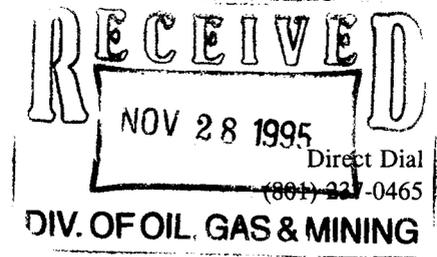


0006

Orig File
11/29/95 cc: JWC
LFB

LAW OFFICES OF
VAN COTT, BAGLEY, CORNWALL & MCCARTHY
A PROFESSIONAL CORPORATION
SUITE 1600
50 SOUTH MAIN STREET
SALT LAKE CITY, UTAH 84144
TELEPHONE (801) 532-3333
FACSIMILE (801) 534-0058
TELEX 453149
ADDRESS ALL CORRESPONDENCE TO
POST OFFICE BOX 45340
84145-0450



DENISE A. DRAGOO

VIA FACSIMILE (801) 359-3940

and HAND DELIVERY

November 28, 1995

James W. Carter, Director
Utah Division of Oil, Gas & Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

*RE: Permit Transfer, Hidden Valley Coal Company, ACT/015/007,
Folder #3, Emery County, Utah*

Dear Director Carter:

By letter dated November 2, 1995, the Division of Oil, Gas & Mining ("Division") approved the permit transfer of Permit No. ACT/015/007 from Hidden Valley Coal Company ("HVCC") to Consolidation Coal Company ("CCC") conditioned upon consummation of the transfer as between the parties. Pursuant to R645-303-352, on behalf of HVCC, we are pleased to inform you that the Hidden Valley Mine was conveyed to CCC by Special Warranty Deed and Assignment of Coal Lease executed by HVCC on November 14, 1995. The Special Warranty Deed was recorded on November 21, 1995, as Entry No. 340818, in Book 219, at Pages 299-303, and the Assignment of Coal Lease was recorded on November 27, 1995, as Entry No. 340847, in Book 219, at Pages 363-369, in the real property records of Emery County, Utah.

Now that the transfer is complete, we are requesting the Division to release HVCC's performance bond consistent with R645-301-870. As you are aware, CCC has submitted a replacement performance bond and the Division currently has double coverage for the reclamation liability at the Hidden Valley Mine. We would also appreciate your notification of HVCC's surety company that the reclamation bond has been released.

Mr. James Carter
November 28, 1995
Page 2

On behalf of HVCC, we appreciate your assistance in this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:88517

cc: Lee Edmonson
Beverly Coleman, Esq.
Ed Settle
Timothy Kirschbaum

Orig file

VAN COTT, BAGLEY, CORNWALL & McCARTHY
A Professional Corporation
50 South Main Street, Suite 1600
P.O. Box 45340
Salt Lake City, Utah 84145
Telephone: (801) 532-3333

DATE: _____

TIME: _____

OPERATOR: _____

Telecopy No. (801) 534-0058

TELECOPIER COVER LETTER

PLEASE DELIVER THE FOLLOWING PAGE(S) TO:

NAME: JAMES CARTER

CITY/STATE: SLC, UT

TELECOPY NO: (801) 359-3940

CONFIRMATION NO: (801) 538-5340

FROM:

NAME: Denise A. Drago

CITY/STATE: Salt Lake City, Utah

RE: PERMIT TRANSFER, HIDDEN VALLEY COAL COMPANY

COMMENT:

TOTAL NUMBER OF PAGES: 3 (INCLUDING COVER LETTER)

DATE: November 28, 1995

TIME: 11:30 a.m.

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PHONE: (801) 532-3333, Ext. 495, Julie McKenzie

Client Name: Van Cott, Bagley, Cornwall & McCarthy

Client No.: 25863

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VAN COTT, BAGLEY, CORNWALL & MCCARTHY
A PROFESSIONAL CORPORATION
SUITE 1600
50 SOUTH MAIN STREET
SALT LAKE CITY, UTAH 84144
TELEPHONE (801) 532-3333
FACSIMILE (801) 534-0058
TELEX 453149

DENISE A. DRAGOO

Direct Dial
(801) 237-0465

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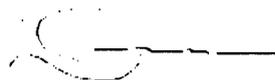
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