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TRAIL MOUNTAIN COAL COMPANY
1200 First Security Plaza
Lexington, KY 40507

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1984 APR 26 PM 12:11
INTERNAL MAIL CENTER

April 26, 1984

VIA MESSENGER

Mr. Allen D. Klein
Office of Surface Mining
Brooks Towers
1020 Fifteenth Street
Denver, CO 80202

RE: Mine Permit Application of Trail Mountain Coal Company;
Our File No. PRM 0033 TMC OSM NAT

Dear Mr. Klein:

Thank you for your April 25, 1984, letter on the above-referenced subject. In that letter, you correctly pointed out certain inconsistent statements that have been previously made concerning the "ownership" of Trail Mountain Coal Company. The purpose of your letter was to determine the correct ownership interest as required under the Utah Mining Code for Trail Mountain Coal Company's Permit Application. I will now deliver and verify the information which you seek concerning this matter.

Section 782.13 of the Utah Mining Code (the "UMC") is entitled "Identification of Interest" and sets forth various identification requirements for Utah mine permit applicants. One issue raised in your letter concerned who the "operator" will be for the Trail Mountain mine. This issue is a very relevant one inasmuch as UMC 782.13(a)(5) requires permit applicants to list the operator if the operator is different from the applicant. Because Trail Mountain Coal Company will operate the Trail Mountain mine, it, in fact, is the "operator" as well as the applicant. Therefore, in response to this question, there will be no other operator than the applicant, Trail Mountain Coal Company.

The major issue of concern in your letter is the correct identity of the principle shareholder of Trail Mountain Coal Company. This issue is made relevant by UMC 782.13(b)(2) which asks for the "name and address of any person who is a principle shareholder of the applicant." The principle shareholder, and in fact the only shareholder, of the applicant, Trail Mountain Coal Company, is Natomas Coal Company. Natomas Coal Company, and no one else, holds all of Trail Mountain Coal Company's outstanding shares; and for this reason Natomas Coal Company is the only company which can legally be classified as "the principle shareholder" of Trail Mountain Coal Company.

Mr. Allen D. Klein

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I trust that the above information answers the concerns raised in your April 25, 1984, letter. If you need any further information or clarification concerning the "identification of interest" for Trail Mountain's permit, I will be happy to provide these items.

Thank you for your attention to this matter.

Sincerely,



George S. Brooks II, Counsel
Trail Mountain Coal Company

bgc

cc: Robert Hagen, OSM, 219 Central Ave., NW, Albuquerque, NM
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Allen Childs, Trail Mountain Coal Company