



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

December 21, 1998

Denise Dragoo, Resident Agent
Horizon Mining, LLC
c/o Snell & Wilmer, LLP
111 East Broadway, Suite 900
Salt Lake City, Utah 84111

Re: Change in Ownership of Horizon Mining, LLC, Horizon Mining, LLC, Horizon Mine,
ACT/007/020-98C, Folder #2, Carbon County, Utah

Dear Ms. Dragoo:

The Division is in receipt of your application that identifies new owners of Horizon Mining, LLC, i.e. Horizon Coal Corporation. This change in ownership does not qualify as a permit transfer (as identified in Administrative Directive - 004). This directive explains that: "Transfer contemplates movement of permit rights from one entity or person (permittee) to another, separate person or entity (permittee). Mergers, stock transfers, board and officer changes that do not require a change in permittee are not transfer of permit rights only changes in ownership and control of the leadership in the permitted entity."

Although this is not a permit transfer, there are deficiencies that have been identified in the ownership and control information that was submitted on December 8, 1998. Please submit a organization flow chart for all of the entities identified, i.e. Horizon Coal Corporation, Horizon Mining, LLC, Horizon Coal, LLC as well as the title and begin dates for all of the officers of these entities.

Additionally, the Certificate of Insurance needs to be revised to include the changes to the "Cancellation Clause", as attached.

Please submit this information by January 4, 1999. If you have any questions, please call me.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

tam
Enclosure
cc: PFO
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ACORD

CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)

11/19/98

PRODUCER

Acordia of Kentucky-Lex
Lexington Green Two, Suite 410
220 Lexington Green Circle
Lexington, KY 40503-3311
606-273-6600

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 Natl Union Fire Ins Co of PA
COMPANY B Federal Insurance Company
COMPANY C
COMPANY D

INSURED

Horizon Mining, LLC
c/o Commonwealth Coal
5413 Patterson Drive, Ste. 200
Richmond, VA 23226

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.

Table with columns: CO LTR, TYPE OF INSURANCE, POLICY NUMBER, POLICY EFFECTIVE DATE (MM/DD/YY), POLICY EXPIRATION DATE (MM/DD/YY), LIMITS. Includes sections for General Liability, Automobile Liability, Garage Liability, Excess Liability, Workers Compensation and Employers' Liability, and Other.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

Utah Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
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 ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Richard W. [Signature] 091314000

ACORD CERTIFICATE OF INSURANCE

DATE (MM/DD/YY)
11/19/98

PRODUCER

Acordia of Kentucky-Lex
Lexington Green Two, Suite 410
220 Lexington Green Circle
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COMPANIES AFFORDING COVERAGE

- COMPANY
A Natl Union Fire Ins Co of PA
- COMPANY
B Federal Insurance Company
- COMPANY
C
- COMPANY
D

INSURED

White Oak Mining & Const. Co.
HC 35, Box 370
Helper, UT 84526

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.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
B	GENERAL LIABILITY	3710-45-17	9/15/98	9/16/99	GENERAL AGGREGATE \$ 2000000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG \$ 2000000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 2000000
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 2000000
	<input checked="" type="checkbox"/> Blasting				FIRE DAMAGE (Any one fire) \$ 100000
					MED EXP (Any one person) \$ 10000
	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				
	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				\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC565-43-99	6/01/98	6/01/99	STATUTORY LIMITS
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input checked="" type="checkbox"/> EXCL				EACH ACCIDENT \$ 1000000
					DISEASE - POLICY LIMIT \$ 1000000
					DISEASE - EACH EMPLOYEE \$ 1000000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

Utah Division of Oil, Gas and Mining
1594 W. North Temple
Suite 1210
Salt Lake City, UT. 841145801

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AUTHORIZED REPRESENTATIVE *Richard W. Hatfield* 069353000



State of Utah
DEPARTMENT OF NATURAL RESOURCES
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December 17, 1998

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Pamela Grubaugh-Litfig
Permit Supervisor