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DRAFT

Moab District
P. O. Box 970
Moab, Utah 84532

3482
U-69600
SL-027304
(U-065c)

Mr. Daron R. Haddock
Permit Supervisor
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Haddock:

Your office has requested of the Bureau of Land Management (BLM) recommendations for approval of mining plans submitted by Andalex Resources, Inc., for the Centennial Project, AEP Lease Addition. In particular, we were asked to give recommendations for approval of the resource recovery and protection plan (R2P2) part of the Mining and Reclamation Plan (MRP). In addition, as surface managing agency for portions of the new lease, we were to review the plan for protection of non-coal resources and post-mining land uses of the area proposed for mining.

Andalex plans to extend room and pillar panels west from their Centennial Seam mine workings across the present permit boundary to a new lease, U-69600. This lease was formed when Blackhawk Coal Company, a subsidiary of American Electric Power (AEP), assigned a portion of Federal coal lease SL-048442-050115 to Andalex for the Centennial Seam only. Since this additional area will be mined by extensions of underground mine workings, no surface facilities on this land will be built. We anticipate no surface impacts to occur from underground mining subsidence as adjacent areas where Andalex has mined full extraction room and pillar panels have shown no surface disturbance. Lease terms and stipulations provide for protection and mitigation if impacts do occur. Also current land use plans designate the area suitable for underground mining. Hence, BLM has no concerns as to surface disturbance for the permit action.

Andalex has submitted to the BLM an amended R2P2 for the lease addition to the approved Centennial MRP. After reviewing the plan, the BLM believes that Andalex should continue to mine west and recover all minable coal in the Centennial Seam in the interest of conservation of the coal resource. AEP cannot practically and economically access this small amount of coal from their property. AEP has agreed with this assessment in that

they have assigned the Centennial Seam portion of their property to Andalex. To avoid a coal bypass situation, Andalex should mine all recoverable coal in the Centennial Seam.

We have determined that the addition to the R2P2 for this area is complete and technically adequate. The plan is in compliance with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, Federal lease terms and conditions, and will achieve maximum economic recovery of the Federal coal. Therefore, we recommend approval of the R2P2 and the inclusion of Federal coal lease U-69600 to the Centennial Project MRP.

If you have any questions, please contact Stephen Falk in our Price Coal Office at (801) 637-4584.

Sincerely,

District Manager

cc: Chief, Price Coal Office (UT-065c)
SD, Utah (UT-921)
Office of Surface Mining, Denver, CO
Andalex Resources, Price, UT

Reviewed:

Stephen Falk