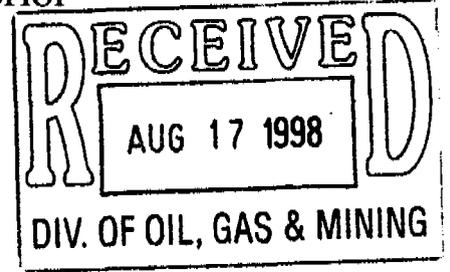


Paul Brebaugh-Liby



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



In Reply Refer To:
3432
SL-068754-U-01215
(UT-932)

AUG 14 1998

*PRO/057/041 #2
Paul*

CERTIFIED MAIL--Return Receipt Requested

DECISION

| | | |
|----------------------------------|---|-------------------|
| ANDALEX Resources, Inc. (50%) | : | Coal Lease |
| 45 West 10000 South, Suite 401 | : | SL-068754-U-01215 |
| Sandy, Utah 84070 | : | |
| | : | |
| Intermountain Power Agency (50%) | : | |
| 480 East 6400 South, Suite 200 | : | |
| Murray, Utah 84107 | : | |

Evidence Required

An application for a modification of coal lease SL-068754-U-01215 was filed in this office on June 27, 1997. The proposed lease modification includes the following described lands in Carbon County, Utah:

T. 14 S., R. 13 E., SLM, UT
Sec. 10, SESE;
Sec. 15, NENE.

containing 80.00 acres

It has been determined that the proposed modification meets the requirements of the regulations under 43 CFR 3432.3 and that it would serve the interests of the United States to modify this lease under Sec. 3 of the Mineral Leasing Act of February 25, 1920, as amended. Accordingly, prior to the execution of the modified lease, the enclosed lease forms and stipulations must be accepted, signed, dated and returned to this office. A payment of \$180.00 is to be submitted to this office. This covers the estimated additional rental for the rental year beginning June 1, 1998. Please note that rental in the amount of \$3.00 per acre, or a total of \$7,953 is due on June 1, 1999, and payable to the Minerals Management Service. The method of payment of the fair market value for the area of the lease modification is listed in No. 16 of the special lease stipulations.

A surety bond (BLM Bond No. UT1085) of \$8,000 is on file in this office and has been determined to be adequate coverage to include the modification of coal lease SL-068754-U-01215. This bond covers one year's rental for this nonproducing lease. When the lease goes into production, the bond will be increased to cover one year's rental plus three month's estimated royalty payments.

This lease has not met its diligent development requirements as found at 43 CFR 3480.0-5 (a)(13) and 43 CFR 3480.0-5 (a)(6). If this lease does not meet its diligent development requirements by June 1, 2001, it will terminate at that time pursuant to authority of law. ✓

A period of thirty days from receipt of this decision is allowed in which to accept the modified lease forms and to submit the evidence required. If no action is taken within the time allowed, the modification will be denied.

During the compliance period, there is no right of appeal to the Interior Board of Land Appeals and an appeal filed within the compliance period is subject to dismissal as being premature. The 30-day appeal period commences upon expiration of the 30-day compliance period.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21) (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success of the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

ROBERT LOPEZ

Robert Lopez
Group Leader,
Minerals Adjudication Group

Enclosures

1. Form 1842-1
2. 4 Lease Forms and Stipulations

cc: ANDALEX Resources, Inc.
P.O. Box 902
Price, Utah 84501

Intermountain Power Agency
Department of Water & Power
City of Los Angeles
Attn: William W. Engels
111 No. Hope Street, Room 1107
Los Angeles, CA 90012

Stoel Rives LLP
Attn: John S. Kirkham
201 South Main Street, Suite 1100
Salt Lake City, Utah 84111

Lowell Braxton, Director
Utah Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Price Coal Office