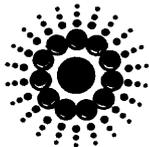


0004



**ANDALEX**  
RESOURCES, INC.

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

February 03, 2004

Utah Division of Oil, Gas and Mining  
Coal Program  
1595 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Attn: Pamela Grubaugh-Littig  
Re: Wildcat Bond Appendix "D" C007/033

*Preproof  
Quinn  
2/007/0033*

Dear Ms. Littig,

Enclosed is the signed and sealed Appendix D, "Stipulation to Revise Reclamation Agreement", for the Wildcat Loadout, C007/033.

If you have any questions, or if you require any further information, please do not hesitate to contact me.

Sincerely,

Michael W. Glasson  
Manager of Operations

RECEIVED  
FEB 05 2004  
DIV. OF OIL, GAS & MINING

# APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change X	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: C/007/ 033
Title of Proposal: Reclamation Bond Revision.						Mine: Wildcat Loadout
						Permittee: Andalex Resources, Inc.

Description, include reason for application and timing required to implement: Change from Surety to Letter of Credit.

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	2. Is the application submitted as a result of a Division Order? DO #
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	9. Is the application submitted as a result of a Violation? NOV #
<input checked="" type="checkbox"/> X Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: DIVISION REQUEST
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

**X Attach 5 complete copies of the application.**

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

*Michael D. Claman* Manager 02/03/04  
Signed - Name - Position - Date

Subscribed and sworn to before me this 3<sup>rd</sup> day of February 2004

*Linda Kerns*  
Notary Public  
My Commission Expires: May 08, 2005  
Attest: STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_



NOTARY PUBLIC  
LINDA KERNS  
345 NORTH 700 EAST  
PRICE, UT 84501  
MY COMMISSION EXPIRES  
MAY 08, 2005  
STATE OF UTAH

Received by Oil, Gas & Mining

**RECEIVED**  
**FEB 05 2004**

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER



**EXHIBIT "D"**

**Stipulation to Revise  
Reclamation Agreement  
(Federal)**

Permit Number: C007/033  
Effective Date: May 5, 1999  
Bond Number: 400776222

**COAL  
STIPULATION TO REVISE RECLAMATION AGREEMENT**

--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

The Reclamation Bond has been changed from a Surety to an Irrevocable Letter of Credit.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

N/A Replace the Reclamation agreement in its entirety.

N/A Replace Exhibit "A"- permit area.

N/A Replace Exhibit "B"- bonding agreement

N/A Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 813,795.00 to \$ 651,000.00

The bonding type is changed from Surety to Letter of Credit.

The surface disturbance is revised from N/A acre to N/A acres.

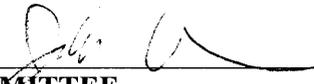
The expiration date is revised from 11/30/03 to 12/01/04.

The liability insurance carrier is changed from N/A to N/A.

The amount of insurance coverage for bodily injury and property damage is changed from  
from \$ N/A to \$ N/A.

ANDALEX

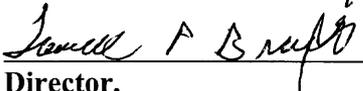
IN WITNESS WHEREOF, Resources, Inc. the **PERMITTEE** has hereunto set  
its signature and seal this 2nd day of February, 2004.

  
\_\_\_\_\_  
**PERMITTEE**

By: John Bradshaw

Title: V.P. Finance

ACCEPTED BY THE STATE OF UTAH this 10 day of Feb, 2004.

  
\_\_\_\_\_  
**Director,**  
Division of Oil, Gas and Mining

**NOTE:** An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where on signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.

