Other items like structure and belt drives may be brought to the surface to be sent to a shop to be rebuilt. Delivery of new and repaired equipment will soon start arriving at the site. This material may be temporarily stored in the area designated as the coal storage site until it is moved underground and installed. The surface belt system needs to be realigned and repaired were it is damaged. So some of the material stored along the belt line will need to be removed to facilitate the repairs. This process will be taking place from now until the projected start of production in May of 2001.

We are requesting the use of this site during this period. All materials and equipment will be out of the designated coal storage area prior to the first production from the mine.

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DIVISION OF
 OIL, GAS AND MINING

Thank you for your consideration in this matter by allowing us to complete this phase of rehabilitation without undue hindrance.

If you have any questions, please feel free to call me at 435-448-9455.

Sincerely,

A handwritten signature in black ink that reads "David B. Miller". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

David B. Miller
Business Manager

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