

2002 ANNUAL REPORT

**ANDALEX RESOURCES, INC.
CENTENNIAL MINESITE
C/007/019**

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DIV. OF OIL, GAS & MINING

GENERAL INFORMATION

1. Permit Number	C/007/019
2. Mine Name	Centennial Minesite
3. Permittee Name	Andalex Resources, Inc
4. Operator Name (if other than Permittee)	
5. Permit Expiration Date	
6. Permit Number	C/007/033
7. Company Representative, Title	Michael W. Glasson, Senior Geologist
8. Phone Number	(435) 637-5385
9. Fax Number	(435) 637-8860
10. E-mail Address	
11. Mailing Address	Andalex Resources, Inc.
	P.O. Box 902
	Price, Utah 84501
12. Resident Agent, Title	Michael W. Glasson
13. Mailing Address	Andalex Resources, Inc.
	P.O. Box 902
	Price, Utah 84501
14. Number of Binders Submitted	(2) 1- Salt Lake Office and 1- Price Field Office

IDENTIFICATION OF OTHER PERMITS

Identify other permits which are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expires on
1. MSHA Mine ID(s)	42-01474	Pinnacle	N/A
	42-01750	Apex	N/A
	42-02028	Aberdeen	N/A
2. MSHA Impoundment(s)	N/A		

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3.	NPDES/UPDES Permit(s) (water)	UTG-040008	Deadman Canyon, 001-004	04/30/08
4.	PSD (Air) Permit(s)	DAQE-997-96	Centennial	N/A
5.				
6.				

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX A to this Annual Report or currently ON FILE with the Division.

Certified Reports:	Reports Required?		INCLUDED or ON FILE w/DOGM?		Comments
	YES	NO	Included	ON FILE	
1. Excess Spoil Piles		X			
2. Refuse Piles		X			
3. Impoundments	X		X		Appendix A
4.					
5.					

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX B to this Annual Report or currently ON FILE with the Division.

Technical Data:	Reports Required?		INCLUDED or ON FILE w/DOGM?		Comments
	YES	NO	Included	ON FILE	
1. Climatological Data		X			
2. Subsidence Monitoring Data	X		X		Appendix B
3. Vegetation Monitoring Data		X			
4. Raptor Survey		X			
5. Soils Monitoring Data		X			
6. Water Monitoring Data	X			X	
First Quarter Report	X			X	

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Second Quarter Report	X			X		
Third Quarter Report	X			X		
Fourth Quarter Report	X			X		
7. Geological/Geophysical Data		X				
8. Engineering Data		X				
9. Other Data	N/A					
10. Non Coal Waste/Abandoned Underground Equipment						

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Changes in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the Annual Report. Provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other changes as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include any certified financial statements, audits or worksheets which may be required to meet bonding requirements. Specify whether the information is currently ON FILE with the Division or included as APPENDIX C to this Annual Report.

Legal/Financial Data:	Report Required?		INCLUDED or ON FILE w/DOGM?		Comments
	YES	NO	Included	ON FILE	
1. Department of Commerce, Annual Report of Officers	X		X		Appendix C
2. Other					

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 1998, are to be provided to the Division as APPENDIX D to this Annual Report in accordance with the requirements of R645-301-525.270. These map copies shall be made in accordance with 30 CFR 75.1200, as required by MSHA. Upon request, mine maps shall be kept confidential by the Division.

Map Number(s)	Map Title / Description	Confidential?
Appendix D	Aberdeen Mine	Y
Appendix D	Pinnacle Mine	Y

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OTHER INFORMATION N/A

Please provide any comments or further information to be included as part of the Annual Report. Any other attachments are to be provided as APPENDIX E to this Annual Report. If information is submitted as a group rather than by individual mine. Please identify each of the mines data in the list below.

