

LAW OFFICES OF
VAN COTT, BAGLEY, CORNWALL & MCCARTHY
A PROFESSIONAL CORPORATION
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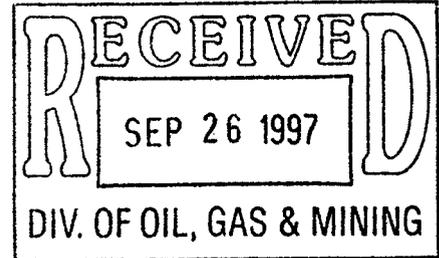
DENISE A. DRAGOO

DIRECT DIAL: (801) 237-0465
E-Mail: ddragoo@vancott.com

ADDRESS ALL CORRESPONDENCE TO
POST OFFICE BOX 45340
84145-0340

September 25, 1997

Via Facsimile and U.S. Mail
(606) 273-5998



Richard W. Hatfield
Acordia of Lexington
Lexington Green Two, Suite 410
3201 Nicholasville Road
Lexington, Kentucky 40503-3311

**RE: ACCORDIA REAGER HARRIS, FEDERAL INSURANCE COMPANY
POLICY NO. 3710-46-32**

Dear Richard:

As we have discussed, on August 29, 1997, Horizon Coal Corporation ("HCC") formed a joint venture with Tokyo Boeki (U.S.A.) Inc. as Horizon Mining, LLC. The new entity is a limited liability company formed under the laws of the State of Utah. HCC assigned the assets of the Horizon Mine to the new entity in return for an 84% membership interest. Tokyo Boeki has a 16% member interest in Horizon Mining, LLC. The LLC must show proof of liability insurance to obtain approval of the Utah Division of Oil, Gas and Mining to the transfer of Horizon Mine Permit No. ACT/007/020. Enclosed is a copy of the Certificate of Insurance for Policy Number 3710-46-32 listing Horizon Coal Corporation as the insured party. We would appreciate receipt of a certificate confirming that Horizon Mining, LLC is the named insured on insurance Policy Number 3710-46-32, effective as of August 29, 1997. We understand that HCC and Tokyo Boeki are both covered by this policy as members of Horizon Mining, LLC. Please retain the same language set forth on the enclosed Certificate of Insurance under "Description of Operations/Locations/Vehicles/Special Items," "Certificate Holder" and "Cancellation."

Thank you for your assistance in this matter.

Very truly yours,

Denise A. Dragoo

DAD:jmc:146337

Enclosure

- cc: Scott Kiscaden
- Todd Kiscaden
- Robert Scott
- Shoichi Yamada
- Larry Jones

IND. CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)
5/07/97

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

- COMPANY
A Federal Insurance Company
- COMPANY
B
- COMPANY
C
- COMPANY
D

Insured
 Cordia Reager Harris
 Lexington Green Two, Suite 410
 3201 Nicholasville Road
 Lexington, KY 40503-3311
 506-273-6600

Insured
 Horizon Coal Corporation
 15215 Foxchase Lane
 Abingdon, VA 24210

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY				GENERAL AGGREGATE \$ 200000
<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	3710-46-32	4/01/97	4/01/98	PRODUCTS-COMP/OP AGG \$ 100000
<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 100000
<input type="checkbox"/> OWNERS & CONTRACTORS PROT				EACH OCCURRENCE \$ 100000
				FIRE DAMAGE (Any one fire) \$ 100000
				MED EXP (Any one person) \$
AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT \$
<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
<input type="checkbox"/> HIRED AUTOS				
<input type="checkbox"/> NON-OWNED AUTOS				
GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
				EACH ACCIDENT \$
				AGGREGATE \$
EXCESS LIABILITY				EACH OCCURRENCE \$
<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				STATUTORY LIMITS
THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EACH ACCIDENT \$
				DISEASE - POLICY LIMIT \$
				DISEASE - EACH EMPLOYEE \$
OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Permit #007/020, Horizon Mine #1, Certificate holder is listed as additional insured and lesser as their interest may appear. This policy includes coverage for Property Damage & Personal Injury resulting from use of explosives.

CERTIFICATE HOLDER

Utah Dept of Natural Resources
 Div. of Oil, Gas & Mining
 1594 W. North Temple, Ste 1210
 P.O. Box 195801
 Salt Lake City, UT 84114-5801

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL SEND BY REGISTERED MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

BY SIGNING THIS POLICY, THE POLICY HOLDER OR THE PROPRIETOR OR PARTNER OR ANY KIND UPON THE COMPANY OR ITS AGENTS OR REPRESENTATIVES
 AUTHORIZED REPRESENTATIVE
 Richard W. Kattels 091314000