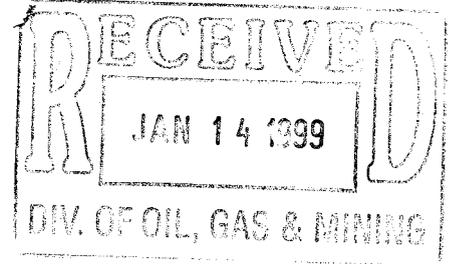


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ANDALEX
RESOURCES, INC.

PO. BOX 902
PRICE, UTAH 84501
PHONE (435) 637-5385
FAX (435) 637-8860



December 30, 1998

Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

ACT/007/019 #2

Daron

Attn: Pamela Grubaugh-Littig
re: ACT 007/019 Mathis Incidental Boundary Change

Dear Ms. Littig

Enclosed are five copies each of ANDALEX's application, including C1 and C2 forms, for an incidental boundary change (IBC) which incorporates a small portion of the recently acquired Mathis fee lease. This IBC will allow ANDALEX to continue mining in this area in a timely and logical approach. Each discipline in the R645 regulations have been addressed and are included as replacement pages for our approved MRP. There is a replacement page for R645-301-100 through R645-301-800. As you will see, there simply are no impacts to any of these disciplines as there are no new hydrologic basins to address, and where this IBC involves no possible affects to the surface, the approval should be straight forward.

All of the plates which show our permit boundary have been modified to show the IBC. This 160 acre change represents 3.0% of our permitted lease area. It is important to note that the IBC is entirely on Fee coal under Fee surface.

Aside from the text changes and the plate changes, also included in this submittal are the new 1998 Raptor survey, the PHC for the entire 640 acre Mathis lease and the Right of Entry Documentation. The raptor survey map should be placed in Appendix D, The right of entry in Appendix J and the PHC in Appendix L.

We appreciate your expeditious review of the enclosed and we are confident that this minor change can be approved without delay.

Respectfully submitted,


Michael W. Glasson
Senior Geologist

APPLICATION FOR PERMIT PROCESSING

Permit Change <input checked="" type="checkbox"/>	New Permit <input type="checkbox"/>	Renewal <input type="checkbox"/>	Transfer <input type="checkbox"/>	Exploration <input type="checkbox"/>	Bond Release <input type="checkbox"/>	Permit Number: ACT/007/019
Title of Proposal: MATHIS INCIDENTAL BOUNDARY CHANGE (IBC)						Mine: CENTENNIAL PROJECT
						Permittee: ANDALEX RESOURCES

Description, include reason for application and timing required to implement: **IN ORDER TO CONTINUE MINING ONTO THIS LEASE IN A TIMELY LOGICAL FASHION. THIS IBC IS NEEDED BY THE END OF MARCH, 1999.**

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? 160 acres Disturbed Area? 0 acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO #
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV #
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

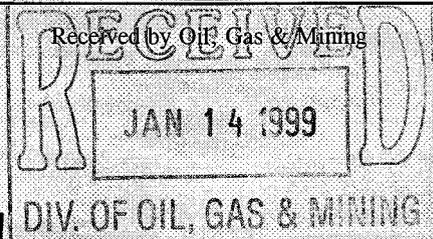
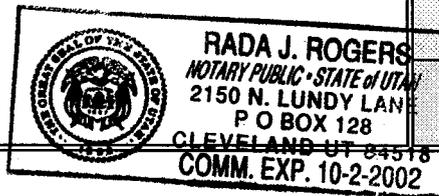
Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R648-301-12B)

Michael W. Glass S. Genl. 12/29/98
Signed - Name - Position - Date

Subscribed and sworn to before me this 29th day of Dec, 1998.

Rada J. Rogers
Notary Public
10/02 2002
Attest: *Carol*
STATE OF
COUNTY OF Carroll



ASSIGNED TRACKING NUMBER

