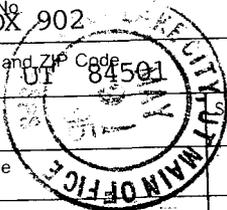


P 074 977 559

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

DOCM

MIKE GLASSON SR GEO ANDALEX RESOURCES INC	
Street and No P O BOX 902	
P.O. State and ZIP Code PRICE UT 84501	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
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VB ACT/007/033 C94-39-1-1 #5

PS Form 3800, June 1985



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

Mem File
Add #5

May 8, 1995

CERTIFIED RETURN RECEIPT REQUESTED
No. P 074 977 559

Mike Glasson, Sr. Geologist
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

Re: Informal Hearing and Assessment Conference for State Violation C94-39-1-1,
Andalex Resources, Inc., Wildcat Loadout Mine, ACT/007/033, Folder #5,
Carbon County, Utah

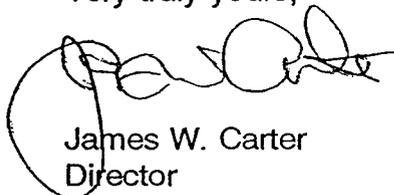
Dear Mr. Glasson:

As per your written request dated April 11, 1995, please be advised that the Informal Hearing and Assessment Conference on state violation C94-39-1-1, Andalex Resources, Inc., Wildcat Loadout Mine has been established for Thursday, June 1, 1995, beginning at 10:00 a.m.

Pertinent, written material you wish reviewed before the conference can be forwarded to me at the address listed above.

The conference will be held at the office of the Division of Oil, Gas and Mining.

Very truly yours,



James W. Carter
Director

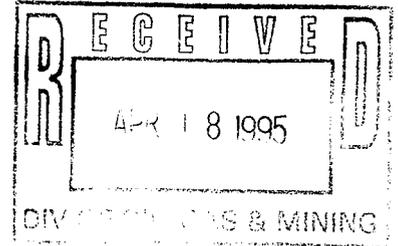
vb
cc: J. Helfrich
S. Demczak
PFO



ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELECOPIER (801) 637-8860

cc J Helfrich
TFO
LJ



April 11, 1995

State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attn: Joseph C. Helfrich

Re: ACT 007/033; Cessation Order C94-39-1-1
#5

Dear Mr. Helfrich:

By way of this letter, Andalex is requesting an informal conference on the above referenced violation. We choose to informally appeal the fact of the violation for purposes of clarification.

We would like to follow this informal conference with a second one to review the proposed penalty assessment. Thank you.

Sincerely,

Michael W. Glasson,
Senior Geologist

cc: James W. Carter
Lowell Braxton ✓
Steve Demczak

BEFORE THE DIVISION OF OIL GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---oo0oo---

IN THE MATTER OF THE APPEAL : FINDINGS, CONCLUSIONS
OF FACT OF VIOLATION C94-39-1-1, AND ORDER
ANDALEX RESOURCES, INC., :
WILDCAT LOADOUT CAUSE NO. ACT/007/033

---oo0oo---

On June 19, 1995, the Division of Oil, Gas and Mining ("Division") held an informal hearing concerning the fact of violation issued to Andalex resources, Inc. for the above-referenced Notice of Violation ("NOV"). The following individuals attended:

Presiding: James W. Carter
Director

Petitioner: Michael W. Glasson

Division: Stephen Demczak
Joe Helfrich

The Findings, Conclusions, and Order in this matter are based on information provided by the Petitioner in connection with this informal hearing, and on information in the files of the Division.

FINDINGS OF FACT

1. Notice of this hearing was properly given.
2. The requirement to pay the assessed penalty is stayed pending this decision upon the informal review of fact of violation.
3. Violation C94-39-1-1 was written for conducting mining operations outside the approved permit area.

4. The activities of concern consisted of the excavation of gravel outside the permit area by a contractor of the permittee for use in constructing a pad within the permit area. The materials were being extracted immediately adjacent to the permit area and were used solely for construction within the permit area.

5. The inspection report lists the operator's negligence as "ordinary negligence." The operator testified that it believed that the contractor had obtained all necessary permits and that the excavation did not constitute permissible mining activity.

6. The surface damage extended to 1.5 acres and consisted of vegetative removal and loss of topsoil. No damage to water quality occurred.

CONCLUSIONS OF LAW

1. The extraction of gravel for the exclusive use of construction within the mine permit area constituted mining operations outside the permit area.

2. The negligence of the operator was ordinary negligence. The operator is entitled to good faith points for commencing immediate abatement.

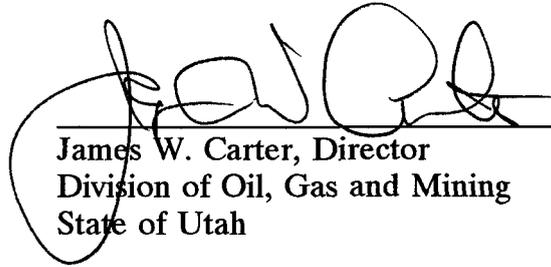
ORDER

NOW THEREFORE, it is ordered that:

1. Violation C-94-39-1-1 is upheld.
2. The negligence points assessed are reduced to 12 points and the damage points are reduced to 18 points. The overall points assessed are therefore reduced to 50 points. The total assessed fine is \$1,000.
3. The finalized assessment is due and payable to the Division 30 days from the date of this Order.

4. The Petitioner may appeal the determinations of fact of violation and/or the finalized assessments to the Board of Oil, Gas and Mining by filing said appeal within 30 days of the date of this Order, in accordance with statutory and regulatory requirements, including placing the assessed civil penalty in escrow.

SO DETERMINED AND ORDERED this 26th day of July, 1995.



James W. Carter, Director
Division of Oil, Gas and Mining
State of Utah

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS, CONCLUSIONS AND ORDER for Cause No. ACT/007/033 to be mailed by certified mail, postage prepaid, on the 27 day of July, 1995, to the following:

Michael W. Glasson
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

A handwritten signature in cursive script, reading "Janean Burns", is written over a solid horizontal line.

P 074 976 320

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DOGM

JBE

ACT/007/033

FC&O

PS Form 3800, June 1985

Sent to	
MICHAEL W GLASSON	
Street and No. ANDALEX RESOURCES INC	
PO BOX 902	
State and ZIP Code PRICE UT 84501	
Postage	\$ 32
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.52
Postmark or Date	

DOGM

JBE

ACT/007/033

FC&O

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
2. Restricted Delivery (Extra charge)

3. Article Addressed to: MICHAEL W GLASSON ANDALEX RESOURCES INC PO BOX 902 PRICE UT 84501	4. Article Number P 074 976 320
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Address X <i>R. Rogers</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery AUG 2 - 1995	

P 074 976 320

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DOGM

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ACT/007/033

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PS Form 3800, June 1985

UNITED STATES POSTAL SERVICE
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- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

STATE OF UTAH
 NATURAL RESOURCES
 OIL, GAS, & MINING
 3 TRIAD CENTER, SUITE 350
 SALT LAKE CITY, UTAH 84180-1203

