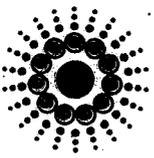


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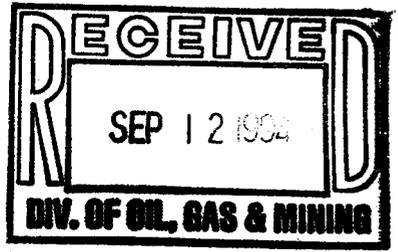


ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELECOPIER (801) 637-8860

September 8, 1994

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



Attn: Daron Haddock, Permit Supervisor #2

Re: ACT 007/019, Incidental Boundary Change, Remote Fan Installation

Dear Mr. Haddock:

Enclosed are three copies of plans for construction of a pad and remote ventilation fan installation in the left-hand fork of Deadman Canyon.

Included are cross-sections showing cut and fill volumes, as well as size and shape of the pad and location of the topsoil storage area to the north. This cut slope pad will be reclaimed to the original contour upon completion of mining as shown on the cross-section diagrams.

Attached are calculations by a registered professional engineer showing culvert size determinations for the initial drainage crossing, as well as at the fan location.

Soil Resources information for the proposed breakout will be submitted as soon as the report is completed. Topsoil will be removed and stored according to Andalex's approved MRP. This will include segregation and protection by means of earthen berms and revegetation.

State of Utah
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Attn: Daron Haddock, Permit Supervisor
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This area has been addressed in the CHIA performed on our recent UTU-69600 approval (AEP lease). All areas will be protected from runoff (sediment control) using straw dikes on all downstream slopes. The fan pad will drain to a portal.

The existing road will be upgraded only as necessary to access equipment for the construction and installation.

Andalex views this installation on its BLM right-of-way U-64158 as an incidental boundary change and we are anxious to begin construction as soon as possible.

Thank you for your assistance.

Sincerely,



Michael W. Glasson
Senior Geologist

Enclosures