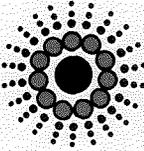


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ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELEX 381 530 ANDALEX PRIC

File Act/007/019
#2

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AUG 28 1987
DIVISION OF OIL
GAS & MINING

August 26, 1987

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: Susan Linner

Dear Ms. Linner:

In the next several days Andalex will be cleaning out the top cell of pond 'B' located at the Centennial minesite. Heretofore we have been placing this material, which consists primarily of coal fines, into Pond 'A' for storage. We find this solution to be unappealing, unusefull and impractical. We pride ourselves in maintaining a minesite which is both neat and attractive and at the same time made logical use of the available space here (which is certainly limited).

My question is, in light of the fact that it has been demonstrated that our coal is neither acid-forming nor toxic, why is Andalex not permitted to take this material to the local landfill? In our original permit approval this was satisfactory to the Division as long as Carbon County had no objection. We obtained written approval from Carbon County. We feel, therefore, that there is significant justification for this action.

It is anticipated that this mine has roughly a 30 year life. The next question, therefore, is what would Andalex continue to do with this unsightly material in years to come when Pond 'A' is full and there is no additional storage area? We do not believe that the Division would have us store this soil/coal mixture in little piles all around our minesite.

Hauling to the landfill is environmentally sound and is the most logical alternative. We would appreciate your comments.

Sincerely,

Michael W. Glasson
M.

Michael W. Glasson
Senior Geologist

MWG/amr

cc: James Leatherwood