



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Price Field Office
 125 South 600 West
 Price, UT 84501

[http:// www.blm.gov/utah/price/](http://www.blm.gov/utah/price/)

JUL 31 2007



In Reply Refer to:
 3432
 UTU-79975
 (UT-070)

Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114-5801

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AUG 02 2007
 DIV. OF OIL, GAS & MINING

J. Young
 8/2/07

Dear Private Land Owners/Affected Interests:

Andalex Resources, Inc. (a wholly-owned subsidiary of UtahAmerican Energy, Inc.), has applied to the Bureau of Land Management (BLM) to modify existing Federal coal lease UTU-79975 (called Summit Creek Coal Lease) by adding about 687 acres north adjacent to the lease. The coal rights are held by the United States and the surface rights are held by private ownership. A copy of the ownership map is attached and the legal description of the application is as follows:

T. 12 S., R. 10 E., SLM
 Sec. 25, S1/2

T. 12 S., R. 11 E., SLM
 Sec. 29, NW1/4, SW1/4NE1/4, NW1/4SE1/4;
 Sec. 30, lots 3, 8, 9, and 13.

Containing 687.43 acres.

As possible surface owners and/or interested parties, we have sent this copy to you for your use/information. This office has prepared environmental documentation for this action. The lease modification area was included and analyzed for potential coal mining impacts in the parent coal lease environmental assessment (Summit Creek Lease by Application Environmental Assessment, April 2004).

The comparison of the analysis between the two areas is found in our Documentation of Land Use Plan Conformance and NEPA Adequacy (DNA), available for review in our office. In all cases, we find that the mining of these coal lands as proposed by Andalex will result in no significant impact. Indeed, current mining has resulted in no detectable surface subsidence above the mined areas.

Any surface uses that could be planned in the future, such as methane vent holes, would be permitted by the Utah Division of Oil Gas and Mining and would follow normal surface

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owner/company agreements. For further information or questions, you may contact Stephen Falk of my staff at 435-636-3605, or Jeff McKenzie in the BLM's Utah State Office (office of lease modification issuance) at 801-539-4038.

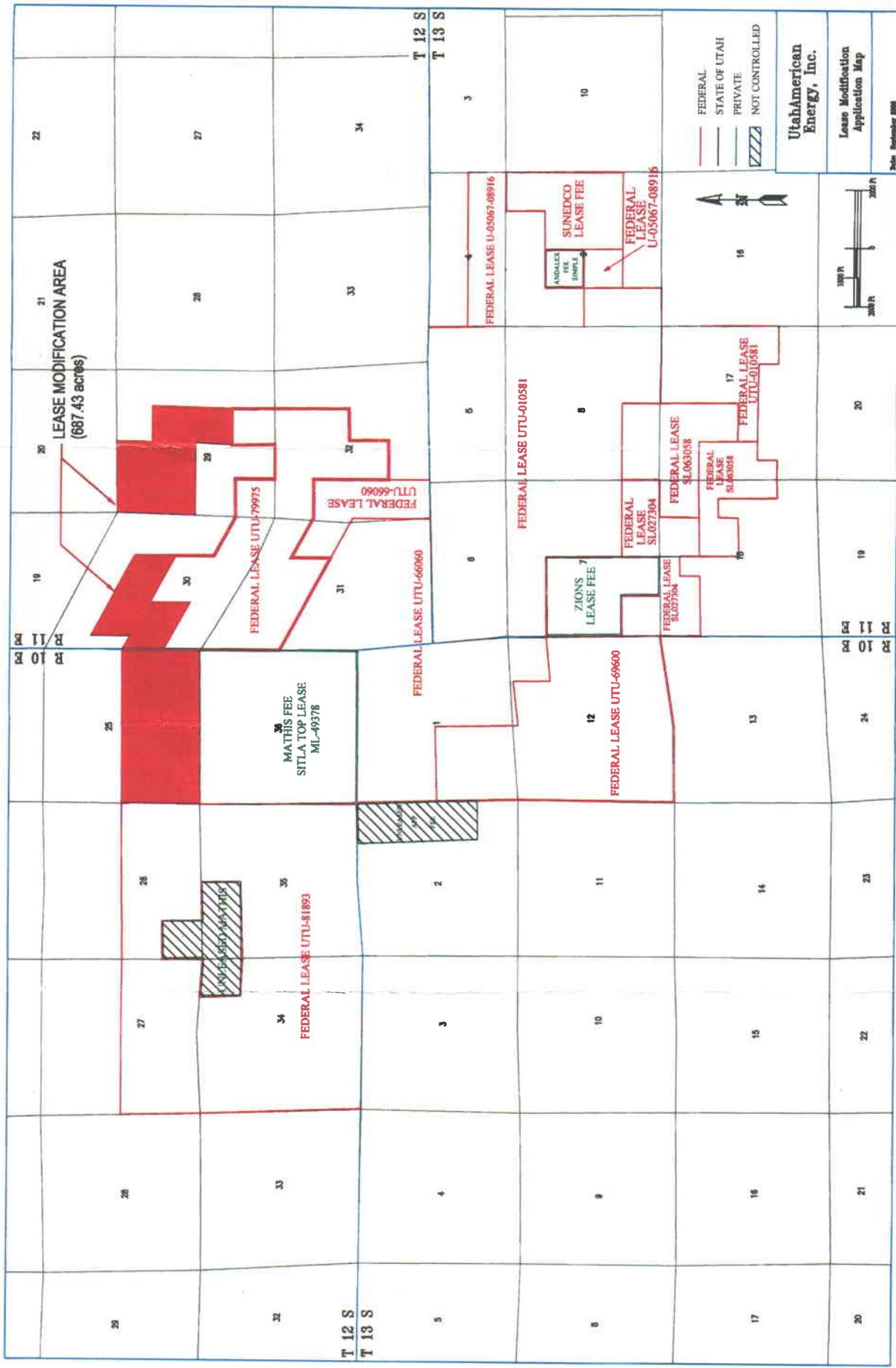
Sincerely,

A handwritten signature in cursive script that reads "Roger L. Bankert".

Roger L. Bankert
Field Manager

Enclosure: Map of Lease Modification

cc: UT-923, SD, Utah (w/encl.)



LEASE MODIFICATION AREA
(887.43 acres)

MATHIS FEE
SITLA TOP LEASE
ML-49378

FEDERAL LEASE UTU-81893

FEDERAL LEASE UTU-79975

FEDERAL LEASE
UTU-66060

FEDERAL LEASE UTU-60660

FEDERAL LEASE UTU-69600

FEDERAL LEASE UTU-010581

ZIONS
LEASE FEE

FEDERAL
LEASE
SL027104

FEDERAL LEASE
SL063058

FEDERAL
LEASE
SL030358

FEDERAL LEASE
UTU-010581

SUNEDCO
LEASE FEE

FEDERAL
LEASE
UTU-05067-08916

- FEDERAL
- STATE OF UTAH
- PRIVATE
- ▨ NOT CONTROLLED

UtahAmerican
Energy, Inc.

Lease Modification
Application Map

Scale September 2008