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United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement

1999 Broadway, Suite 3320

Denver, Colorado 80202-5733

IN REPLY REFER TO:

August 29, 1997

Mr. Mike Glasson
Andalex Resources, Inc.
P.O. Box 902
Price, UT 84501

Dear Mr. Glasson:

This relates to the amendment to permit No. ACT/007/019, approved by the Utah Division of Oil, Gas and Mining on July 29, 1997, for the Andalex Resources, Inc.'s Centennial Project. Mining in the permit amendment area was conditioned upon receipt of Federal mining plan approval.

The permit amendment, approved as an incidental boundary change, authorizes extension of underground coal mining into additional 160 acres of modified Federal lease UTU-66060 to mine about 518,000 tons of coal without causing additional surface disturbance. A new mining plan was approved on March 12, 1991 for Federal lease UTU-66060.

Bureau of Land Management approved, on August 27, 1997, a modification to the Resource Recovery and Protection Plan for the modified Federal lease UTU-66060.

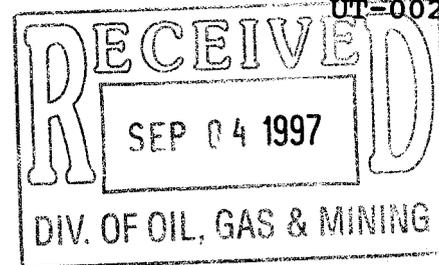
OSM has determined that this permit amendment does not constitute a mining plan modification because it will result in minor change in the amount of coal actually available for mining from the amount estimated, as provided in 30 CFR 746.18(d)(3)(i). Consequently, no Federal mining plan approval is required for mining in the 160 acres of modified Federal lease UTU-66060.

Please contact me at (303)844-1489 if you have any question.

Sincerely,

Ranvir Singh
Ranvir Singh, P.E.
Federal Lands Team
Program Support Division

cc: ✓ Pam Grubaugh-Littig, UT DOGM
Steve Falk, BLM, Price, UT



ACT/007/019 #3