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facsimile
TRANSMITTAL
C/007/0019

to: Ms. Pamela Grubaugh-Littig
fax #: (801) 359-3940
re: Mining Plan Modification Decision Document for Andalex Resources, Inc.'s
Centennial Mine, Federal lease UTU-79975
date: September 28, 2005
pages: 4 (four) including this cover sheet.

Ms. Grubaugh-Littig:

On September 27, 2005, the U.S. Department of the Interior approved a mining plan modification for Federal lease UTU-79975 at Andalex Resources, Inc.'s Centennial Mine. This mining plan action relates to Federal lands associated with the Utah Department of Natural Resources, Division of Oil, Gas and Mining (UT-DOG M) State Decision Document, Summit Tract/Mathis Fee Lease, Andalex Resources, Inc. Centennial Mine, C/007/0019, approved on August 19, 2005.

The September 27, 2005, approval allows Andalex Resources, Inc. to initiate coal mining operations in all of Federal lease UTU-79975 within the area of mining plan approval. A copy of the Mining Plan Modification Decision Document and associated text and maps will be sent via regular mail shortly.

Please forward a copy of the following three (3) pages to Andalex Resources, Inc.

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



From the desk of...

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United States Department of the Interior

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Washington, D.C. 20240

SEP 26 2005

MEMORANDUM

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

From: Jeffrey D. Jarrett *Jeffrey 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, 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 Tract/Mathis Fee Lease, Andalex Resources, Inc. Centennial Mine, C/007/0019.

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 is in compliance with all applicable laws and regulations.

Attachment

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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 laws and regulations of the Secretary of the Interior which are now or hereafter in force; and all such laws and 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 mining and reclamation 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

Section 29; S $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$;
Section 30; Lots 4, 12, 14, 15, 16;
Section 31; Lots 1, 2, 7, 8, 9, 10, 11;
Section 32; W $\frac{1}{2}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$,
NE $\frac{1}{4}$ SW $\frac{1}{4}$.

Less the following lands included in the October 25, 2004 Mining Plan Modification approval:

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;
31;

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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.

These lands encompass approximately 630 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/007/0019 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 mining or reclamation 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

9/27/05
Date

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