

M. Whitehead —
 J. Whitehead
 ACT/015/009

LAW OFFICES OF
KIMBALL, PARR, CROCKETT & WADDOUPS
 A PROFESSIONAL CORPORATION
 SUITE 1300
 185 SOUTH STATE STREET
 POST OFFICE BOX 11019
 SALT LAKE CITY, UTAH 84147
 TELEPHONE (801) 532-7840

STEPHEN J. HULL

RECEIVED
 SEP. 17 1987
 DIVISION OF OIL
 GAS & MINING

September 17, 1987

Mr. Lowell P. Braxton, Administrator
 Utah Mined Land Reclamation Program
 3 Triad Center, Suite 350
 Salt Lake City, Utah 84180-123

Re: Transfer of Permit ACT/015/009 and
 ACT/015/009-1 from Trail Mountain Coal
 Company to Atlantic Richfield Company

Dear Lowell:

I am writing to follow up on our meeting of several weeks ago regarding the procedure to be followed in transferring the above-captioned permit from Trail Mountain Coal Company to Atlantic Richfield Company or a subsidiary ("ARCO").

As I understand it, the procedure suggested by you and John Whitehead is as follows:

- (1) ARCO submits to DOGM a revised Chapter II for the permit along with a letter requesting transfer;
- (2) ARCO submits to DOGM evidence of performance bond coverage in the amount specified in the permit; and
- (3) ARCO submits evidence of the transfer.

Simultaneously with the filing of the above information, ARCO will advertise the application for transfer as required by UMC 782.21. Upon completing these steps and, in particular, filing evidence of performance bond coverage, as provided by UMC 788.19 ARCO will be permitted to continue operations under the existing mining and reclamation plan and permit.

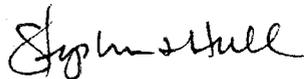
I would also like to clear up one matter you discussed in your letter of August 18, 1987 to Allen Childs involving the mid-term review of the permit. This issue involves the need to transfer the permit from Trail Mountain Coal Company to Arch of Utah, Inc. as a result of the acquisition of the parent

Mr. Lowell P. Braxton
September 17, 1987
Page 2

corporation ~~of the parent corporation~~ of Trail Mountain Coal Company by Arch Mineral Corporation and the subsequent name change from Trail Mountain Coal Company to Arch of Utah, Inc. As I understand the regulations, that acquisition did not result in a transfer of ownership of the permit. In addition, the subsequent name change was merely a name change with no change of ownership (see enclosed Certificate of Amendment and Application for Amended Certificate of Authority). UMC 782.13(b)(2) and (3), 782.13(d) and 782.14(a) only look "one up/one down and sideways" along the chain of ownership, i.e., to the principal shareholder and/or subsidiaries or affiliates. Therefore, I do not believe that the acquisition or name change should in any way affect the transfer from Trail Mountain Coal Company (now Arch of Utah, Inc.) to ARCO and no intermediate transfer is necessary. H

We are in the process of obtaining the necessary performance bond coverage and preparing a revised Chapter II for the Permit along with a proposed form of advertisement for publication. As soon as drafts of these documents are ready, we would like to submit them for your review. Meanwhile, if any points of the above-outlined procedure are incorrect, or if we need to address anything outside of this procedure, please call me as soon as possible. The acquisition of the mine is slated to occur on September 24, 1987 and we want to process the transfer of the permit as expeditiously as possible.

Very truly yours,



Stephen J. Hull

SJH:kgH
cc: Dan Guy

*X No enclosure provided
CSB*