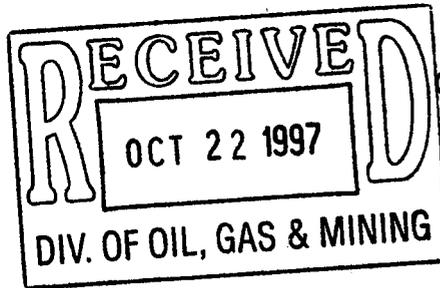


HIAWATHA COAL COMPANY, INC.

0007

P.O. BOX 1202
Huntington, Utah 84528
(435) 637-1778

ACT/007/011 #2
Pam



October 13, 1997

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Permit Transfer Application, U. S. Fuel Company, Hiawatha Complex, ACT/007/011-97C, Folder #2, Carbon County, Utah

Daron Haddock,

This letter is in response to your deficiency letter dated September 23, 1997. Enclosed is a revised application for the transfer of permit No. ACT/007/011. Following is a discussion of the changes which have been made in response to the deficiencies.

1. The telephone number and employer identification number for Hiawatha Coal Company have been added to the application.
2. A discussion has been added concerning the surface and coal ownership in the area. As is discussed, final transfer of the property is pending an approval of the permit transfer application. A letter from U.S. Fuel Company has been included in Exhibit 2 allowing right-of-entry until the final property transfer has been completed. Following the property transfer, the MRP will be updated to reflect the new surface and coal ownership information.
3. Hiawatha Coal Company intends on providing a certificate of insurance and posting the bond for the permit, but would like to work out the deficiencies of the permit transfer prior to this action. If the enclosed application is acceptable in all other aspects, I would like to request a "pre-approval" notification from the Division, pending the filing of the certificate of insurance and the bond. Hiawatha Coal will then file these documents prior to final approval.
4. Attached as Exhibit 3 is a signed and notarized statement that the information is true and correct.
5. In accordance with R645-301-112.700, MSHA identification numbers have been provided.

If you have any questions or concerns, please contact my self or Charles Reynolds at (435) 637-1778. Upon a preliminary approval by the Division, the bonding and insurance certificates will be posted with the Division.

Sincerely,

A handwritten signature in cursive script that reads "E. Finley".

Elliot Finley
Resident Agent

Enclosure(s)
EF/cr