

UNITED STATES FUEL COMPANY

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340 Hardscrabble Rd.
Helper, Utah 84526

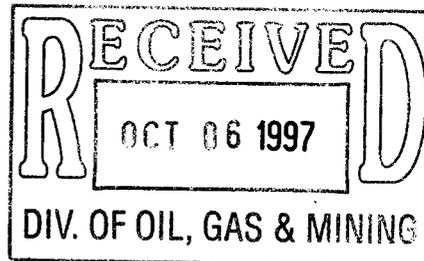


ACT/007/011 #2

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October 2, 1997

Utah Coal Regulatory Program
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801



Re: U. S. Fuel Co. Mining Permit (ACT/007/011)
Sale of Coal Leases to ANR Co., Inc.
Hiawatha Coal Company, Inc. Right of Entry

On June 20, 1997, United States Fuel Company ("US Fuel") agreed to sell, assign, convey and deliver to ANR Co., Inc., United States Fuel Company's right, title and interest in federal coal leases SL-025431, SL-069985, U-51923 and U-026583-058261 pending the transfer of Mining Permit ACT / 007 / 011 to Hiawatha Coal Company, Inc. ("HCC"). In the interim, US Fuel has designated HCC to be the operator of the property. HCC has US Fuel's permission to conduct mining and reclamation activities on the federal lease areas until the completion of the lease transfers to ANR Co., Inc.

By:



Michael P. Watson
President
United States Fuel Company

State of Utah }
County of Carbon }

On this 2nd day of October, in the year 1997, personally appeared before me, Michael P. Watson, President of United States Fuel Company and executed the above instrument on behalf of said company.



Diana B. Houghton, Notary for the State of Utah

