

**State of Utah****Department of
Natural Resources**

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Executive Director

**Division of
Oil, Gas & Mining**

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Lieutenant Governor

August 9, 2006

Mike Glasson, Environmental Coordinator
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

Subject: Division Order-Design Drawings and Specifications, Task No. 2410, Andalex Resources, Inc., Wildcat Loadout, C0070033

Dear Mr. Glasson:

The Division reviewed the information you provided on March 15, 2005 and January 3, 2006 in response to Division Order 2130 (dated December 9, 2004). The Division found the information did not provide sufficient detail to meet the objectives of the Order. The three parts to the Division Order are restated with the deficiencies outlined below:

Division Order Requirement # 1:

"The Mining and Reclamation Plan (MRP) must include design specifications of measures already in place and/or to be put into use to control wind blown coal fine accumulation and coal particles blown from stockpiles, roadways, and other disturbed areas associated with the mine. This information must be provided separately from the Air Quality Approval Order DAQE-005-00 found in Appendix B".

Under Division Order requirement #1, design drawings must show the locations of transfer water sprays (mentioned in item 12 b) of p. 4-10 of your response. Design specifications must show the conveyor feed rates as well as water flow rates. Further details of the efforts undertaken in lieu of stockpile watering are also requested (a brief mention of other efforts is made on page 4-11 of your response). These items were not submitted and must be included in the MRP.

Division Order Requirement #2:

"The Mining and Reclamation Plan must describe removal of accumulations of coal fines on undisturbed soils within the permit area after consultation with the Division. Describe the method of coal fine removal to be followed by seeding. Vacuuming is not acceptable."

Division Order requirement #2 requests that the plan describe removal of coal fines from undisturbed soils within the permit area. This plan should be designed in consultation with the Division and should include a method other than vacuuming. You

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have indicated that Andalex considers vacuuming as the best and least destructive option for removal of coal fine accumulations. The Division does not consider vacuuming to be the best technology available for preserving the topsoil. Your response must include other options.

In addition, the Division recommends putting an evaluation process in place, within the permit area, to measure the effectiveness of the Fugitive Dust Control plan described in Section R645-301-423.200 of your response (pp. 4-9 through 4-11). Information collected on coal fine deposition on undisturbed soils within the permit area would allow the Division and the Permittee to evaluate the effectiveness of the current dust control measures.

Division Order Requirement #3:

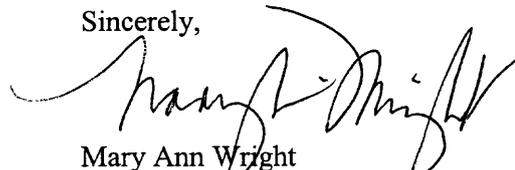
"The Mining and Reclamation Plan must address or include a plan for monitoring of coal fine deposition outside the permit area, specifically east of the permit boundary (since the prevailing winds are from west to east)".

Division Order requirement #3 requests a plan for monitoring of coal fine deposition outside the permit area. The baseline monitoring survey (Appendix Q) outlines a procedure for establishing the existing degree of sediment deposition outside the permit area. The plan discussed is a visual assessment of deposition depth. To adequately respond to this Division Order, the plan must be quantitative and include re-locatable monitoring points that will be re-assessed (quantitatively) at regular intervals during the permit term.

Additionally, the Division requests that the methods, results, and discussion for the initial baseline and subsequent monitoring surveys are included with the Annual Reports. (The three stages of air, plant analysis and soil analysis described in Appendix Q may be undertaken at Andalex's discretion, but the Division does not feel they further the goal of meeting the goal of this Division Order to limit and monitor the coal fine deposition outside the permit area.)

Please respond to the three items in the Division Order on or before October 2, 2006. Failure to provide the Division with the information required under R645-301-526.220 may result in a hindrance violation. If you have any questions, please call Priscilla Burton at 613-1146 x 207 or me at (801) 538-5306.

Sincerely,



Mary Ann Wright
Associate Director, Mining

Mike - If you think you need more
time, please
give Pam a call
at 801-538-5268.

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Thanks!