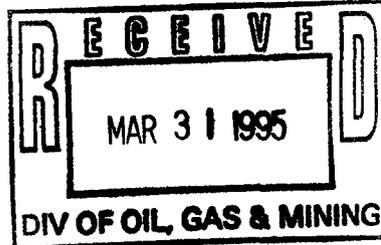


Horizon Coal Corporation
P.O. Box 2560
Wise, Virginia 24293
(703) 679-0804

Richard Gilliam, President

March 29, 1995



Ms. Pamela Grubaugh-Littig
Permit Supervisor
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

*Copy Lowell, Dixon, Kim,
Mayhew*

Re: Assignment of Permit Application, PRO/007/020 II 2

Dear Ms. Grubaugh-Littig:

With reference to March 27, 1995 phone conversation between your self and Brad Bourquin, this letter is formal notification to the Division that Permit Application, PRO/007/020 has been assigned by the original applicant Blue Blaze Coal Company to Horizon Coal Corporation a Virginia Corporation. A one page notarized assignment is attached.

Horizon Coal will update the application with 1) new legal and financial data, 2) responses to stipulations made by the Division to Blue Blaze Coal Company and 3) other pertinent information required by DOGM. Horizon Coal Corporation will submit the revisions no later than May 1, 1995. At the earliest possible date Horizon Coal will post bond so that the permit can be issued and construction of the mine can begin.

Horizon Coal Corporation can submit legal and financial data before other documents are ready for the May 1st submission. Please inform us if such a submittal would further expedite processing of the Applicant Violator System (AVS) and completion of the permitting process. General information for Horizon Coal Corporation is as follows:

Horizon Coal Corporation
P.O. Box 2560
Wise, VA 24273

Phone: (703) 679-0804
Fax: (703) 679-1541

