

cc file  
DH  
JTB  
JAM  
WR  
Orig mine file  
ACT 1003/1001  
#3

# FABIAN & CLENDENIN

GEORGE D. MELLING, JR.  
WARREN PATTEN  
M. BYRON FISHER  
STANFORD B. OWEN  
WILLIAM H. ADAMS  
ANTHONY L. RAMPTON  
PETER W. BILLINGS, JR.  
THOMAS CHRISTENSEN, JR.  
DENISE A. DRAGOO  
JAY B. BELL  
DANIEL W. ANDERSON  
GARY E. JUBBER  
ROSEMARY J. BELESS  
ANNA W. DRAKE  
W. CULLEN BATTLE  
KEVIN N. ANDERSON

RANDY K. JOHNSON  
NORMAN J. YOUNKER  
MICHELE MITCHELL  
JOHN E. S. ROBSON  
DOUGLAS B. CANNON  
DOUGLAS J. PAYNE  
ROBERT PALMER REES  
DIANE H. BANKS  
P. BRUCE BADGER  
JOHN (JACK) D. RAY  
KATHLEEN H. SWITZER  
CRAIG T. JACOBSEN  
BRUCE D. REEMSNYDER  
BROCK R. BELNAP  
DOUGLAS R. BREWER  
CRAIG E. HUGHES

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

TWELFTH FLOOR  
215 SOUTH STATE STREET  
P.O. BOX 510210  
SALT LAKE CITY, UTAH 84151  
TELEPHONE (801) 531-8900  
FACSIMILE (801) 596-2814

OF COUNSEL  
PETER W. BILLINGS, SR.  
RALPH H. MILLER

NEVADA OFFICE  
KEVIN N. ANDERSON  
2835 SOUTH JONES BLVD., SUITE 5  
LAS VEGAS, NEVADA 89102  
TELEPHONE (702) 367-4545  
FACSIMILE (702) 252-5014

**HAND DELIVERED**

October 13, 1993

**RECEIVED**

OCT 14 1993

DIVISION OF  
OIL, GAS & MINING

Ms. Dolly Willis  
United States Department of the Interior  
Bureau of Land Management  
Utah State Office  
324 South State Street, Suite 301  
Salt Lake City, Utah 84111-2303

RE: Assignment of Interests in Federal Coal Lease Nos. SL-062605;  
U-017354; U-073120; U-067498; U-020305; UTU-70018; U-47975;  
U-47974; U-044076 and Pending LMU Application Filed October 25,  
1991

Dear Dolly:

Under the terms of an Asset Purchase Agreement dated as of September 16, 1993, Kanawha and Hocking Coal and Coke Company ("K&H") and Valley Camp of Utah, Inc. ("VC"), Sellers, assigned to White Oak Mining & Construction Company, Inc. ("White Oak"), Buyer, all of its right, title and interest in the above-stated federal coal leases. This assignment was made subject to approval by the Utah State Office, Bureau of Land Management, United States Department of Interior ("BLM"). Consistent with the BLM's requirements for the approval of federal coal lease assignments, enclosed are the following:

1. A nonrefundable filing fee of \$50.00 per lease, \$400.00 total;
2. White Oak's Request for Approval of Assignment;
3. Statement of Qualifications of White Oak to Hold United States Coal Leases, which is also applicable to sublease interests in U-044076 and U-020305/UTU-70018;

Ms. Dolly Willis  
October 13, 1993  
Page 2

---

4. Three copies each of the executed Assignments of United States Coal Leases SL-062605; U-017354; U-073120; U-067498; U-47975; and U-47974; sublease U-044076 and six copies of U-020305/UTU-70018;
5. Financial Lease Transfer Data (statement of consideration to be held confidential); and
6. Western Federal Coal Lease form to be submitted to the United States Department of Justice. (No Eastern coal reserves are affected by this transfer.)

By Decision dated July 3, 1993, U-020305/UTU-70018 was segregated into two leases. Although VC has assigned its sublease interest in UTU-70018 to White Oak, VC will continue to post the \$4,551,690 bond with respect to UTU-70018 pending a final decision on coal lease readjustment by the U.S. Court of Appeals, Tenth Circuit. Although this segregated lease technically constitutes two leases, White Oak only seeks approval for assignment of the sublease interest in UTU-70018.

In addition, VC has assigned to White Oak all its interests in the pending logical mining unit ("LMU") application dated October 25, 1991, affecting federal coal lease numbers U-017354, U-020305, U-067498, U-47974 and U-47975. We hereby request BLM's approval to assignment of this pending application to White Oak. Please let me know if the BLM needs further amendments to the LMU application to reflect the assignment to White Oak.

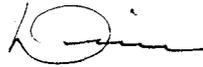
Finally, we spoke last week with Max Nielsen regarding the transfer of the Resource Recovery and Protection Plans for the Belina Mine Complex submitted to the BLM on November 29, 1984 and accepted on March 22, 1985. The R2P2's were also assigned to White Oak pursuant to the terms of the Asset Purchase Agreement dated September 16, 1993. We hereby notify BLM that, to the extent these R2P2's are still applicable, White Oak intends to continue to comply with the R2P2's. The R2P2's may have been revised or replaced by the requirements of the Utah Coal Mining and Reclamation Act and the federal Surface Mining Control and Reclamation Act. Under those Acts, White Oak has submitted an application for Approval, Transfer, Assignment or Sale of Permit Rights regarding the Belina Mine Complex, Permit No. ACT/007/001. This Application was submitted to the Utah Division of Oil, Gas & Mining pursuant to § 506(b) SMCRA; § 40-10-9(2) Utah Code Ann. and Utah Administrative Code R645-303-300 and is currently pending approval.

Ms. Dolly Willis  
October 13, 1993  
Page 3

---

Please let me know if you need anything further regarding this matter. Upon approval of the federal coal lease assignments, I would appreciate your sending me an original of each assignment for recording in the real property records of Carbon and Emery Counties, Utah.

Very truly yours,



Denise A. Dragoo

DAD:jmc:21292

Enclosures

cc (without enclosures):

Scott Kiscaden

Todd Kiscaden

Roger Zortman, District Manager, BLM, Moab, Utah

Carter Reed, Manti-LaSal National Forest

James M. Carter, Director, Utah Division of Oil, Gas & Mining