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**KAISER
COAL**

KAISER COAL CORPORATION
Sunnyside Coal Mines
P.O. Box 10
Sunnyside, Utah 84539
Telephone (801) 888-4421

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DIVISION OF
OIL, GAS & MINING

July 29, 1988

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

Dear Ken:

Re: Sunnyside Mine Status
Permit No. ACT/007/007

Kaiser Coal Corporation requests that the Sunnyside Mine be placed on inactive status effective July 1, 1988. This request is made pending resolution of the reclamation bond issue referenced in the Division's July 21, 1988, letter, determination of a schedule to extract the 21st Left longwall and clarification of BP Coal America's intent to purchase the mine.

It is Kaiser's understanding that once a reclamation bond acceptable to the Division is placed, Kaiser can then request the mine to be placed on active status to resume coal production.

Kaiser will submit the necessary revision to request reducing the hydrologic monitoring frequency to quarterly from monthly.

Thank you for your assistance in this matter. Please feel free to call if I can be of further assistance.

Sincerely,



W. P. Balaz, P. E.
Manager of Administration

WPB:th