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June 19, 1985

RECEIVED

JUN 9 1985

DIVISION OF OIL  
GAS & MINING

HAND DELIVERED

Pamela Grubaugh-Littig  
Division of Oil, Gas & Mining  
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Dear Pam:

In response to Mark Moench's request of June 17, 1985, we are providing the following materials concerning Kaiser Coal Corporation's application for a self-bond to secure reclamation obligations at the Geneva Mine:

1. Kaiser Coal Corporation Pro Forma Balance Sheet for December 31, 1984 (the Touche-Ross letter opinion verifies this financial statement).
2. Kaiser Steel Corporation's Securities and Exchange Commission Form 10-Q for the quarter ending March 31, 1985.
3. Kaiser Steel Corporation's Securities and Exchange Commission Form 10-K for the fiscal year ended December 31, 1985.

As the above-mentioned 10-Q statement indicates, Kaiser Coal Corporation presently holds all coal assets of Kaiser Steel Corporation in Utah and New Mexico. For this reason, Kaiser Coal Corporation prefers to remain the primary obligor with respect to the Geneva Mine self-bond. Kaiser Coal Corporation is a wholly-owned subsidiary of Kaiser Steel Corporation which has been in continuous operation in the State of Utah for some forty years. This history of operation should clearly qualify Kaiser Coal Corporation,

LAW OFFICES OF  
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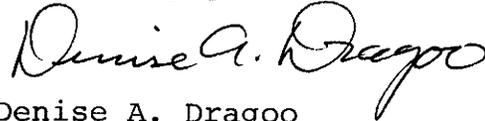
Pamela Grubaugh-Littig  
June 10, 1985  
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as a wholly-owned subsidiary, to meet the requirements of UMC 800.23B.2. without a Parent Corporation Guarantee. If the Division needs Board approval on this issue, we will be prepared to discuss the matter on June 20, 1985 during the Board's Executive Session.

Please contact me if you have further questions concerning this matter.

Very truly yours,



Denise A. Dragoo

DAD:jk

Enclosures

cc: Mark Moench, Esq.