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Mountain Coal Company
Trail Mountain Mine
Post Office Box 1378
Price, Utah 84501
Telephone 801 637-5050 (Price Office)
801 637-5203 (Mine Office)
801 748-2140 (Mine Site)

January 29, 1992

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED

JAN 30 1992

DIVISION OF
OIL GAS & MINING

Re: Underground Monitoring Well-TM-3
Trail Mountain Mine
ACT/015/009 #2
Emery County, Utah

Dear Ms. Littig:

On the last page of Appendix 7-1 of the Trail Mountain Mine P.A.P., is a commitment to drill an additional underground water monitoring well, to be designated TM-3. This location is shown on Figure 7-9A of the Trail Mountain Mine P.A.P. This commitment was made as part of the original plan approval, prior to the addition of the latest Lease Permit. It is my understanding that the underground well was required to monitor down-dip effects of mining in the Tract I and Tract II Leases.

On 5/21/91, a revised mining plan was approved for the new Trail Mountain Lease. A Special Condition of this permit approval required the drilling of another water monitoring well on the surface to monitor down-dip effects of the mining on the groundwater. A proposal to drill this well is presently under review by the Division.

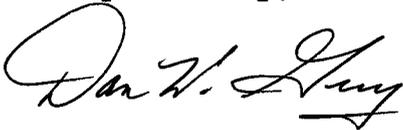
It appears that both of the well requirements were trying to accomplish the same goal - monitoring of down-dip effects of mining; however, the underground well requirement was based on the original mine boundaries and plans. The mine plans and boundaries have changed considerably under the new Lease Permit, and the proposed surface hole is much better positioned to monitor down-dip effects of the future mining area. (Mining plans are shown on Plate 3-6 of the Lease Permit Application).

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Because of the duplication and better long-term position of the proposed surface well, Mountain Coal Company is herein requesting that the requirement to drill the underground monitoring well (TM-3) be eliminated, and that we be allowed to proceed with the Surface Monitoring Well in Straight Canyon, upon approval.

Your consideration in this matter is greatly appreciated. If you have any questions, or need any further information, please let me know

Respectfully,

A handwritten signature in cursive script, appearing to read "Dan W. Guy".

Dan W. Guy
Manager Permitting/Compliance

cc: Johnny Coffey
Dave Arnolds
Dana Echter
Rick Parkins
Mark Scanlon
File