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From: Mark Reynolds <mark.reynolds@hiawathacoal.com>
To: Dana Dean <danadean@utah.gov>
CC: <OGMCOAL@utah.gov>, Daron Haddock <DARONHADDOCK@utah.gov>, <karlhouskeep...>
Date: 7/6/2009 10:47 AM
Subject: Bear Canyon Mine

Dana,

This email is being sent to inform you that on July 2, 2009 we finished extracting the longwall from the face. The underground mine is idle with minimal crews to maintain pumps and pre-shifts in order to prevent any water from discharging in unapproved locations. We also have various crews working on maintenance projects, and reclamation and environmental rehabilitation projects. We hope to fully reclaim all remaining areas associated with the old #1 and #2 mines. We plan on working on this until things are settled in the courts. We believe our actions are in the best interest of the estate regardless of who the court rules in favor of, and that our actions will preserve the value of the mine and also reduce reclamation liability.

The BLM has an inspection scheduled tomorrow to look at the face and verify all equipment has been removed and that the mine is idle. We are also anticipating a monthly inspection from your inspector at which time he can verify and report on the contemporaneous reclamation projects we are engaged in.

Mark Reynolds