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ANDALEX RESOURCES, INC.

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June 30, 2004

RECEIVED

AUG 16 2004

DIV. OF OIL, GAS & MINING

Mr. Jim Kohler
Branch Chief Solid Minerals
Bureau of Land Management
P.O. Box 45155
Salt Lake City, UT 84145-0155

Dear Mr. Kohler:

ANDALEX Resources, Inc. submits for review a R2P2 for the Summit Creek Tract (UTU-79975). Approval of this R2P2 will allow ANDALEX Resources, Inc. to maximize coal recovery in Federal Lease UTU-79975 and the adjoining Federal and private leases/holdings. Once the R2P2 for the Summit Creek Tract is approved, it will be incorporated as a modification to the currently approved R2P2 for the Aberdeen Mine. The mineplan submitted in the R2P2 for the Summit Creek Tract is virtually identical to that which was agreed to in principle by the BLM in a letter to ANDALEX Resources, Inc. dated August 08, 2003 (attached).

Should you have any questions or require additional information please contact:

John C. Lewis
John C. Lewis M.E., P.E.
Mining Engineer
Andalex Resources Inc.
(435) 888-4016

File in: 0070019 2004 Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date: 06/30/04 for additional information



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

AUG 08 2009

IN REPLY PLEASE REFER TO:
3482, SL-027304, U-66060, (UT-923)

Certified Mail--Return Receipt Requested
Certificate No.

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

Re: Minor Modification to Resource Recovery and Protection Plan (R2P2), Further Longwall Mining Plan Revision, Aberdeen Mine

Dear Mr. Glasson:

The Bureau of Land Management (BLM) has received and reviewed the subject R2P2 modification request from Andalex for the Aberdeen Mine. The modification revisits the main longwall mining block for the A seam located on Federal leases U-66060 and U-010581.

Andalex proposes to develop and mine longwall panels past the area where longwall mining ceased in 2000. Mining longwall development gate entries and longwall extraction are proposed for panel # 6, just north of the extracted panel # 5. This will add some 1.98 million recoverable federal tons. The main access and belt entries for this panel will be changed from the east side to the west side. As a result of the main access change, Main West will increase the number entries from 3 to 5. Andalex cites the acquisition of private mining rights in section 36 and the obtaining of a Federal royalty reduction for the federal coal in the area as reasons to revisit mining plans north of panel # 5.

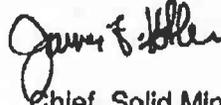
The BLM authorized discontinuing longwall mining past panel # 5 with a modification to the R2P2 on December 20, 1999. The acquisition of section 36 and the obtaining of the royalty rate reduction are noted as valid and are part of our file. We concur with restarting longwall development mining as the new situation will have a better chance for successful and economic recovery. We also agree with changing the main belt and access travel-ways from the east to the west side and increasing the West Mains to 5 entries.

This approval of a minor modification to an existing R2P2 is Categorically Excluded from National Environmental Policy Act (NEPA) analysis in that no new surface disturbance will occur from this action as stated in Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

The proposed modification from Andalex meets the requirements of the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and will achieve maximum economic recovery of the Federal coal. Andalex is authorized to develop and extract longwall panel # 6 and make West Mains a 5 entry main access way as shown on the enclosed mine map. The submitted R2P2 modification depicts further longwall mining north of panel # 6. The BLM agrees with the plan in principle, but will act on the plan if Andalex is successful in obtaining the proposed Summit Creek Lease Tract.

A copy of the approved mine map is enclosed with the approval area highlighted in yellow. If you have any questions, please contact Stephen Falk at the Price Field Office or Jeff McKenzie of my staff.

Sincerely,



Chief, Solid Minerals

Enclosure
Approved Mine Map

cc: UT-070, Price Field Office (w/encl.)
Aberdeen Mine File
Utah Division of Oil Gas and Mining (w/encl.)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

