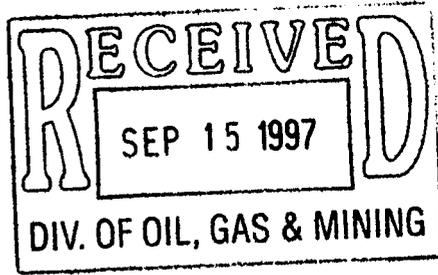


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Gary Raines
MANAGER-RECLAMATION
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CONSOLIDATION COAL COMPANY
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September 11, 1997

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
Attn: Joseph C. Helfrich, Permit Supervisor

ACT/015/007 #2
Joe
Bob
Sharon

Re: Hidden Valley Reclamation Plan, ACT/015/007-97B, Folder #2, Emery County, Utah

Dear Mr. Helfrich:

This is in response to your letter of September 3, 1997 with attachments.

Please be informed that we have reviewed the comments from both Mr. Davidson and Ms. Falvey, including the conditions imposed as follows:

Davidson: Safeguards need to be specified during construction for the timing and sequence of soil removal and subsoil placement. The topsoil on the B-adit slope should be stripped away and placed back on the surface along with the rocky substitute soil material. All subsoil materials beneath the topsoil should be used as fills with the dark lithochromic shale material being buried under the deepest layer of fill and soil cover.

Falvey: Re-construct the ditch adjacent to the proposed borrow area to meet the existing ditch design requirements and, resubmit the approved copies without the ditch extension. (The proposed change does not meet design requirements and the proposed changes on site should not affect the existing ditch configuration).

In accordance with our phone conversation earlier today, we are in agreement with both conditions and will comply as required. We will plan on filing an "as-built" map of the work after completion of this year's phase one work for your records.

Thank you for your attention to this matter.

Sincerely,


Gary Raines