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State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor
David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

May 26, 2000

Charles A. Semboski
Energy West Mining Company
P.O. Box 310
Huntington, UT 84528

FAX PFO

*freemig
ACT/015/018*

RE: ML 48258-Coal Exploration Approval

Dear Mr. Semboski,

Thank you for submitting an exploration notification for Mill Fork Canyon. I understand that you plan to helicopter-drill one exploratory core hole near the section line between Sections 12 & 13, T16S, R6E, SLB&M, Emery County, on trust coal lands within ML 48258. Two additional drill holes are planned on nearby lands where the Trust Lands Administration has no position.

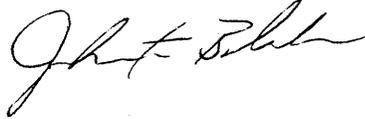
The Trust Lands Administration gives its approval as follows, as to the lands within ML 48258.

1. Applicant must obtain the consent of the surface owner, the Manti-La Sal National Forest, prior to entering the trust lands.
2. Applicant must submit a reclamation surety bond to the School and Institutional Trust Lands Administration in the amount of \$12,000 prior to entering the trust lands. A "Bond of Lessee" form is enclosed for your convenience in posting bond.
3. Applicant must file notification with, and receive approval from, the Utah Division of Oil, Gas & Mining prior to entering the trust lands.
4. The lessee of record, Pacificorp, One Utah Center, 201 South Main Street, Suite 200, Salt Lake City, UT 84140-0023, must submit a letter to the Trust Lands Administration designating Energy West Mining Company as an approved operator under mineral lease ML 48258.

At the conclusion operations the drill hole must be plugged in accordance with state law and the surface must be reclaimed to the satisfaction of the Manti-La Sal National Forest. A copy of the drill logs and a copy of all descriptions, reports and maps generated from the data must be submitted to the Trust Lands Administration.

If you have any questions in this matter you may call me at (801-538-5152).

Sincerely,

A handwritten signature in cursive script, appearing to read "John T. Blake".

John T. Blake
Mineral Resources Specialist

cc: **Aaron Howe, Manti-La Sal NF**
Pam Grubaugh-Littig, DOGM