

0047

April 22, 1998

Daron Haddock
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

*ACT/007/039 #2
Copy Daron
Steve (PFO)*

Dear Mr. Haddock:

Canyon Fuel and Milton Thayn have reached a satisfactory agreement on the Thayns original concerns about the Dugout Mine. Which pertained to the mining of Canyon Fuels property and the state lease adjacent to the Thayn's property. When Canyon Fuel performs the three items mentioned in the April 9th letter that will satisfy our original concerns. To clarify item 2: The fence will be on the actual property line, or mutually agreed location.

In no way do these items address the issues and concerns of mining the federal lease beneath our property. Canyon Fuel has not received permission or approval from the Thayns for mining beneath Thayn property.

Canyon Fuel has made a good effort to address our concerns and we expect that as things progress this good working relationship will continue. They have informed us of their plans, provided us with information on some water loss concerns and very willing to address any questions that we might have.

We appreciate their effort in maintaining a good neighbor relationship and hopefully it will continue through out the life of the Dugout Mine.

Sincerely, *G. Milton Thayn*

G. Milton Thayn
7730 East Hwy 6
Price, Utah 84501
(435) 637-0261

xc: R.W. Olsen
K. Payne

