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VIA FACSIMILE

November 9, 1993

(801) 359-3940

Mr. Daron Haddock
 Permit Supervisor
 Utah Division of Oil, Gas & Mining
 355 West North Temple
 3 Triad, Suite 350
 Salt Lake City, Utah 84180-1203

RE: Permit Transfer Application from Valley Camp of Utah, Inc. ("Valley Camp") to White Oak Mining & Construction Company, Inc. ("White Oak"), Belina Mine, Folder #2, ACT/007/001, Carbon County, Utah

Dear Daron:

This letter is in response to the Memorandum dated October 29, 1993 concerning the remaining deficiencies in White Oak's application for permit transfer.

1. R645-301-112 -- Identification of Interests.

Remaining deficiencies:

1. White Oak will identify the United States as a coal owner within the permit area if necessary to amend the current mining and reclamation plan ("MRP").

2. R645-303-113 -- Violation Information.

Remaining deficiencies: NONE

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3. R645-301-114 -- Right of Entry.

Valley Camp and Skyline Permit Areas Overlap.

1. In response to this alleged deficiency, we have contacted Steve Tanner, a former Valley Camp employee who was recently employed by White Oak. Steve Tanner indicates that the MRP was amended to remove any areas of overlap within the permit between Valley Camp and Skyline. If necessary, we will review the Division of Oil, Gas & Mining's ("Division's") files to provide correspondence confirming this fact.

4. R645-301-115 -- Unsuitability Claims.

Remaining deficiencies:

1. **Approvals from the appropriate road authority to conduct mining and reclamation operations within 100 feet of a public road:** As stated in White Oak's application for permit transfer, Valley Camp had valid existing rights to conduct mining and reclamation operations within 100 feet of a public road prior to enactment of the federal Surface Mining Control and Reclamation Act in 1977 ("SMCRA"). However, in the event that the Division still requires these approvals, you have indicated that these approvals may be obtained as a condition to transfer of the MRP.
2. **Consent to mining and reclamation operations within 300 feet of occupied dwellings:** As stated in White Oak's application for permit transfer, Valley Camp had valid existing rights to conduct mining and reclamation operations within 300 feet of occupied dwellings, which rights were obtained prior to enactment of SMCRA. However, in the event that the Division still requires these approvals, you have indicated that these approvals may be obtained as a condition to transfer of the MRP.

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5. R645-301-116 -- Permit Term

Remaining deficiencies:

1. **Corrected legal description.** As we have discussed, the proposed newspaper advertisement needs to be corrected to include the S1/2 SE1/4 of Section 17 and of the SE1/4 SW1/4 rather than the entire SW1/4 of Section 18, Township 13 South, Range 7 East. You have determined that the newspaper advertisement which appeared in The Sun Advocate and The Emery County Progress on September 27, 1993, was adequate to convey public notice. However, the operator agrees to readvertise this notice to correct the legal description with the understanding that the 30-day public notice and comment period expired on Tuesday, October 26, 1993.

6. R645-301-118 and 123.

Remaining deficiencies:

The Division has indicated that there are no further deficiencies regarding the form of the signature provided with the transfer application. Therefore, we are enclosing the original signature page for the Division's files.

In addition to the issues raised by the October 29, 1993 Memorandum, you have requested White Oak to provide ownership and control information on Quaker Coal Company, Inc. That information is enclosed and should be added as an addendum to White Oak's Application for Approval of Transfer, Assignment or Sale of Permit.

We have also discussed the logistics of transferring bond coverage for reclamation permit number ACT/007/001. Under the terms of the Asset Purchase Agreement dated September 16, 1993, White Oak was required to name Valley Camp as beneficiary of its reclamation bond. Upon approval of the transfer application, White Oak will notify its surety and substitute the Division of Oil, Gas & Mining as beneficiary. Valley Camp will continue to remain obligated to the State of Utah under the terms of its reclamation bond until released by the Division.

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Finally, with respect to clearance under the Applicant Violator System ("AVS"), it is our understanding that White Oak, Valley Camp and other companies listed under the permit transfer application have cleared the federal AVS check. Marilyn Halbert, Engineer for Branham & Baker Coal Company, Inc., Prestonburg, Kentucky, has contacted the States of Kentucky and Ohio to request an AVS check under those state systems.

On behalf of White Oak, we request that, upon review of the enclosed information, the Division approve the pending transfer application subject to White Oak's transfer of the beneficiary under its mining and reclamation bond to the Utah Division of Oil, Gas & Mining, and subject to execution of a reclamation agreement.

Thank you for your assistance in this matter. Please give me a call if you need anything further.

Very truly yours,



Denise A. Dragoo

DAD:jmc:23226

Enclosures

cc: James W. Carter
William Richards, Esq.
Scott Kiscaden
Todd Kiscaden
Marilyn Halbert