

*orig mine file
cc: Bryson
Bw Roberts*

0008

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November 18, 1988

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DIVISION OF
OIL, GAS & MINING

Mr. John Whitehead
Utah Division of Oil, Gas & Mining
III Triad, Suite 350
355 West North Temple
Salt Lake City, Utah 84110

RE: Sunnyside Mine Permit No. ACT/007/007

Dear John:

As we have discussed, Kaiser Coal Corporation ("Kaiser") is in the process of winterizing the preparation plant at the Sunnyside Coal Mine. In connection with this process, Kaiser needs approximately 2,500 tons of stoker coal. Kaiser will use the stoker coal to heat the boiler at the preparation plant in an effort to prevent the pipeline at the plant from freezing. William Balaz, Manager of the Sunnyside Mine, has contracted to exchange coal from Kaiser's stock pile for stoker coal from Andulex.

Kaiser will be commencing operations immediately to haul coal in its trucks from the Sunnyside Mine stock pile to Andulex and to return from Andulex with stoker coal for the preparation plant. The preparation plant is estimated to consume 12 to 15 tons of coal per day and Kaiser will exchange coal with Andulex throughout the winter months as necessary to fuel the boiler. Kaiser estimates that the exchange of coal over the next few months will not exceed 3,100 tons.

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I understand that you have approved this arrangement on behalf of the Division of Oil, Gas & Mining (the "Division") in the amount of 1,000 tons of coal. Exchange of tonnage in excess of this amount will require additional approval by the Division.

Please let me know if you have any concerns with respect to this operation.

Very truly yours,



Denise A. Dragoo

DAD:jmc

cc: Harold Morris, Esq.
Harris F. Lewis, Esq.
Louis Kuchinic, Jr.
William Balaz
Bill Malencik
Barbara Roberts, Esq.

Approved 11/18/88
JH Wilson