

0019

File # 007/012 #2

**KAISER
COAL**

KAISER COAL CORPORATION
OF YORK CANYON
P. O. BOX 1107
BATON, NEW MEXICO 87740
(505) 445-5531

RECEIVED
MAR 22 1989

DIVISION OF
OIL, GAS & MINING

March 20, 1989

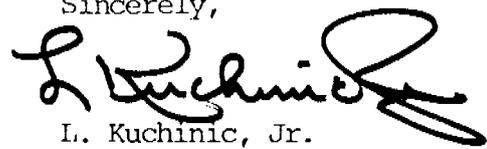
Mr. Harold Sandbeck
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Sandbeck:

Per our telephone conversation on Tuesday, March 14, 1989, attached is a copy of the correspondence between Marsh & McLennan and Kaiser Coal Corporation which indicates that all of Kaiser Coal's mines, facilities and properties are covered for property damage up to \$20 million for each occurrence. These policies are in effect from November 15, 1988 to November 15, 1989.

If you have any other questions regarding Kaiser Coal Corporation's properties in Utah, please contact me at the above address now that Bill Balaz is no longer an employee of Kaiser Coal and can no longer act or respond for Kaiser Coal.

Sincerely,



L. Kuchnic, Jr.
Agent - Kaiser Coal Corp.

LK:mcs
Attachments
cc: Denise Dragoo
Hal Morris
Hal Lewis
Lowell Braxton

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DIVISION OF
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March 20, 1989

Ms. Susan Lanier
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Ms. Lanier:

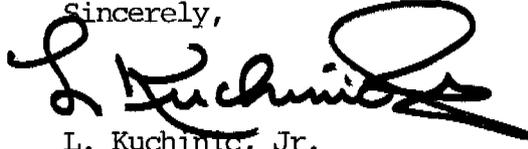
As you are well aware, Bill Balaz has been handling all of the compliance work as a Kaiser Coal employee under my direction as Agent for Kaiser Coal Corporation. As the result of his resignation to join Sunnyside Reclamation & Salvage, Inc. as Mine Manager of Sunnyside Mine which SR&S recently acquired from Kaiser Coal, it is now necessary for me to find other ways to handle the compliance work in Utah as well as complete the Annual Reports which are due by March 31, 1989 for the Horse Canyon Permit Area (ACT 007/013) and the Wellington Preparation Plant Permit Area (ACT 007/012).

Because of this situation, you agreed during our telephone conversation on Tuesday, March 14, 1989, to extend the deadline to April 30, 1989. This letter is to confirm that extension.

SR&S has agreed to provide Kaiser assistance and guidance in preparing these reports. With this help, I am confident that we will have the reports to you before the April 30 deadline.

I would appreciate the opportunity to meet you and the other Staff members and Inspectors who oversee these two properties to become acquainted and to establish guidelines for maintaining the properties in compliance with the current regulations.

Thank you for your understanding and help in assisting us in assuming direct responsibility for maintaining Kaiser's properties in the State of Utah.

Sincerely,

L. Kuchinic, Jr.
Agent - Kaiser Coal Corp.

cc: Denise Dragoo
Diane Nielson
Barbara Roberts
Hal Morris
Hal Lewis