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ATTORNEY GENERALS OFFICE

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO IN BANKRUPTCY

In re:	)	
	)	
KAISER STEEL CORPORATION,	)	Case No. 87 B 01552 E
	)	(Jointly Administered)
Debtor(s).	)	

NOTICE PURSUANT TO RULE 23 OF APPLICATION FOR AUTHORITY TO ASSUME AND ASSIGN UNEXPIRED LEASE IN CONJUNCTION WITH THE SALE TO ROBERT K. PEPER OF KAISER COAL CORPORATION'S UTAH REAL PROPERTY INTERESTS

TO ALL PARTIES IN INTEREST:

NOTICE IS HEREBY GIVEN that Kaiser Coal Corporation has filed an Application with this Court to assume and assign an unexpired coal lease in conjunction with the sale of its inactive Columbia Mine to Robert K. Peper. A copy of the Application is included with this Notice

Pursuant to Rule 23 of the Local Rules of Bankruptcy Procedure, if you desire to oppose this action, you must file a written request for hearing with the Court on or before August 22, 1991 and serve a copy of the written request for hearing upon the applicant named below. Objections or requests for hearing shall clearly specify the grounds upon which they are based, including the citation of supporting legal authority, if any. General objections or requests for hearings will not be considered by the Court.

In the absence of a timely and substantiated request for hearing based on an objection or a competing bid, by an interested party, the Court will act on the aforementioned application on August 28, 1991.

DATED this 29th day of July, 1991.

LINDQUIST, VENNUM & CHRISTENSEN

By [signature] for
Harold G. Morris, Jr.
600 Seventeenth Street, Suite 2125
Denver, Colorado 80202
Telephone: (303) 573-5900

Attorneys for Kaiser Coal Corporation

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO IN BANKRUPTCY

In re:	)	
	)	
KAISER STEEL CORPORATION,	)	Case No. 87 B 01552 E
	)	(Jointly Administered)
Debtor.	)	

APPLICATION FOR AUTHORITY TO ASSUME AND ASSIGN UNEXPIRED LEASE IN CONJUNCTION WITH THE SALE TO ROBERT K. PEPER OF KAISER COAL CORPORATION'S UTAH REAL PROPERTY INTERESTS

Kaiser Coal Corporation, by and through its counsel, Lindquist, Vennum & Christensen, hereby moves the Court, pursuant to 11 U.S.C. § 365(a) and (f) and Bankruptcy Rule 6006 for authority to assume and assign an unexpired coal lease executed initially by the State of Utah, as Lessor, in favor of U.S. Steel Mining Company, Inc., as Lessee and identified as Lease No. ML-27015, which lease has been assigned to Kaiser Coal Corporation as of December 18, 1984, and which lease covers the

SE¼ NW¼;
NE¼ SW¼;
SW¼ NE¼;
and NW¼ SE¼,
all in Section 34,
Township 15 South, Range 14 East,
Salt Lake Base Meridian

In support of this application, Kaiser Coal states as follows:

1. Kaiser Coal has entered into an Acquisition Agreement with Robert K. Peper for the sale of, among other properties, its inactive Columbia Mine. Part of the assets that comprise the Columbia Mine is the lease that is the subject of this application. On July 29, 1991, Kaiser filed its motion for approval from this Court to sell those assets to Mr. Peper.

2. Pursuant to the Acquisition Agreement, Mr. Peper will cure all defaults under the subject lease, as part of the consideration for his acquisition of the Columbia Mine. Mr. Peper provides adequate assurance of future performance of the lease by being ready, willing and able to provide to the State of Utah such financial information as the State deems fit.

3. In Kaiser's business judgment, assumption and assignment of the subject lease to Mr. Peper is in the best interest of the estate.

4. Notice of this application has been sent to all interested parties.

WHEREFORE, Kaiser respectfully requests that the Court enter an order authorizing the assumption by Kaiser and the assignment to Robert K. Peper of the subject lease, subject to closing pursuant to the terms of the Acquisition Agreement.

Dated this 29th day of July, 1991.

LINDQUIST, VENNUM & CHRISTENSEN

By _____
Harold G. Morris, Jr.
600 Seventeenth Street
Suite 2125 South
Denver, Colorado 80202-5401
Telephone: (303) 573-5900

ATTORNEYS FOR KAISER COAL CORPORATION