

facsimile
TRANSMITTAL

to: Pamela Grubaugh-Littig - Division of Oil, Gas, and Mining
fax #: 801/ 359-3940
re: **Andalex Resources, Inc. - Mining Plan Modification Approval**
date: October 27, 2004
pages: 4 (four), including this cover sheet.

Johnston
10/27/04

Mr. Glasson:

Following this cover sheet is the Mining Plan Modification approval signed by the Assistant Secretary – Land and Mineral Management for Federal lease UTU-79975. A complete copy of the Mining Plan Modification Decision Document will be mailed to you in a few days.

If you have any questions or need any further information, please contact me by any of the methods listed at the lower right of this cover.



From the desk of...

Carl R. Johnston
Physical Scientist
OSMRE / WRCC / PSD / NWB
P.O. Box 46667
Denver, CO 80201-6667

Courier Deliveries 1999 Broadway, Suite 3320

303 / 844-1400 - ext. 1500
Fax: 303 / 844-1538
e-mail: CJOHNSTO@OSMRE.GOV



United States Department of the Interior

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Washington, D.C. 20240

OCT 19 2004

MEMORANDUM

To: Rebecca W. Watson
Assistant Secretary - Land and Minerals Management

From: Jeffery D. Jarrett *Jeffery D. Jarrett*
Director, Office of Surface Mining

Subject: Recommendation for Approval, Without Special Conditions, of the Mining Plan Modification for Federal Lease UTU-79975 at Andalex Resources, Inc.'s Centennial Mine located in Carbon County, Utah

I recommend approval for longwall development mining, without special conditions, of this mining plan modification. My recommendation is based on:

- (1) Andalex Resources, Inc.'s complete permit application package (PAP),
- (2) compliance with the National Environmental Policy Act of 1969,
- (3) documentation assuring compliance with applicable requirements of other Federal laws, regulations, and executive orders,
- (4) comments and recommendations or concurrence of other Federal agencies, and the public,
- (5) the findings and recommendations of the Bureau of Land Management regarding the resource recovery and protection plan, the Federal lease requirements, and the Mineral Leasing Act, and
- (6) the State Final Findings and Supporting Documentation, Summit Lease Tract - Incidental Boundary Change, Andalex Resources, Inc. Centennial Mine, C/007/019.

The Secretary may approve a Mining Plan for Federal leases under 30 U.S.C. §§ 207(c) and 1273(c). In accordance with 30 CFR Chapter VII, Subchapter D, I find that the proposed mining plan modification will be in compliance with all applicable laws and regulations.

Attachment

UNITED STATES
DEPARTMENT OF THE INTERIOR

This mining plan approval document is issued by the United States of America to:

Andalex Resources, Inc.
6750 Airport Road
P.O. Box 902
Price, Utah 84501

for a mining plan modification for Federal lease UTU-79975 at the Centennial Mine. The approval is subject to the following conditions. Andalex Resources, Inc. is hereinafter referred to as the operator.

1. Statutes and Regulations.--This mining plan approval is issued pursuant to Federal lease UTU-79975; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable regulations of the Secretary of the Interior which are now or hereafter in force; and all such regulations are made a part hereof. The operator shall comply with the provisions of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.
2. This document approves the mining plan modification for Federal lease UTU-79975 at the Centennial Mine and authorizes coal development or mining operations on the Federal lease within the area of mining plan approval. This authorization is not valid beyond:

Township 12 South, Range 11 East SL Meridian Utah

Beginning at the NW Corner of Section 31 (T12S, R11E)
thence S 00 ° 24'W 2675 .8' ;
thence S 61 ° 52'E 743 .0' to point of beginning ;
thence due East 3867 .5' to the east section line of said Section 31 ;
thence due South 735 .0' along the East section line of said Section 31 ;
thence N 61 ° 62'W 1553 .2' ;
thence due South 1334 .3' to the Southeast corner of Lot 11 ;
thence N 61 ° 52'W 2832 .3' to point of beginning .
Beginning at the NW corner of Section 32 (T12S, R11E)
thence due South 592 .0' along the West section line of said
Section 32 to point of beginning ;
thence due East 1320' ;
thence due South 747 .6' ;
thence due West 1320' ;
thence due North 747 .6' along the West section line of said

Section 32 to point of beginning .

Mining Plan Approval Document No. UT-0022

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These lands encompass approximately 72.32 acres and are found on the USGS 7.5 minute Quadrangle map of Deadman Canyon and Helper, Utah, and as shown on the map appended hereto as Attachment A.

3. The operator shall conduct coal development and mining operations only as described in the complete permit application package, and approved by the Utah Division of Oil, Gas and Mining, except as otherwise directed in the conditions of this mining plan approval.
4. The operator shall comply with the terms and conditions of the lease, this mining plan approval, and the requirements of the Utah State Permit No. C/007/019 issued under the Utah State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 *et seq.*).
5. This mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, canceled, or withdrawn.
6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify Utah Division of Oil, Gas and Minerals and the Office of Surface Mining Reclamation and Enforcement (OSM). The operator shall take such actions as are required by Utah Division of Oil, Gas, and Minerals in coordination with OSM.
7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. 1531 *et seq.*



Assistant Secretary
Land and Minerals Management

10/25/04
Date