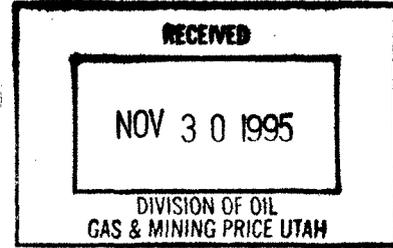
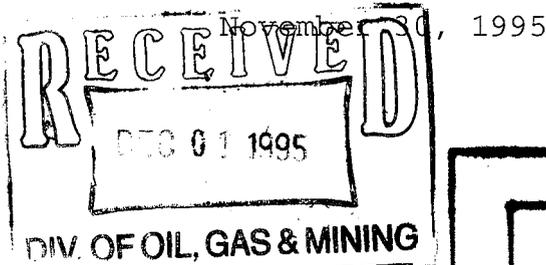




0001

ANDALEX
RESOURCES, INC.
Tower Division

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



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

Re: ACT 007/019, Reformatted Plan and Second Mid-Term Review Response

Dear Mr. Haddock: #2

Enclosed is Andalex's response to deficiencies as identified by your staff. Where deficiencies have previously been addressed I have identified the location where the information can be found.

This information has been presented in the same order as it was requested, beginning on page 42 of your document:

PERMIT APPLICATION REQUIREMENTS:

Identification of Interests, et. al.

1. Enclosed is Andalex's revised ownership and control information, which is identified as Appendix I-5. This appendix from the Smoky Hollow PAP is the most current information on Andalex Resources, Inc. and Andalex Resources B.V. This information should replace the existing Appendix I-6 in the Centennial MRP Appendix B.
2. Information on land ownership in the text of the plan agrees with the information on Plates 2 and 3 (both within and contiguous to the permit area). (See Pages 12, 12-A & 13 of the Plan and Plates 2 & 3.)
3. Acreage figures throughout the plan correspond (5,063 permit acres (Page 19); 34.2 disturbed acres (Pages 41, 45, 70, 140, 152, 233, 313, and 417)).

Department of Natural Resources
Division of Oil, Gas & Mining
November 30, 1995
Page Two

4. Any references to lease UTU-69600 containing "Centennial Seam only" has been removed (Page 22 and Plate 3).

Unsuitability Claims

1. A letter from Carbon County for County Road 299 is referenced in the text (see Page 24 of the Plan).

Permit Term Insurance, et.al.

1. The notarized statement of a responsible official of the permittee is a part of the plan included on the last page (page 442) of the text.
2. See Page 36 of the Plan.

RESOURCE INFORMATION:

Geologic Resource

1. The lithologic log for DH-1 is enclosed for insertion into Appendix E.

OPERATIONAL PLAN:

Coal Recovery

1. See Appendix U which contains Andalex's approved Resource Recovery and Protection Plan.

Subsidence Control

1. See Pages 85 and 259 of the Plan. (states including but not limited to...)

Slide and Other Damage

1. See Page 229 of the Plan.

Interim Stabilization

1. See Page 81 of the Plan.

Road Systems

1. See Page 218 of the Plan.

2. According to Division personnel, designs are not required for ancillary roads. Please see Pages 220-221 and Plate 6 of the Plan for ancillary roads descriptions and locations.
3. See Pages 221 & 277 of the Plan.
4. See Page 279 of the Plan.
5. See Page 218 & 293 of the Plan.

Spoil and Waste

1. Andalex nor any other underground coal mining company is allowed to store combustible material underground. MSHA regulations, according to 30 CFR 75.400, do not allow accumulations of coal. Other development waste (i.e. roof or floor rock) do not require MSHA storage approvals. MSHA would only become involved if the storage of this material were interfering with ventilation for example. MSHA's only concern with the rock tunnel construction was in the event ventilation would be affected and a specific approval for storage of the material was not required. See Pages 223, 279, 281 and 298 of the Plan for discussion of waste rock disposal in rock tunnel construction. The Division approved our rock tunnel construction partially on the basis that this material would be stored underground.
2. See Page 284 of the Plan.
3. See Pages 223 & 298 of the Plan. The Plan does not reference processing lump coal by hand at the minesite; it is processed at Wildcat Loadout.

Hydrologic Information

1. See Page 387 of the Plan.

RECLAMATION PLAN

Topsoil Redistribution

1. Pages were inadvertently not printed at the time of the previous submittal and are attached to be inserted in the Plan as Pages 49-A and 49-B.

Geologic Information

1. See Page 355 of the Plan.
2. This has been completed (see Page 355 of the Plan).

Department of Natural Resources
Division of Oil, Gas & Mining
November 30, 1995
Page Four

Reclamation Hydrology

1. Information on Pages 358 & 359 is the information formerly found in Part I, (not F), Section 3, 3.1-1.2, 3.1-1.2. relative to groundwater and surface water.

Revegetation

1. See Page 82 of the Plan.
2. See Pages 87 and 88 of the Plan (the seed mixture on Page 88 is for drainage areas).
3. See Page 90 and 90-A of the Plan.
4. See Page 89 of the Plan.

The above referenced information, along with revised and certified Plates, should adequately address the latest revised technical analysis findings of the Division of Oil, Gas and Mining dated September 18, 1995. Please call with questions.

Sincerely,



Michael W. Glasson
Senior Geologist

Enclosures