Additional attachments to this report? No Yes

N/A

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514

CONTENTS

Annual Impoundment Inspections

ANDALEX RESOURCES, INC.
2002 ANNUAL POND INSPECTION REPORT

POND: Sed. Basin "B"

LOCATION: Centennial

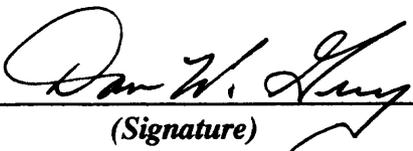
IMPOUNDMENT	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	None Noted.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	N/A - Dry.
(5) Existing Storage Capacity	0.411 acre feet. (1" Snow)
(6) Monitoring Procedures	Sediment Level. Cleanout at 50% accumulation. (Between 1 and 2)

ADJACENT PONDS ONLY	
(7) Sediment Accumulation (Elevation)	7077.0 - #2
(8) Sediment Cleanout Level (Elevation)	7081.0 - #2
(9) Principle Spillway (Elevation)	7077.0 - #1
(10) Emergency Spillway (Elevation)	7078.0 - #1
(11) Existing Sediment Capacity (To Cleanout)	0.119 acre feet.

(12) Comments/Recommendations	Cell B4 - Full (7091) Ponds O.K. Cell B3 - 8" Remaining (7086.3) Outlets/Spillway O.K. Cell B2 - 48" Remaining (7077.0) Cell B1 - 0% Sediment - No Change. (7069)
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STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.



 (Signature)

 11/25/02
 (Date)



ANDALEX RESOURCES, INC.
2002 ANNUAL POND INSPECTION REPORT

POND: Sed. Pond "C"

LOCATION: Centennial

IMPOUNDMENT	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	Minor Erosion in Bottom of Pond.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	Dry - 1" Snow.
(5) Existing Storage Capacity	2.304 acre feet.
(6) Monitoring Procedures	U.P.D.E.S Quarterly Inspection.

(7) Sediment Accumulation (Elevation)	7046.7
(8) Sediment Cleanout Level (Elevation)	7046.9
(9) Principle Spillway (Elevation)	7053.1
(10) Emergency Spillway (Elevation)	7055.0
(11) Existing Sediment Capacity (To Cleanout)	0.050 acre feet.

(12) Comments/Recommendations	Interior Partially Vegetated. No Discharge. Inlets O.K.
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STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.



 (Signature)

11/25/02

 (Date)



**ANDALEX RESOURCES, INC.
2002 ANNUAL POND INSPECTION REPORT**

POND: Sed. Pond "E"

LOCATION: Centennial

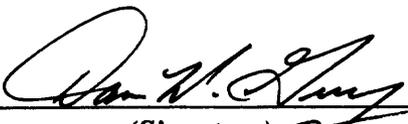
IMPOUNDMENTS	
(1) Stability	Slopes Stable.
(2) Structural Weakness/Erosion	Minor - Inside Pond.
(3) Potential Safety Hazards	None Noted.
(4) Depth of Impounded Water	1' Water.
(5) Existing Storage Capacity	2.469 acre feet.
(6) Monitoring Procedures	U.P.D.E.S. Quarterly Inspection.

SEDIMENT POINTS ONLY	
(7) Sediment Accumulation (Elevation)	6938.6
(8) Sediment Cleanout Level (Elevation)	6946.5
(9) Principle Spillway (Elevation)	6957.6
(10) Emergency Spillway (Elevation)	6958.6
(11) Existing Sediment Capacity (To Cleanout)	0.537 acre feet.

GENERAL	
(12) Comments/Recommendations	Pond cleaned. No Discharge. Inlets O.K. Outlets O.K.

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.


(Signature)

11/25/02
(Date)



APPENDIX B

Reporting of Technical Data

including monitoring data, reports, maps, and other information
as required under the approved plan
or as required by the Division

in accordance with the requirements of R645-301-130 and R645-301-140.

