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file A01007/007 #5
w/ attachment

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January 6, 1986

HAND DELIVERED

Mr. John Whitehead
Utah Division of Oil, Gas & Mining
III Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

RE: Sunnyside Permanent Program
Permit No. ACT/007/007

Dear John:

As per our conversation, I have confirmed with Doug Pearce, with Kaiser Coal Corporation, that the legal description on the attached Exhibit A is the correct description of the permit area for the Sunnyside Mine, Carbon County, Utah (ACT/007/007). Please substitute the attached corrected legal description as Exhibit A to Kaiser's Self Bond and Indemnity Agreement for the Sunnyside Mine.

Thank you for your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jk
Enclosure

cc: Pamela G. Littig
Jeffrey C. Collins, Esq.
Martin P. Holmes
Douglas Pearce

EXHIBIT A

LEASE DESCRIPTION

Kaiser Coal Corporation
Sunnyside Mines
ACT/007/007, Carbon County, Utah

January 6, 1985

Fee Land

(1) Deed dated February 28, 1951 through which Book Cliffs Corporation, a Nevada corporation, conveyed and warranted to Kaiser Steel Corporation, a Nevada corporation, title to tracts of land in Carbon County, Utah. It was recorded by the County Recorder of Carbon County, Utah, in Book 15D, pages 80 to 93 inclusive. Fee land included in the deed and within the permit area is described as follows:

Township 14 South, Range 14 East, SLB&M, Utah

Sec. 6: N1/2, S1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4
Sec. 7: NW1/4, SW1/4 NE1/4, E1/2 SW1/4, S1/2 SE1/4, NW1/4 SE1/4
Sec. 17: NE1/4, SE1/4 NW1/4, SW1/4, S1/2 SE1/4
Sec. 18: E1/2, S1/2 SW1/4, NE1/4 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4
less the following described area:

Beginning at the NW corner of SW1/4 NW1/4 of Section 18, Township 14 South, Range 14 East:

thence S 45° 05' E, 1,577.42 ft;
thence S 39° 25' W, 1,759.22 ft;
thence N 2,472.87 ft to point of beginning.

Sec. 19 and 20: All
Sec. 21: W1/2
Sec. 28 and 29: All
Sec. 30: NE1/4, NE1/4 NW1/4, NW1/4 SE1/4
Sec. 31: S1/2 NE1/4, NE1/4 NE1/4
Sec. 32 and 33: All
Sec. 34: W1/2

Township 15 South, Range 14, East, SLB&M, Utah

Sec. 3: W1/2
Sec. 4: All
Sec. 5: All
Sec. 6: S1/2 SE1/4, SE1/4 SW1/4, portions of N1/2 SE1/4 and NE1/4 SW1/4, South of the D&RGW Railroad right-of-way.
Sec. 7: N1/2 NE1/4, N3/4 NW1/4
Sec. 8: NE1/4 NE1/4, N1/2 NW1/4, NW1/4 NE1/4
Sec. 9: All
Sec. 10: W1/2, SE1/4
Sec. 15: W1/2, N1/2 NE1/4
Sec. 16: E1/2, NW1/4, E1/2 SW1/4
Sec. 17: E1/2 NE1/4

Federal Leases

Federal Coal Leases numbers Salt Lake 062966-063383-Utah 010140, Utah 32083 and SL-068754. Areas within both the leases and the permit area are described as follows:

Township 14 South, Range 13 East, SLB&M, Utah

Sec. 1: SE1/4, E1/4 SW1/4

Sec. 12: NW1/4, NE1/4, SE1/4, NE1/4 SW1/4 less the following described area:

Beginning at a point which bears S 1,320 ft from the NW corner of Section 12:

thence S, 1,320 ft;
thence S 89° 55' 30" E, 1,327.01 ft;
thence S, 1,320 ft;
thence S 89° 53' 15" E, 1,327.22 ft;
thence S, 1,320 ft;
thence S 89° 51' E, 1,327.43 ft;
thence N 45° 05' 07" W, 5,623.40 ft to the place of beginning.

Sec. 13: Portions of: NE1/4 NE1/4, E1/2 SE1/4, SW1/4 SE1/4, SE1/4 SW1/4, NE1/4 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4 which are described as follows:

Beginning at a point which bears 2,850 ft S 89° 51' E from the SW corner of Section 13:

thence N 42° 30' W, 4,215 ft;
thence N 610 ft;
thence S 42° 30' E, 3,730 ft;
thence N 47° 30' E, 100 ft;
thence S 42° 30' E, 1,450 ft;
thence N 89° 50' W, 710 ft to the point of beginning.

