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orig mine file
cc DRW
L Proctor
Wm Malenick

**KAISER
COAL**

KAISER COAL CORPORATION
OF YORK CANYON
P. O. BOX 1107
RATON, NEW MEXICO 87740
(505) 446-6631

TELECOPY TO: LOU KUCHINIC -----10-3-88

TELECOPY # - (801) 596-2814

September 30, 1988

William P. Balaz, Manager of Administration
Kaiser Coal Corporation of Sunnyside
P. O. Box 10
Sunnyside, Utah 84539

Dear Bill:

This letter is to inform you that the Secured Lenders who have a secured claim on all assets of Kaiser Coal Corporation and the Utah Division of Oil, Gas and Mining, who are negotiating with the Secured Lenders to obtain a lien on the Kaiser assets in Utah, have consented to the rental of a Caterpillar D8K Bulldozer, complete with a ripper attachment, Serial No. _____, by Kaiser Coal Corporation of Sunnyside to Kaiser Coal Corporation of York Canyon (York Canyon) at a monthly rate of \$2,500 as of October 1, 1988 to replace a Caterpillar D8L Dozer which was repossessed by Bechtel Operating Services Corporation and Equipment Financing Associates.

The rental of the bulldozer will be on a month to month basis until the Sunnyside Mine is sold or York Canyon has no further need of the bulldozer.

York Canyon will pay all transportation costs to remove the bulldozer and return it to Sunnyside Mine as well as maintain the equipment in good repair subject to normal wear during the rental period.

This is your authorization to release the bulldozer to Gary Caughey who will be at Sunnyside on Monday, October 3, 1988 to supervise the loading of the bulldozer for transporting to York Canyon.

Sincerely,



L. Kuchinic, Jr.
Agent for Kaiser Coal Corporation

LK:mcs

cc: Nate Dickerson
Dianne Nielson
Barbara Roberts
Denise Drago