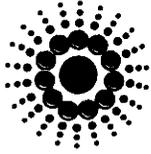


File CEP/07/019-89A



**ANDALEX**  
**RESOURCES, INC.**  
Tower Division

P.O. BOX 902  
PRICE, UTAH 84501  
PHONE (801) 637-5385

May 31, 1989

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

**RECEIVED**  
JUN 02 1989

DIVISION OF  
OIL, GAS & MINING

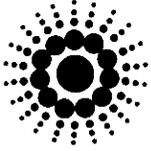
Attn.: Dave Darby, Permit Supervisor

Dear Dr. Nielson:

Enclosed please find two location maps for a proposed drill hole location. This hole is to substantiate existing geologic data in all three of our coal seams. The hole will be drilled by both rotary and core methods (core through the coal seams) to a depth of approximately 1,800 feet. The hole will be drilled with air and if necessary, water. The hole will be logged electronically following the completion of drilling.

This hole will be located on an existing road and now new surface disturbance will be created. The hole is located within our permit area and as such we are applying to drill it under small area exemption criteria. If water is necessary for drilling then alternate sediment control (straw dikes) will be used for the small amount of water which will run down. As you are aware, Deadman Canyon is an ephemeral drainage.

We will attempt to determine if any water is encountered in the formation. Following the drilling, the hole will be sealed with cement through the coal seams and at the surface. Cuttings will be used to backfill a portion of the hole. Since no new disturbance is required, no additional reclamation will be required such as reseeding. Andalex will do everything in their control to assure that no environmental degradation takes place.



**ANDALEX**  
**RESOURCES, INC.**  
Tower Division

Dr. Dianne R. Nielson  
May 31, 1989  
Page Two

We appreciate your expeditious review of this proposal, as we would like to start the project as soon as possible.

Thank you very much.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael W. Glasson".

Michael W. Glasson  
Senior Geologist

MWG/as

Enclosures

cc: File