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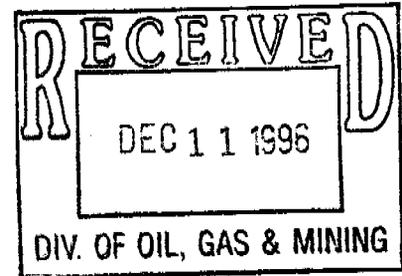
041/002 #2

LAW OFFICES OF
KIMBALL, PARR, WADDOUPS, BROWN & GEE
A PROFESSIONAL CORPORATION
SUITE 1300
185 SOUTH STATE STREET
POST OFFICE BOX 11019
SALT LAKE CITY, UTAH 84147-0019
TELEPHONE (801) 532-7840
TELECOPIER (801) 532-7750

JOHN M. BURKE

VIA HAND DELIVERY

December 11, 1996



Daron Haddock, Permit Supervisor
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Supplemental Submittal No. 2 -- Canyon Fuel Company, LLC
Application for Transfer of Mining Permit No. ACT/041/002
for SUFCo Mine

Dear Mr. Haddock:

Pursuant to Utah Admin. R645-301-117.200, please find enclosed herewith the affidavit of publication for the above-referenced Application for Transfer of Mining Permit. The notice accompanying the affidavit was published in The Richfield Reaper on November 13, 1996. The affidavit should be added to Appendix 1.3 of the Application.

I trust that this satisfies the requirements of R645-301-117.200. Please feel free to contact me if you conclude otherwise.

Very truly yours,

A handwritten signature in cursive script that reads "John M. Burke".

John M. Burke

Enclosure

cc: R. Kirk Mueller (w/enc)
Clayton J. Parr (w/enc)

JMB/wm

AFFIDAVIT OF PUBLICATION

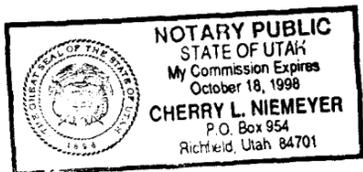
County of Sevier, State of Utah, ss.

I, SHERRIE OKERLUND, being first duly sworn, depose and say I am the Legal Secretary of THE RICHFIELD REAPER, a weekly paper having a bona fide circulation of more than 200 subscribers in the State of Utah, published every Wednesday at Richfield, Sevier County, Utah.

That the notice CANYON FUEL CO a copy of which is attached hereto, was published in said paper for ONE consecutive issues, the first publication having been made in the issue of the 13 day of NOVEMBER 1996, and the last publication in the issue of the 13 day of NOVEMBER 1996, that the said notice was published in the regular and entire issue of every number of said paper during the period of times and publication, and that the same was published in the newspaper proper and not in a supplement.

Sherrie Okerlund

Subscribed and sworn to before me this 13 day of NOVEMBER, 1996



Cherryl L. Niemeyer
Notary Public

My Residence is Richfield, Sevier, County, Utah
My Commission Expires October 18, 1998

PUBLIC NOTICE
Application for
Permit Transfer
Canyon Fuel Company, LLC
SUFCo Mine

Notice is hereby given that Canyon Fuel Company, LLC, 555 Seventeenth Street, Denver, Colorado 80202, on or about November 13, 1996, submitted an Application for Permit Transfer for Permit No. ACT/041/002, covering operations related to the SUFCo mine, to the State of Utah, Department of Natural Resources, Division of Oil, Gas, and Mining. The current permittee, Coastal States Energy Company, Nine Greenway Plaza, Houston Texas 77046, will be merged into the Canyon Fuel Company, LLC. In conjunction with the anticipated change in the name of the owner of the mining operations, the Canyon Fuel Company, LLC filed the Application for Permit Transfer in advance of closing to obtain approval for the transfer from the Division of Oil, Gas, and Mining.

Copies of the complete application for transfer are available for public inspection at the offices of the Sevier County Recorder, 250 North Main, Richfield, Utah 84701 and the Utah Division of Oil, Gas, and Mining offices, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 82114-5801.

The permit area is located in the Northeastern corner of Sevier County. Approval by the Division of Oil, Gas, and Mining will allow mining operations to continue in the permit area.

