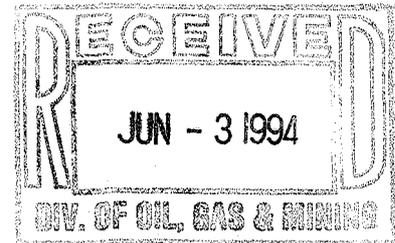


**FABIAN & CLENDENIN**A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAWTWELFTH FLOOR  
215 SOUTH STATE STREET  
P.O. BOX 510210  
SALT LAKE CITY, UTAH 84151  
TELEPHONE (801) 531-8900  
FACSIMILE (801) 596-2814OF COUNSEL  
PETER W. BILLINGS, SR.  
RALPH H. MILLERNEVADA OFFICE  
2835 SOUTH JONES BLVD., SUITE 5  
LAS VEGAS, NEVADA 89102  
TELEPHONE (702) 367-4545  
FACSIMILE (702) 252-5014GEORGE 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. JOHNSONNORMAN 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  
CRAIG T. JACOBSEN  
BRUCE D. REEMSNYDER  
BROCK R. BELNAP  
DOUGLAS R. BREWER  
CRAIG E. HUGHES  
JULIE FORTUNA  
ELAYNE WELLS HARMER

†ALSO MEMBER NEVADA BAR

**HAND DELIVERED**

June 2, 1994

James M. Carter, Director  
UTAH DIVISION OF OIL, GAS & MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203RE: Application for Renewal of White Oak Mine Complex,  
ACT/007/001, Folder #3, Carbon County, Utah  
(Abatement of N94-43-1-1)

Dear Director Carter:

This application for permit renewal is submitted on behalf of White Oak Mining & Construction Company, Inc. ("White Oak") pursuant to Utah Code Ann. § 40-10-9(4), R645-303-230, and the Division of Oil, Gas & Mining's ("Division's") Coal Regulatory Directive on permit renewals dated January 12, 1994. On May 27, 1994, the Division transferred Permit No. ACT/007/001 to White Oak from Valley Camp of Utah, Inc. ("Valley Camp"). The term of the permit expires on August 24, 1994 and White Oak seeks to invoke its right to successive renewal for an additional five-year permit term under Utah Code Ann. § 40-10-9(4). An application to transfer Permit No. ACT/007/001, submitted to the Division on September 27, 1993, was still pending when Valley Camp's application for permit renewal came due. Valley Camp requested an extension to renew the application until after approval of the permit transfer. However, on May 13, 1994, the Division issued Valley Camp notice of violation N94-43-1-1 (the "NOV") alleging failure to submit a timely application for permit renewal. White Oak assumed this NOV upon transfer of the permit and this application abates the NOV without waiving White Oak's right to appeal the fact of violation.

White Oak meets the requirements for renewal of Permit No. ACT/007/001 for an additional five-year term through August 24, 1999 as follows:

James M. Carter  
June 2, 1994  
Page 2

---

- R645-303-232.220. Evidence of Liability Insurance.

Enclosed is a copy of the Certificate of Liability Insurance submitted as Exhibit "C" to White Oak's Coal Reclamation Agreement executed and approved by the Division on May 27, 1994. This Certificate of Liability Insurance confirms that insurance policy number 3710-45-17 was issued to White Oak by the Chubb Group (Federal Insurance Company) effective September 16, 1993. This certificate specifically states that "the policy shall be maintained in full force during the life of the permit or any renewal thereof." This policy will continue in full force and effect through August 24, 1999 and thereafter pursuant to its terms.

- R645-303-232.230. Evidence of Reclamation Bond.

Enclosed is a copy of the Surety Bond in the amount of \$5,891,000 submitted as Exhibit "B" to White Oak's Coal Reclamation Agreement executed and approved by the Division on May 27, 1994. National Union Fire Insurance Company of Pittsburgh, Pennsylvania, is the surety and has specifically agreed that the Surety Bond "will remain in effect until all of the Permittee's reclamation obligations have been met." This Surety Bond will remain in full force and effect through August 24, 1999 and thereafter pursuant to its terms.

- R645-303-232.240. Newspaper Notice and Proof of Publication.

Enclosed is a copy of the proposed newspaper notice which will be published by White Oak upon approval by the Division in the *Sun Advocate*, Price, Utah, at least once a week for four consecutive weeks. Proof of publication will be provided to the Division following completion of the advertising period.

- R645-303-232.250. Additional Revised or Updated Information.

White Oak will submit information as required by Stipulation #2 of the Division's findings dated May 26, 1994 as a separate submission from the permit renewal package.

LAW OFFICES OF  
**FABIAN & CLENDENIN**  
A PROFESSIONAL CORPORATION

James M. Carter  
June 2, 1994  
Page 3

---

- R645-303-232.400. Permit Revisions.

White Oak's application for renewal does not include any proposed revisions to the permit.

Thank you for your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:34913

cc: Scott Kiscaden  
Todd Kiscaden  
Steve Tanner  
Mike Gipson  
Daron Haddock  
James D. Smith