

ANDALEX
RESOURCES, INC.

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Incoming cc: April
C0070019 Daron
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Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

October 18, 2011

Attn: Daron Haddock
Permit Supervisor

RECEIVED

OCT 21 2011

RE: Andalex Resources, Inc., C/007/019
Tower (Centennial) Mine
Request for Termination, Citation 10090

DIV. OF OIL, GAS & MINING

Dear Mr. Haddock:

Andalex Resources, Inc. hereby requests termination of Citation 10090, issued on 8/04/2011 for the Centennial (Tower) mine GVH sites. Since the issuance of the violation we have had Scamp Excavation working on the GVH sites, and are in fact still proceeding with reclamation, weather permitting. We have sent the hand crews throughout all the GVH sites and access roads cutting down the thistle growth. Also, after the first cutting run, the crews were sent back for a second time, this time actually digging the plant stubs out by the roots. We also completed a second spraying (broad-leaf herbicide) for thistle at the previously reclaimed sites 1 and 5. We have also mobilized heavy equipment to the mountain and completed contemporaneous (interim) reclamation of sites 6 and 12, and are presently doing contemporaneous reclamation on site 13. This work includes reducing the area of the pad site down to the minimum required for continued future operation and maintenance of the well sites, as specified in the approved MRP, by reducing the steepness of the cut-slopes and out-slopes for erosion control, and also roughening and re-seeding the slopes for additional erosion control. Additional efforts aimed at erosion control include re-establishing the perimeter sediment control structures (excelsior logs), repairing the runoff containment berms around the well pads, and renewing the excelsior logs at the designated pad discharge exit points. In light of the progress we have made, we feel that we have now complied with the abatement requirements for Citation 10090.

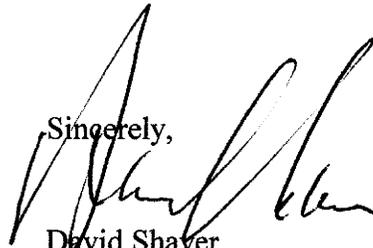
We are aware that the modification of Citation 10090 requires additional contemporaneous reclamation of the remaining GVH sites to meet the requirements of the approved MRP, by reducing the operational pad size and lessening the cut-slopes/out-slopes for erosion control. We are presently attempting to comply with this requirement as demonstrated by

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the existing on-going work on GVH pad 13, which was not specifically referenced in the original citation. However, due to the onset of winter weather, we will most likely not be able to finish contemporaneous reclamation of many more of the sites before we are run off the mountain. Nonetheless, it is the company's intent to resume work next spring once the snow has melted off, presumably around May of next year. This would include continued diligence in controlling and eradicating the thistle growth, interim (contemporaneous) reclamation of the remaining active sites as per the approved plan, and complete reclamation of the three undrilled pads (GVH 15,16 and 17) such that we may apply for bond release of these site. All seeding will be done in accordance with the mix outlined in the MRP and in consultation with the Division.

We appreciate your consideration of this request for termination of Citation 10090. If you have any questions or comments please contact me at (435) 888-4017.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Shaver', is written over the typed name.

David Shaver
Resident Agent

cc: April Abate