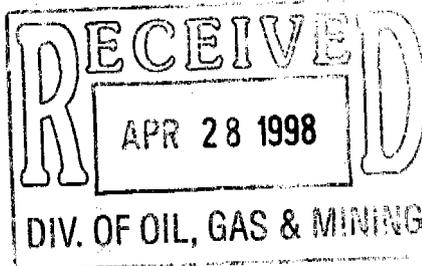
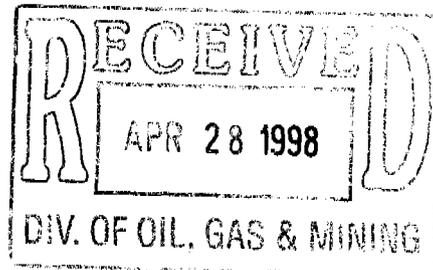




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



APR 27 1998

In Reply Refer To:
3453
SL-068754-U-01215
(UT-932)

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

*Copy Aaron (call) Pam (call)
PRO/007/041 #2*

Dear Mr. Braxton:

On April 20, 1998, a record title assignment of consolidated Federal coal lease SL-068754-U-01215, entered into on April 15, 1998, between Intermountain Power Agency (50%) and ANDALEX Resources, Inc. (50%), as assignees, and AMCA Coal Leasing, Inc., as assignor, was filed in this office.

Enclosed is a copy of the assignment. Please review and provide your recommendations as to approval or disapproval of the assignment by June 1, 1998.

Sincerely,

For Douglas M. Koza
Deputy State Director,
Natural Resources

Enclosure
Assignment

ASSIGNMENT AND ASSUMPTION OF FEDERAL COAL LEASE

Serial No. SL-068754
Utah-01215

This Assignment and Assumption of Federal Coal Lease ("Assignment") is from AMCA Coal Leasing, Inc., a Delaware corporation ("Assignor") with an address at 45 West 10000 South, Suite 401, Sandy, Utah 84070, to Intermountain Power Agency, a political subdivision of the State of Utah with its offices at 480 East 6400 South, Murray, Utah 84107, and ANDALEX Resources, Inc., a Delaware corporation with its principal offices at 45 West 10000 South, Suite 401, Sandy, Utah 84070 ("Assignees").

For Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor does hereby transfer and assign to Assignees as tenants in common, as follows:

<u>Party</u>	<u>Undivided Ownership Interest</u>
Intermountain Power Agency	50%
ANDALEX Resources, Inc.	50%

UTAH STATE OFFICE
 RECEIVED
 ACCOUNTS UNIT
 08 APR 20 PM 3:46
 DEPT OF INTERIOR
 BUREAU OF LAND MGMT

The interest being conveyed is the entire interest in and to the leasehold estate created by that certain Mining Lease of Coal Lands dated June 1, 1951, recorded in Book 15E at page 196 of the real property records of Carbon County, Utah, as such lease is now evidenced by that certain Coal Lease Readjustment dated effective as of June 1, 1991 bearing Serial No. SL-068754 (Utah-01215) (consolidated) ("Lease") from United States of America, as Lessor to Pike Coal Company, as Lessee, insofar as said Lease covers 2,570.67 acres of land, more or less, described as follows:

Township 14 South, Range 13 East, Salt lake Meridian

- Section 10: NE 1/4, N 1/2 SE 1/4, E 1/2 NW 1/4
- Section 11: All
- Section 12: S 1/2 SW 1/4, NW 1/4 SW 1/4
- Section 13: S 1/2, NW 1/4, S 1/2 NE 1/4, NW 1/4 NE 1/4
- Section 14: E 1/2, N 1/2 NW 1/4, SE 1/4 NW 1/4
- Section 24: N 1/2, N 1/2 SE 1/4, NE 1/4 SW 1/4

This Assignment is made subject to all existing lease burdens, obligations and Lessor's royalties and to those matters set forth in the Lease attached hereto and made a part hereof.

No overriding royalties or production payments are reserved in this Assignment.

Assignees hereby accept such Assignment and assume all rights, obligations, benefits and liabilities of Assignor and agree to defend, indemnify and hold harmless Assignor from and against any and all claims, demands, losses, costs, causes of action, judgments and expenses (including, without limitation, attorneys' fees of any kind whatsoever) which may arise in connection with this Assignment.

This Assignment is subject to the laws of general applicability respecting ownership of federal coal leases. Further, this Assignment is made subject to approval by the United States Department of the Interior, Bureau of Land Management ("BLM"). The parties hereto recognize that it shall be Assignees' responsibility to obtain the approval of the Assignment of the Lease by BLM. Assignor agrees to cooperate with Assignees in such endeavor.

This Assignment shall be binding on the parties hereto and their successors and assigns.

DATED this 15th day of April, 1998.

Assignor:

AMCA Coal Leasing, Inc.

By: *Stephen H. Smith*
Its: *President*

Assignees:

Intermountain Power Agency

By: *Reed J. Scarle*
Its: *Gen. Manager*

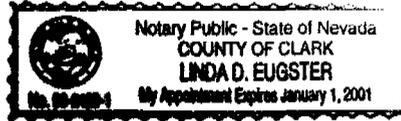
By: *Douglas H. Smith*
Its: *President*

STATE OF NEVADA)
 : ss.
COUNTY OF CLARK)

The foregoing instrument was acknowledged before me this 15th day of April, 1998 by Reed T. Searle, the General Manager of Intermountain Power Agency, and Douglas H. Smith, the President of both ANDALEX Resources, Inc. and AMCA Coal Leasing, Inc.

Linda D. Eugster
Notary Public
Residing in Las Vegas, Nevada

My commission expires:
January 1, 2001



(Submit in triplicate to appropriate
BLM District Office)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned have submitted an assignment whereby they will be shown,
on the records of the Bureau of Land Management, as holders of coal lease

STATE OFFICE: Utah
SERIAL NO.: SL-068754-Utah-01215

and hereby designate

NAME: WEST RIDGE Resources, Inc.
ADDRESS: c/o ANDALEX Resources, Inc.
45 West 10000 South, Suite 401
Sandy, UT 84070

as their operator and local agent, with full authority to act on their behalf
effective January 1, 1998, in complying with the terms of the lease and
regulations applicable thereto and on whom the authorized officer may serve
written or oral instructions in securing compliance with the Operating
Regulations (43 CFR, Part 3480) with respect to (describe acreage to which
this designation is applicable):

Township 14 South, Range 13 East, Salt lake Meridian

Section 10: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$
Section 11: All
Section 12: S $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 13: S $\frac{1}{2}$, NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{2}$ NE $\frac{1}{4}$
Section 14: E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$
Section 24: N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, NE $\frac{1}{2}$ SW $\frac{1}{4}$

Bond coverage under 43 CFR 3474 for lease activities conducted by the
above named designated operator will be provided as requested by the BLM.

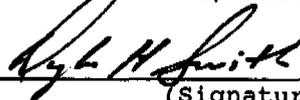
It is understood that this designation of operator does not relieve the
lessee of responsibility for compliance with the terms of the leases and the
Operating Regulations. It is also understood that this designation of
operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee
will make full and prompt compliance with all regulations, lease terms,
stipulations, or orders of the Secretary of the Interior or his
representative.

The lessee agrees promptly to notify the authorized officer of any
change in the designated operator.

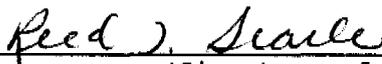
ANDALEX Resources, Inc.

Date: April 15, 1998


(Signature of lessee)

Intermountain Power Agency

Date: 4-15-98


(Signature of lessee)