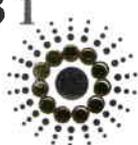


0031



ANDALEX
RESOURCES, INC

P.O. BOX 902
PRICE, UTAH 84501
PHONE (435) 637-5385
FAX (435) 637-8860

*INCOMING
0070019
#2161 OK
additional
information*

April 20, 2005

Utah Division of Oil, Gas & Mining
Coal program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED

APR 21 2005

DIV. OF OIL, GAS & MINING

Attn: D. Wayne Hedberg

Re: Gob Gas Vent Hole Drilling Program

Dear Mr. Hedberg,

ANDALEX Resources Inc. (ARI) hereby respectfully requests that approval for an additional drill hole in the above-referenced drilling program be granted as an emergency permitting action. This request is in addition to the emergency permit already granted to ARI for GVH No. 1, and in addition to the approval granted for GVH No.'s 5 and 6. ANDALEX understands that this request is both unusual and at first glance may appear to be poor planning on our part. Please be assured that it is neither, and in fact is a direct result of the regulatory authority imposing additional, unplanned requirements on ANDALEX's ventilation scheme. This request is a result of learning that the requirements, under which we had been currently operating the Aberdeen Mine have, once again, been changed.

It is important to recognize that this new condition could not be anticipated by ARI and that ARI had no control over this situation. In fact, this new requirement contradicts previously approved measures being taken by ANDALEX, required in writing, by the regulatory authority. ANDALEX presented arguments against these new requirements by appearing in Denver CO, last week, immediately when we learned of this new stipulation. This meeting resulted in no change, and at this time, ARI has only one option to in order to satisfy the new ventilation requirements; that is to immediately install one additional Gob Gas Vent hole, known as GVH #2, into longwall Panel No. 6. At this time, our experts in the field of Gob Gas Ventilation Drilling are determining exactly where this hole should be drilled in order to be most effective. This is why ARI is proposing a location for GVH #2 as well as an alternative to this location.

Drill hole GVH No. 2 will be accessed and set up exactly as the approved holes GVH 1, 5 and 6. The same requirements which apply to approved holes GVH 1, 5 and 6 will also apply to hole GVH 2. The roads which are currently in place, which have been in place since prior to the

file In C 0070019 Incoming
Date: 04202005 Refer to:

- Confidential
- Shelf
- Expandable

For additional information

implementation of SMCRA, will require minimal upgrade to access the drill site. The drill site itself will be kept to an absolute minimum and ARI will apply all of its expertise in order to minimize any adverse impacts. New access trails, if required, will be kept to a minimum.

ARI is aware that it will be operating this drilling project in adverse winter conditions and will be required to conduct snow removal operations and so on. All companies involved, and their respective personnel will be advised as to the requirement for absolutely minimizing the "footprint" necessary for this emergency plan.

ARI appreciates the Division's understanding of this unusual situation and we are confident that the Division will assist ANDALEX in completing this emergency permitting action in order to avoid the serious impacts.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael W. Glasson".

Michael W. Glasson, P.G.

Senior Geologist

APPLICATION FOR PERMIT PROCESSING

| | | | | | | |
|--|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|------------------------------|
| <input checked="" type="checkbox"/> Permit Change X | <input type="checkbox"/> New Permit | <input type="checkbox"/> Renewal | <input type="checkbox"/> Transfer | <input type="checkbox"/> Exploration | <input type="checkbox"/> Bond Release | Permit Number: ACT/007/019 |
| Title of Proposal: GOB GAS VENT HOLE AMENDMENT (GVH #2) | | | | | | Mine: Centennial Project |
| | | | | | | Permittee: Andalex Resources |

Description, include reason for application and timing required to implement: **To enhance mine safety by venting longwall gob gas to the surface.**

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

| | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____ |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

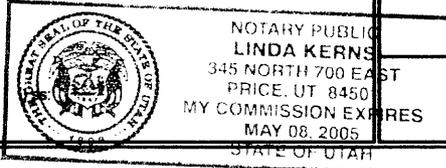
X Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Michael Williams Sr. Gen. Mgr. 04/20/05
 Signed - Name - Position - Date

Subscribed and sworn to before me this 20th day of April, 19 2005

Linda Kerns
 Notary Public
 My Commission Expires: 05.08.05 19 2005
 Attest: STATE OF _____ COUNTY OF _____



Received by Oil, Gas & Mining

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APR 21 2005

DIV. OF OIL, GAS & MINING
ASSIGNED TRACKING NUMBER

