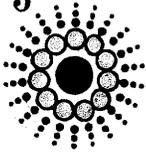


0013



ANDALEX
RESOURCES, INC.

P.O. BOX 902
PRICE, UTAH 84501
PHONE (435) 637-5385
FAX (435) 637-8860

November 25, 2002

Utah Department of Environmental Quality
Division of Water Quality
288 North 1460 West
P.O. Box 144870
Salt Lake City, UT 84114-4870

Attn: Michael D. Herkimer
Environmental Scientist
Permits and Compliance Section

RE: UTG040007, Reconnaissance Inspection, ANDALEX Wildcat Loadout

Dear Mr. Herkimer,

I am writing in response to your October 28, 2002, letter regarding the Wildcat Loadout reconnaissance inspection conducted by you on September 18, 2002. The purpose of this letter is to respond to the concern in your letter relative to pond cleaning.

In your letter you have stated that "No deficiencies were observed" and that "No response is required by Andalex." However, you also state that (sediment ponds) "002-006 needed cleaning". As you are aware, ANDALEX is required to perform annual pond inspections at all of its permitted sites and these inspections are required to be certified by a registered professional engineer, under our Utah Division of Oil, Gas and Mining permits. Although ANDALEX is aware that some of its ponds at the Wildcat Loadout are approaching the required clean-out levels, these levels have not been reached at this time, according to our certified inspections. In your letter, you also referenced your conversation with Mr. Scott Dimick, Loadout Superintendent, that it is ANDALEX's intention to clean ponds in the Spring of 2003.

*Admning - OK
11/27/02
Copy in sub
(2-sided)*

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DEC 02 2002

DIV. OF OIL, GAS & MINING

ANDALEX, through consultation with its professional engineer, feels that a sufficient amount of storage volume remains in ponds 002A to 006A to allow for adequate treatment of their collected runoffs through the Spring of 2003. The regular maintenance of the ponds has been scheduled and budgeted for during that period.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Glasson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael W. Glasson
Wildcat Loadout
Operations Manager

cc: Pamela Grubaugh-Littig, UDOGM
Pete Hess, UDOGM
David Ariotti, DEQ District Engineer