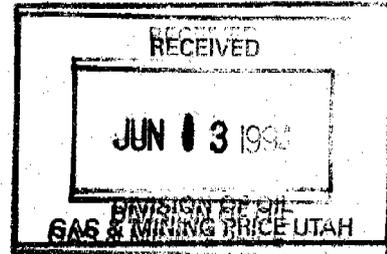


June 9, 1994

Mr. Bill Malencik
Utah Division of Oil, Gas and Mining
451 East 400 North
Price, Utah 84501

SUBJECT: Hidden Valley Coal Company



Dear Bill:

This letter is to bring you up to date on the erosion control work at the roadway water bar outfalls at Hidden Valley. JBR Environmental Consultants, Inc. is performing the work on behalf of Hidden Valley Coal Company, and according to the plan approved by the Division.

As you know, on May 19th and 20th, the initial shaping and clearing of the gulleys at the water bar outfalls was completed. At that time, measurements were also made to obtain material volumes needed to continue the work. On May 23rd, Landlok erosion control matting and Fiber Dam were ordered from W.R. White, the local distributor for these two Synthetic Industries products. The erosion control matting was readily available; however the fiber dam product is only manufactured for specific, large volume job applications. The volume of material we were requesting did not meet the volume criteria, so W.R. White planned to purchase excess fiber dam from other distributors who currently had product available. (Synthetic Industries is the only manufacturer of this type of product, so we did not have the option to go to another source. In addition, we do not feel that substitution of another product type would be appropriate at this time.)

By May 31, two contractors who were currently installing fiber dam and who were anticipating having excess materials had been identified. However, they could not commit the material until their jobs were complete. This morning I received confirmation from W.R. White that sufficient material has been released and will be leaving Kansas today for a scheduled Salt Lake City arrival this weekend. Repair work is scheduled to be continued early next week.

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Given the nature of our construction efforts, we have not up-to-now considered the installation of the matting without concurrent installation of the fiber dam to be efficient or entirely effective. However, should more unforeseen delays in the fiber dam arrival arise, we will go ahead with the matting installation next week, and follow up with the fiber dam upon its arrival.

Due to the unavoidable and uncontrollable delays with the fiber dam, we anticipate completion of the project no longer than 30 days after the delivery of that product.

If you have any questions or concerns regarding the work or the scheduling, please feel free to contact me. Thank you for your assistance with this project.

Sincerely,



Karla Knoop
Hydrologist

Copy: Lee Edmonson, CalMat
Joe Helfrich, DOGM