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*JK C/007/019 Incoming  
cc: Wayne*

# Bureau of Land Management

BLM

Utah State Office, Lands & Minerals Division  
440 West 200 South, Suite 500  
Salt Lake City, UT 84101  
Phone: 801-539-4080 Fax: 801-539-4260

## Fax Cover Sheet

To: M. Wright

FAX No: 801-359-3940

From: J. McKenzie

Phone: 801-539-4038

Date: 28 March 2008

Number of Pages including cover sheet: 1+2

Subject: Abandonment closure

Remarks: Please call if there are any questions.

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## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



In Reply Please Refer To:

UTU-79975, U-66060, UTU-010581

UTU-69600, SL-027304, SL-063058

UTU-010581, U-05067-08916

(UT-923)

March 28, 2008

Certified Express Mail – Return Receipt Requested  
Certificate No. 7007 2560 0000 5769 7751

Andalex Resources, Inc.  
c/o Mr. Bruce Hill  
UtahAmerican Energy, Inc.  
PO Box 902  
Price, Utah 84501

### NOTICE AND ORDER

Re: Cessation of Operations to Permanently and Fully Idle the Tower Mine (also known as the Tower Mine Complex including the Aberdeen, Tower, and Pinnacle Mines comprising Federal coal leases UTU-79975, U-66060, UTU-010581, UTU-69600, SL-027304, SL-063058, UTU-010581, and U-05067-08916)

43 CFR 3481.1(c): The operator shall adequately protect the recoverable coal reserves upon abandonment.

43 CFR 3486.3(c): If in the judgment of the authorized officer, the operator fails to comply with the rules, terms and conditions of the Federal lease which threaten serious damage to the mine, he shall order the immediate cessation of such activities.

43 CFR 3484.1(c)(7): The abandonment of a mining area shall require the approval of the authorized officer.

Pending a plan-to-close submittal to the Bureau of Land Management (BLM) and BLM approval of the closure plan requesting interruption in coal severance and permanent closure of the Tower Mine (also known as the Tower Mine Complex including the Aberdeen, Tower, and Pinnacle Mines comprising Federal coal leases UTU-79975, U-66060, UTU-010581, UTU-69600, SL-027304, SL-063058, UTU-010581, and U-05067-08916):

1. the mine(s) shall continue to be continuously mechanically ventilated,
2. water handling and removal systems shall continue in full operation,
3. integrity of all mine openings shall be maintained,
4. no equipment will be removed from the underground or surface areas of the mines except as approved by BLM in writing,

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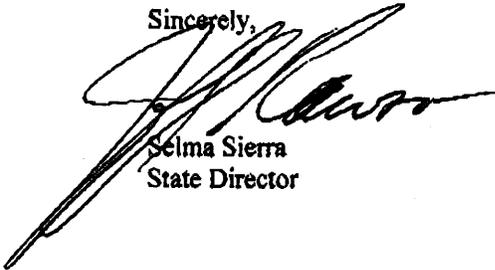
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5. the mine underground and surface areas shall be inspected as required by the Mine Safety and Health Administration and the Utah Division of Oil, Gas, and Mining,
6. the mine shall be kept accessible to BLM personnel at all times, and
7. the integrity of all underground entries, surface openings, and surface areas shall be maintained and preserved.

This ORDER is in effect immediately from date of receipt by fax by the lessee to the phone fax number specified by the lessee (435-637-8860). The ORDER shall remain in force until such time as a plan for the mines is presented to BLM and approved by BLM. If you believe that you may not be able to fully comply with any part of this order, contact this office immediately. Please call James Kohler at 801-539-4037 or Jeff McKenzie at 801-539-4038.

Sincerely,



Selma Sierra  
State Director

cc:

Mr. David Hibbs  
Manager of Engineering  
UtahAmerican Energy, Inc.  
PO Box 902  
Price, Utah 84501  
Fax 435-888-4002

BLM Price Field Office (PFO)  
Utah State Institutional Trust Lands (Mr. Tom Faddies)  
675 East 500 South, Suite 500, Salt Lake City, Utah 84102  
Utah Division of Oil, Gas, and Mining (Mr. John Baza)  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

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