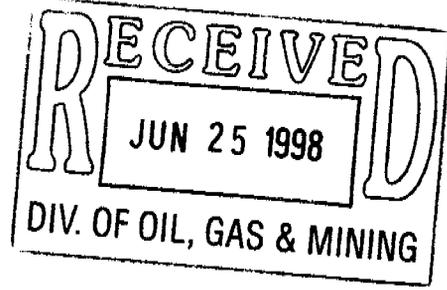




Canyon Fuel Company, LLC  
Skyline Mines  
P.O. Box 719  
Helper, Utah 84526  
435/448-6463 Fax: 435/448-2632



June 25, 1998

Coal Regulatory Program  
Attn: Mr. Daron Haddock  
Permit Supervisor  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

RE: First Quarter 1998 Water Monitoring Report for the SUFCo Mine

*ACT /004# /002 #7  
Cory Pete (hat)*

Dear Mr. Haddock:

As required by the SUFCo Mining and Reclamation Plan, the results of the first quarter water monitoring is being hereby reported. As has been our experience in the past at this mine, during the first quarter of the year none of the water monitoring sites are accessible due to either snow cover or weather conditions. This year, 1998, none of the sites were accessible during the first quarter. If you have questions regarding this report, please contact either Mike Davis at (435) 636-4421 or me at (435) 448-2669.

Sincerely,

Chris D. Hansen  
Environmental Coordinator  
Canyon Fuel Company, LLC

cc: Mike Davis, SUFCo