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*ACT 1007/1007
3*

VIA FACSIMILE

November 10, 1993

(801) 359-3940

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

*Joe: are your comfortable
with doing what is suggested?
do you want to discuss Deuce's
conclusion with Bill before
proceeding?
I believe state now provide local
AVS updates, so the request for
us to do this is "on point"
Right?
Samuel 11-10*

RE: *Post-Bankruptcy Kaiser Coal Corporation*

Dear Lowell:

We have been requested by Kaiser Coal Corporation ("Kaiser") to obtain a release from the State of Utah and the federal Office of Surface Mining ("OSM") concerning alleged violations against its officers and directors. A recent check of the applicant violator system ("AVS") on Stonie Barker, Jr., Chairman of Kaiser, showed the following violations:

4200092:01:U:860630, 4200092:01:U:860930, 4200092:01:U:861231,
4200094:01:U:860630, 4200093:01:U:860930, 4200093:01:U:861231,
4200093:01:U:880630, 870309009:870902, 870309010:870902, INA007013:O:UT.

These violations relate to unpaid abandoned mine land fees ("AML's") and a bond forfeiture incurred by Kaiser prior to bankruptcy.

Mr. Barker should not be held responsible for these violations. The AML claims were assessed against the pre-petition bankruptcy estate. Kaiser filed for bankruptcy on February 13, 1987. Mr. Barker was appointed as Chairman of the Board for post-petition Kaiser. Enclosed is the Affidavit of Harrie F. Lewis, the current Secretary of Kaiser, verifying this matter.

OSM has suggested that this confusion can be clarified by having the State enter the date of the appointment of the "new" Kaiser Board. Please correct the AVS system to provide that Stone Barker was not appointed to the Board until after February 13, 1987.

LAW OFFICES OF
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A PROFESSIONAL CORPORATION

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In addition, enclosed is a release document which confirms that the bond forfeiture was abated. This release provides the basis for removal of violation number INA007013:O:UT from the AVS system.

If you have any questions or would like to discuss this matter further, please call.

Very truly yours,



Denise A. Drago

DAD:jmc:s:vjR23367

Enclosures

AFFIDAVIT

STATE OF COLORADO)
) ss:
 COUNTY OF DENVER)

I, Harrie F. Lewis, affirm and swear as follows:

1. In February 1987 I was an associate at the law firm of Sherman & Howard located in Denver, Colorado. Sherman & Howard represented the Kaiser Coal Corporation (the "Company") as bankruptcy counsel in February 1987. I was responsible for filing the bankruptcy petition on behalf of the Company.

2. I am presently a partner at the law firm of Lindquist, Vennum & Christensen located in Denver, Colorado. Lindquist, Vennum & Christensen represents the Company as bankruptcy counsel.

3. The Company filed a petition in bankruptcy under Chapter 11 on February 13, 1987. The Company continued to conduct business and operated as a debtor-in-possession until such time as its coal mining interests were liquidated in the Chapter 11 proceeding. The Company remains a debtor under Chapter 11 of the Bankruptcy Code pending the final resolution of all claims administration.

4. At the time the Company filed its Chapter 11 proceeding on February 13, 1987 the company had incurred unpaid Abandoned Mine Land fees.

Mr. Stony Barker, Jr. was appointed to the board of directors of the Company after the filing of the Company's Chapter 11 proceeding. Mr. Barker was not a member of the board of directors prior to the filing of the Bankruptcy Petition on February 13, 1987.

Dated this 10th day of November, 1993.

LINDQUIST, VENNUM & CHRISTENSEN

By [Signature]
Harrie F. Lewis
600 Seventeenth Street,
Suite 2125 South
Denver, Colorado 80202
Telephone: (303) 573-5900

Subscribed and sworn to before me this 10th day of November, 1993, by Harrie F. Lewis.

WITNESS my hand and official seal.

My commission expires 12-22-96.



[SEAL]

[Signature]
Notary Public

Entry No. 023283
Indexed _____
Abstracted _____
Recd. Fee. 390.00

640 ~~700~~

FINAL RELEASE AND DISCHARGE

STATE OF UTAH } SS 15
COUNTY OF CARBON }
FILED AND RECORDED FOR:

S.E. Utah Title
MAR 10 2 12 PM '93

BOOK 287 OF RECORDS
PAGE 156-194
ANN B. O'BRIEN
COUNTY RECORDER

1. This memorandum is the integrated expression complete and final release and discharge by the Utah Division of Oil, Gas and Mining, an agency of the State of Utah within the Department of Natural Resources, acting for itself and its successors and assigns to the fullest extent authorized by law ("Releasor").

2. The intended beneficiaries of this final release and discharge (herein referred to as the "Release") are Kaiser Coal Corporation, Kaiser Coal Corporation of Sunnyside, Kaiser Coal Corporation of Utah, and Kaiser Steel Corporation, together with, for each, all officials, officers, directors, agents, employees, attorneys, personal representatives, heirs, executors, administrators, subsidiaries, successors and assigns of each of them (collectively referred to as the "Debtors").

3. Releasor acknowledges the receipt of sufficient consideration for this Release, which consideration includes settlement of all Claims (as defined herein) between Releasor and the Debtors.

4. The matters encompassed by this Release are actions, suits, causes of action, accounts, judgments, agreements, promises, executions, debts, damages, demands, rights, obligations, liabilities, and controversies of every nature and description, in law or in equity, whether known or unknown, mature or contingent, direct or indirect, pleaded or unpleaded, suspected or unsuspected, arising from reclamation liability in conjunction with the operation of the Debtors'

STATE OF UTAH
COUNTY OF CARBON
FILED AND RECORDED FOR
MAR 10 4 43 PM '93
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641 ~~701~~

Sunnyside mine under permanent program permit No. ACT/007/007, including, but not limited to, liability arising under the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. § 1201 et seq., respectively, Utah Code Annotated (1953, as amended), and any federal or state regulations promulgated to implement said acts (herein collectively referred to as the "Claims"), from the beginning of time to the date of this Release.

5. Releasor acknowledges that it may hereafter discover facts in addition to or different from those which it now knows or believes to be true with respect to the matters encompassed by this Release and discharge, but that it is the intention of Releasor to, and it does hereby, generally, fully, finally and forever settle, release and discharge all Claims which now exist, may exist or may hereafter be claimed to exist, within the scope of this Release. In furtherance of such intention, Releasor acknowledges that the Release herein given shall be and remain in effect as a full, final and complete release and discharge of all matters encompassed herein notwithstanding the discovery or existence of any such additional or different facts.

6. This Release may not be changed orally and can be changed only by the written agreement of duly authorized representatives of each of the Debtors.

7. Nothing in this Release, whether express or implied, shall confer any rights or remedies under or by reason of this Release on any person, group or entity other than the Debtors.

642 -702

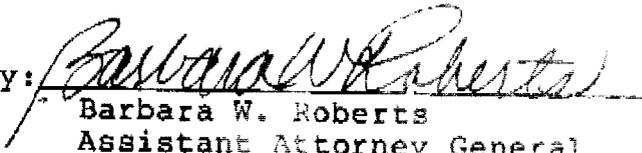
8. This Release is governed by the law of the State of Utah, without regard to the conflicts of law rules of such state.

9. The person executing this Release represents and warrants that he or she is a duly authorized representative of the named undersigned party, and has authority to execute this Release on behalf of that named undersigned party.

Dated: March 9, 1989.

DAVID L. WILKINSON
Utah Attorney General

By:


Barbara W. Roberts
Assistant Attorney General
236 State Capitol
Salt Lake City, Utah 84114