The legal description of the lands constituting the mine area follows:

LEGAL DESCRIPTION
The Federal Lease number is followed by Originally Issued To, then Date of Issuance:
Utah - 0149084, Southern Utah Fuel Co., 6/01/66
Utah - 062453, Heiner Coal Company, Southern Utah Fuel Co., Equipment Rental Service, 3/01/62
SL - 062583, Lorenzo R. Hansen, 9/11/41
Utah - 28297, Coastal States Energy Co., 1/01/79
Utah - 47080, Coastal States Energy Co., 10/01/81
Utah - 63214, Coastal States Energy Co., 7/01/89

The legal descriptions of the above-listed coal leases and properties held in fee are:

Federal Coal Lease Serial Utah-0149084
T. 22 S., R. 4 E., SL Meridian, Utah.
Sec. 12: NE-1/4 and N-1/2 SE-1/4, containing 240 acres;
Federal Coal Lease Serial SL-062583
T. 21 S., R. 4 E., SL Meridian, Utah
Sec. 36: S-1/2; T. 21 S., R. 5 E., SL Meridian, Utah
Sec. 31: All; T. 22 S., R. 4 E., SL Meridian, Utah
Sec. 1: Lots 1 to 4 incl., S-1/2 N-1/2, S-1/2;
T. 22 S., R. 5 E., SL Meridian, Utah
Sec. 6: All;
Sec. 7: N-1/2 NE-1/4, E-1/2 NW-1/4, containing 2202.77 acres;
Federal Coal Lease Serial Utah-062453
T. 21 S., R. 5 E., SL Meridian, Utah
Sec. 28: SW-1/4 SW-1/4;
Sec. 29: SE-1/4 SE-1/4;
Sec. 32: N-1/2;
Sec. 33: W-1/2 NW-1/4; containing 480.00 acres;
Federal Coal Lease Serial Utah-028297
T. 21 S., R. 5 E., SL Meridian, Utah
Sec. 32: Lots 1-4, N-1/2 S-1/2;
Sec. 33: Lot 1, NW-1/4 SW-1/4;
T. 22 S., R. 5 E., SL Meridian, Utah
Sec. 4: Lot 4, SW-1/4 NW-1/4; W-1/2 SW-1/4;
Sec. 5: All;
Sec. 7: S-1/2 NE-1/4, E-1/2 SW-1/4, SE-1/4;
Sec. 8: All;
Sec. 17: NE-1/4, N-1/2 NW-1/4;
Sec. 18: NE-1/4, E-1/2 NW-1/4; containing 2631.98 acres;
Federal Coal Lease Serial Utah-47080
T. 21 S., R. 4 E., SL Meridian, Utah
Section 25: All;
Section 36: N-1/2; T. 21 S., R. 5 E., SL Meridian, Utah
Section 30: Lots 2-4, W-1/2 SE-1/4, containing 1158.05 acres;
Federal Coal Lease Serial Utah-63214
T. 21 S., R. 4 E., SL Meridian, Utah
Sec. 12: E-1/2 SE-1/4;
Sec. 13: E-1/2 NE-1/4, S-1/2;
Sec. 14: E-1/2 SW-1/4, SE-1/4;
Sec. 23: E-1/2, E-1/2 W-1/2;
Sec. 24: All;
T. 21 S., R. 5 E., SL Meridian, Utah
Sec. 15: W-1/2;
Secs. 16-21: All;
Sec. 22: W-1/2;

Sec. 26: W-1/2 NW-1/4 SW-1/4, SW-1/4 SW-1/4;
Sec. 27: All;
Sec. 28: N-1/2, N-1/2 SW-1/4, SE-1/4 SW-1/4;
Sec. 29: E-1/2 NE-1/4, NE-1/4 SE-1/4;
Sec. 30: Lot 1, N-1/2 NE-1/4;
Sec. 33: Lots 2-4, NE-1/4, E-1/2 NW-1/4, NE-1/4 SW-1/4, N-1/2 SE-1/4;
Sec. 34: All;
Sec. 35: Lots 1, 2, W-1/2 NW-1/4, N-1/2 SW-1/4;
T. 22 S., R. 5 E., SL Meridian, Utah
Sec. 3: Lots 1-4, S-1/2 N-1/2, NE-1/4 SW-1/4, S-1/2 SW-1/4, N-1/2 SE-1/4, SW-1/4 SE-1/4;
Sec. 4: Lots 1, 2, S-1/2 NE-1/4, SE-1/4 SE-1/4;
Sec. 9: NE-1/4 NE-1/4;
Sec. 10: W-1/2 NE-1/4, NW-1/4, N-1/2 SW-1/4; containing 9905.46 acres.
Fee Lands
The legal description of the coal lands owned in fee by the Applicant that are part of the mine area is:
T. 21 S., R. 5 E., SL Meridian, Utah
Sec. 29: SW-1/4, NW-1/4, W-1/2 NE-1/4, W-1/2 SE-1/4;
Sec. 30: S-1/2 NE-1/4, E-1/2 SE-1/4, containing 640.00 acres;
T. 22 S., R. 4 E., SL Meridian, Utah
Section 18: NW-1/4 NE-1/4; containing 40 acres
Written comments, objections, and requests for informal conferences on the Application for Permit Transfer must be submitted, within 30 days of the publication of

this notice, to the Utah Division of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, Box 155801, Salt Lake City, Utah 84114-5801.
Published in The Richfield Reaper Nov. 13, 1996.

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