



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER MARY ANN WRIGHT
Executive Director Acting Division Director

DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: May 4, 2005

FAX#: 435-637-8860

ATTN: Mike Glasson

COMPANY: Andalex Resources Inc.

DEPARTMENT: _____

NUMBER OF PAGES (INCLUDING THIS ONE): 2

FROM: A. Name

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MESSAGES: _____

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State of Utah

Department of Natural Resources

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Executive Director

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Acting Division Director

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May 4, 2005

Mike Glasson, Environmental Coordinator
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

Subject: Gob Gas Vent Hole #2, Andalex Resources, Inc., Centennial Project,
C/007/0019, Task ID #2161 (2), Outgoing File

Dear Mr. Glasson:

The above-referenced amendment to add GVH #2 to the previous conditionally approved Gob Gas Vent Hole proposal (for GVH #5 & 6 - Task ID #2161) is hereby approved. Andalex may now proceed to drill these required holes. Two conditions remain that must be addressed as follows:

1. An increase in the bond to at least \$1,172,000 and that you submit updated copies of the bond calculations for insertion into the MRP. The Division will supply you with updated copies of the bond upon request. The additional bond must be posted by July 5, 2005.
2. Submit five clean copies of all information for the Gob Gas Vent Hole amendment (GVH #2, #5 and #6) prepared for incorporation into the approved Mining and Reclamation Plan by June 1, 2005.

Once we receive these copies, a stamped incorporated copy of the approved plan will be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. A CD of our Technical Analysis is enclosed.

If you have any questions, please call me at (801) 538-5286, or Wayne Western at (801) 538-5263.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

an
Enclosure
cc: Price Field Office
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TRANSACTION REPORT

P.01

MAY-04-2005 WED 04:42 PM

FOR: OIL, GAS & MINING

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ATTN: Mike Stinson

COMPANY: Andalex Resources Inc.

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FROM: A. Nance