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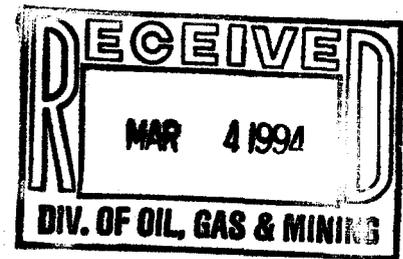
ANDALEX
RESOURCES, INC.

Tower Division

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

March 3, 1994

James W. Carter, Director
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: Pamela Grubaugh-Littig
Coal Permit Coordinator

Re: ACT 007/019, Addition of Coal Rights on Existing Lease
UTU-69600 (Aberdeen Seam)

#2 file

Copy for Amendment file

Dear Mr. Carter:

Enclosed are three copies of text and maps which constitute an amendment to Andalex's approved Mining and Reclamation Plan. This amendment does not include any change in acreage; it is merely the addition of coal rights to our existing federal coal lease #UTU-69600. Only subtle changes have been made to the text which ensures the Aberdeen Seam is referenced on the existing lease where necessary.

This transfer of coal is from Cyprus / AMAX. I have attached a letter from them indicating that this transfer is taking place so that the permitting process in your office can commence. We understand approval from your office can only be granted after the BLM has formally processed the assignment and approved the modified Resource Recovery and Protection Plan.

As this lease modification does not involve any change in acreage to the permit area, and since the probable hydrologic consequences have already been addressed on this lease, we anticipate an uncomplicated processing of this application. The addition of this coal affects the length of the approved longwall panels in the Aberdeen Mine. It is our understanding that subsidence monitoring on these panels has already been adequately addressed based on our January, 1994, submittal.

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Please advise us if you require a \$5 application fee for this submittal. We appreciate your prompt attention to this application as development timing onto this modification is critical.

Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Glasson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael W. Glasson
Senior Geologist