CONTENTS

Subsidence Monitoring

Bruce Ware Surveying LLC
Registered Land Surveyor
2223 N. 1200 W.
Helper, UT. 84526

Oct. 2, 2002

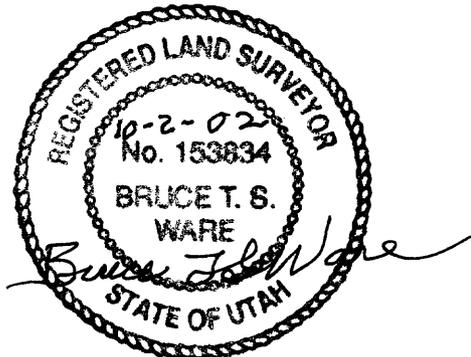
Andalex Resources, Inc.
Attn: Mike Glasson
P.O. Box 902
Price, UT. 84501

Dear Mr. Glasson:

As you requested I surveyed to your Company's Subsidence Monitoring Points. I have calculated the survey and find that there has been no movement horizontally or vertically since they were established. A visual inspection was made when walking between subsidence points and no subsidence was seen.

Sincerely,

Bruce T. S. Ware



Bruce Ware Surveying LLC

Registered Land Surveyor
2223 N. 1200 W.
Helper UT. 84526

Oct. 2, 2002

Andalex Resources, Inc.

Attn: Mike Glasson

P.O. Box 902
Price, Ut. 84501

Dear Mr. Glasson:

The following is a list of the Subsidence points I surveyed.

Station	Northing	Easting	Elevation	
Rebar on Ridge	505,141.92	2,217,261.07	8,241.62	Control
Yellow Rebar	507,073.59	2,223,128.18	8,534.90	Control
S-10	507,824.28	2,217,196.61	8,594.59	Control
1A	504,057.60	2,216,580.90	8,147.10	
1	502,940.68	2,216,278.93	8,178.12	
4	503,238.30	2,221,322.26	8,285.10	
11	498,938.95	2,218,688.74	7,671.21	
9	506,252.83	2,221,663.40	8,544.05	
5	504,194.60	2,224,746.95	8,001.91	
7	502,013.30	2,225,964.01	8,103.00	
13	500,747.05	2,228,007.62	7,854.70	
S31	506,353.10	2,217,377.01	8,386.69	
S30	506,015.17	2,215,358.03	8,118.07	
S16	508,650.49	2,210,725.75	8,809.48	
S17	508,190.60	2,213,802.68	8,624.43	
99-1	508,942.12	2,215,063.99	8,572.30	
99-2	509,023.26	2,218,625.15	8,551.20	

APPENDIX C

Legal, Financial, Compliance and Related Information

Annual Report of Officers
as submitted to the Utah Department of Commerce
and other changes in ownership and control information
as required under R645-301-110.

CONTENTS

Included

utah
gov

State Online Services

Agency List

Search Utah.gov

go

business entity search

Utah Department of
Commercereturn to business
entity search

Name	Type	City	Status
ANDALEX RESOURCES, INC.	Corporation	SANDY UT	Active

Business Name: ANDALEX RESOURCES, INC.**Entity Number:** 713546-0143**Registration Date:** 3/1/1979**State of Origin:** DE**Address**

45 W 10000 S STE 401

SANDY UT 84070

Status**Status:** Active**Status Description:** Annual Report**This Status Date:** 3/2/2002**Last Renewed:** 1/10/2003**License Type:** Corporation - Foreign - Profit**Delinquent Date:** 3/1/2004

(Note: If your renewal is not received within 60 days of delinquency date your filing will expire.)

Registered Agent**Registered Agent:** JOHN S KIRKHAM**Address Line 1:** 201 S MAIN ST STE 1100**Address Line 2:****City:** SALT LAKE CITY**State:** UT**Zip:** 84111**Additional Information****NAICS Title:** 3111-Tobacco Manufacturing**Stock Class 1 Amount:** 0000002000**Stock Class 1 Type:** COMMON**Stock Class 2 Amount:** 0000000000

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

Aberdeen Mine
Pinnacle Mine

APPENDIX E

Other Information

in accordance with the requirements of R645-301 and R645-302.

CONTENTS

N/A