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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 22, 1992

Ms. Claudia Colbert
Kentucky Department of Surface Mining
Division of Permits
#2 Hudson Hollow
Frankfort, Kentucky 40601

Dear Ms. Colbert:

Re: Compliance Status Review for Andalex Resource, Inc., Pinnacle Mine,
ACT/007/019 #5

The Utah Division of Oil, Gas and Mining is currently evaluating a portion of a Federal Lease Addition for Andalex Resource, Inc. As part of our review of outstanding fines and/or penalties incurred by the operator, we are contacting other state regulatory agencies who have issued permits and/or notices of violations to Andalex Resources, Inc.

The enclosed companies have been identified as being owned or owned by subsidiaries of Andalex Resources, Inc. in Kentucky.

If any of these mines or the enclosed owners, operators, officers, or directors are currently in violation, have had permits suspended or revoked, bonds forfeited, currently owe your state money or fines, fees or civil penalties and the applicant has not filled an administrative review, please notify our office immediately. If after fifteen (15) days we do not receive a response from you, we will presume that the applicant, owners, and/or directors are in compliance with your state's program.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joseph C. Helfrich'.

Joseph C. Helfrich
Regulatory Program Coordinator

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Enclosures
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II. Part UMC 782 - Requirements for Legal, Financial, Compliance, and Related Information

Scope

The objective of this chapter is to set forth all relevant information concerning ownership and control of Andalex Resources, Inc., the ownership and control of the property to be affected by mining activities and all other information and documentation required under Part UMC 782.

Please note that right-of-entry information for all new Leases is included in Appendix J, "Other Approvals".

UMC 782.13 Identification of Interests

a) Permit Applicant

Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501
(801) 637-5385

b) Legal and Equitable Owners of Record

Earth work for the Aberdeen Mine was completed in 1989. Surface facilities for the Aberdeen Mine should be completed early in 1990. All existing facilities are located either on land owned by Zions Securities Corporation or on federal land. The addresses of these owners of record are as follow:

Bureau of Land Management (801) 524-3004
Utah State Office
324 South State Street
Salt Lake City, Utah 84111

Zion Securities Corporation (801) 363-3841
10 East South Temple
Salt Lake City, Utah 84111

All coal to be mined on the permit area is owned by the federal government, Zion Securities Corporation, or Sunedco Coal Company. The addresses of these owners of record are as follow:

Bureau of Land Management
Utah State Office
324 South State Street
Salt Lake City, Utah 84111

Zion Securities Corporation
10 East South Temple
Salt Lake City, Utah 84111

Sunedco Coal Company
7401 West Mansfield Avenue
Suite 418
P.O. Box 35-B
Lakewood, Colorado 80235

c) Purchasers of Record under Real Estate Contracts

There are no purchasers of record under any real estate contracts of areas to be affected by surface operations and facilities of this mine plan and there are no purchasers of record under any real estate contracts of the coal to be mined.

d) Operator

Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501
(801) 637-5385

e) Resident Agent of Applicant

Resident Agent who will accept service of process for Andalex Resources, Inc., Centennial Mines, ACT/007/019:

Michael W. Glasson
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

f) Business Entity Statement

The applicant, Andalex Resources, Inc., is a corporation organized and existing under the laws of Delaware and qualified to do business in Utah.

g) Officers, Partners and Directors

Officers:

Peter B. Green Chairman
Robert Anderson, Jr. President
John Bradshaw Vice President
Malcolm Thomas Vice President
Kenneth Taylor Vice President
Bruce J. Ferriell Secretary

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Directors:

Peter B. Green Chairman
Robert Anderson, Jr. Director
Ronald C. Beedie Director

The address for all of the above is:

Andalex Resources, Inc.
1201 Hurstbourne Place
9300 Shelbyville Road
Louisville, Kentucky 40222-5156
Attention: Bruce J. Ferriell
Council

h) Principal Shareholders

The capital stock of Andalex Resources, Inc., is 100 percent owned and controlled by Andalex Resources N.V., Rotterdam Netherlands:

Andalex Resources, Inc.
1201 Hurstbourne Place
9300 Shelbyville Road
Louisville, Kentucky 40222-5156
Attention: Bruce J. Ferriell
Council

i) Other Operating Names

Other names under which the principal shareholder has or is operating coal mining activities in the United States within the last five years preceding the date of this application are listed below:

Andalex Resources, Inc., Tower Division
Andalex Resources, Inc., Cimarron Division
AMCA Coal Leasing, Inc.
West Ken Coal Corporation
Andalex Resources, Inc., Little Creek Division
AMCA Processing, Inc.
Tower Resources, Inc.

j) Single Proprietor

Andalex Resources, Inc., holds the exclusive coal operating interests in the permit area.

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