



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

June 4, 1999

Michael W. Glasson, Senior Geologist
Andalex Resources, Inc.
Tower Division
P.O. Box 902
Price, Utah 84501

Re: Midterm Review, Andalex Resources, Inc., Centennial Mine, ACT/007/019-MT99,
Folder #3, Carbon County, Utah

Dear Mr. Glasson:

The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the mid-point of the permit term (July 6, 1999 for the Centennial Mine) and will cover pertinent elements that have been selected for review. The Midterm Review for the Centennial Mine is now being conducted and the items chosen for review encompass the following:

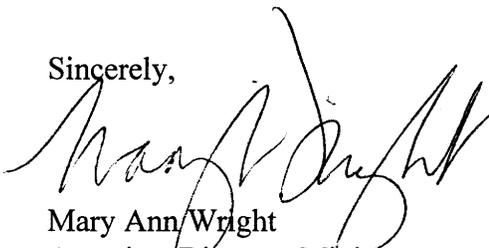
1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee-initiated plan changes are appropriately incorporated into the plan document.
3. A review of the applicable portions of the permit to ensure that the plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.
4. The Division may conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices.
5. An evaluation of the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval.

Midterm Review
ACT/007/019-MT99
June 4, 1999
Page 2

Any information that you would like us to review as part of the Midterm review must be submitted by July 6, 1999. Once the review has been conducted, you will be notified of any outstanding issues that need to be corrected.

If you have any questions regarding these requirements or the Midterm Review please don't hesitate to call.

Sincerely,



Mary Ann Wright
Associate Director, Mining

tam
cc: Steve Demczak, PFO
O:\007019.CEN\FINAL\MIDTERM.LTR