Beginning at the SE corner of Section 13:

thence N 1,487.13 ft;
thence S 39° 25' W, 1,920.39 ft;
thence S 89° 50' E, 1,219.36 ft to the point of beginning.

Less the following described area:

Beginning at a point which bears S 1,320 ft from the NE corner of Section 13:

thence N 89° 51' W, 1,327.76 ft;
thence N 1,320 ft;
thence S 45° 05' 33" E, 1,874 ft to the point of beginning.

Sec. 24: S1/2 SE1/4, Portions of: N1/2 NE1/4, SE1/4 NE1/4, N1/2 SE1/4 and NE1/4 SW1/4 which are described as follows:

Beginning at the NE corner of Section 24:

thence S $0^{\circ} 07'$ W, 1,814.87 ft;
thence S $57^{\circ} 11'$ W, 430 ft;
thence N $38^{\circ} 23'$ W, 1,165 ft;
thence N $42^{\circ} 26'$ W, 860.51 ft;
thence N $39^{\circ} 5'$ E, 709.31 ft;
thence S $89^{\circ} 50'$ E, 1,219.36 ft;
thence S 45.54 ft to the place of beginning.

Beginning at a point which bears N $0^{\circ} 02'$ E, 1,294.59 ft from the SE corner of said Section 24:

thence N $0^{\circ} 02'$ E, 1,294.59 ft;
thence N $0^{\circ} 07'$ E, 830.41 ft;
thence S $57^{\circ} 11'$ W, 3,905.58 ft;
thence S 89° E, 3,280.00 ft to the place of beginning and containing 80 acres more or less.

Beginning at a point which bears N $89^{\circ} 50'$ W 1,720 ft from the NE corner of Section 24:

thence N $89^{\circ} 50'$ W, 750 ft;
thence S $42^{\circ} 30'$ E, 2,900 ft;
thence N $57^{\circ} 11'$ E, 100 ft;
thence N $38^{\circ} 23'$ W, 1,165 ft;
thence N $42^{\circ} 26'$ W, 860.51 ft;
thence N $39^{\circ} 25'$ E, 350 ft;
thence N $42^{\circ} 30'$ W, 400 ft to the point of beginning.

Sec. 14: Portions of: NE1/4 which is described as follows:

Beginning at a point which bears 1,915 ft N $89^{\circ} 41'$ W from the NE corner of Section 14:

thence S $42^{\circ} 30'$ E, 2,090 ft;
thence S 600 ft;
thence N $42^{\circ} 30'$ W, 1,400 ft;
thence S $48^{\circ} 00'$ W, 1,525 ft;
thence S 175 ft;
thence N $89^{\circ} 41'$ W, 315 ft;
thence N 300 ft;
thence N $48^{\circ} 00'$ E, 1,775 ft;
thence N $42^{\circ} 30'$ W, 1,125 ft;
thence S $89^{\circ} 41'$ E, 500 ft to the point of beginning.

Sec. 11: Portions SW1/4 SE1/4 which is described as follows:

Beginning at a point which bears 1,915 ft N $89^{\circ} 41'$ W from the SE corner of Section 11:

thence N $40^{\circ} 30'$ W, 1,150 ft;
thence S $48^{\circ} 00'$ W, 380 ft;
thence S $42^{\circ} 30'$ E, 780 ft;
thence S $89^{\circ} 41'$ E, 520 ft to the point of beginning.

Sec. 25: NE1/4 NE1/4

Township 14 South, Range 14 East, SLB&M, Utah

- Sec. 6: N1/2 SW1/4
- Sec. 7: W1/2 SW1/4
- Sec. 8: SW1/4, SW1/4 SE1/4
- Sec. 17: W1/2 NW1/4, NE1/4 NW1/4, N1/2 SE1/4
- Sec. 18: E1/2 NW1/4, NW1/4 NW1/4
- Sec. 30: NW1/4 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SE1/4, NE1/4 SE1/4
- Sec. 31: NW1/4 NE1/4

Carbon County Lease

Coal lease, dated August 18, 1975, granted by Carbon County of the state of Utah, the lessor, to Kaiser Steel Corporation, the lessee. The lease embraces the following described lands in Carbon County, Utah, all of which are within the permit area:

Salt Lake Meridian, Utah

Township 14 South, Range 14 East

- Sec. 21: SE1/4
- Sec. 27: SW1/4, SW1/4 NW1/4
- Sec. 34: E1/2

Township 15 South, Range 14 East

- Sec. 3: E1/2
- Sec. 10: NE1/4

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EXHIBIT B

See attached maps of disturbed permit area on file with the Utah Division of Oil, Gas & Mining.