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Date: 5/26/04 10:10AM
Subject: Mine Plan Determination - Centennial Mine

Attached is OSM's final decision regarding the need for a Mining Plan Modification for the above subject. A signed copy was mailed out on May 24, 2004.

In accordance with the Federal regulations under 30 CFR 740.13(d), other Federal agencies that may have an interest in, or jurisdiction over, the above subject operation have also been notified of OSM's decision electronically.

No responses to this transmittal are necessary.

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CC: "Mitchell Rollings" <MROLLING@osmre.gov>, "Ranvir Singh" <RSINGH@osmre.gov>

UT-0022

May 24, 2004

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Andalex Resources, Inc. - "Centennial" Mine - Application for a Permit Revision, Permit Area Expansion

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) April 21, 2004, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for a Permit Revision, Permit Area Expansion, has determined that it proposes to add approximately 1,183 acres to the current Centennial mine, Utah State permit C/007/019. Of those acres, approximately 703 acres are contained in the new Federal Summit Creek lease.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does meet the requirements of 30 CFR 746.18(d)(3) and 746.18(d)(4). Therefore, the proposed Significant Permit Revision does constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for a Permit Revision, Permit Area Expansion with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the April 21, 2004 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment. Neither agency provided any comments in the thirty day time frame established by the Federal regulations under

30 CFR 944.30, Article VI. D.

Please notify the applicant of our decision on this matter.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

Ranvir Singh
Manager, Northwest Branch

cc: Denver Field Division