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e/007/041 Incoming
cc: Ingrid
Steve D
Joe H



State of Utah

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

Department of
Environmental Quality

William J. Sinclair
Acting Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

Water Quality Board
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Daniel C. Snarr
Phil Wright
Walter L. Baker,
Executive Secretary

January 29, 2009

CERTIFIED MAIL
(Return Receipt Requested)

Mr. Bruce Hill, President & CEO
David Shaver, Resident Agent
Andalex Resources, Inc., Tower Mine
P.O. Box 910
East Carbon, UT 84520

Dear Mr. Hill and Mr. Shaver:

Subject: Settlement Agreement Finalized and Payment Invoice for Notice of Violation & Order, Docket No. I08-08, Andalex Resources, Inc., UPDES Permit No. UT0025674

Enclosed is your copy of the fully executed Settlement Agreement between the Utah Water Quality Board and Andalex Resources, Inc. The 30-day Public Notice for the Settlement Agreement ended on January 23, 2009 with no comments received. Therefore, the Settlement Agreement has been finalized and full payment of the penalty amount will close out this enforcement action and return the Andalex Resources, Inc. Tower Mine facility to full compliance.

The penalty amount for your Settlement Agreement is \$9,550.00. Therefore, please remit \$9,550.00 within 30 days from receipt of this letter to:

Department of Environmental Quality
Division of Water Quality
Attn: Nicole Carrell
P.O. Box 144870
Salt Lake City, Utah 84114-4870

A separate invoice is included herein. Please be sure to include a copy of the invoice, or the invoice number with your remittance.

RECEIVED
FEB 02 2009
DIV. OF OIL, GAS & MINING

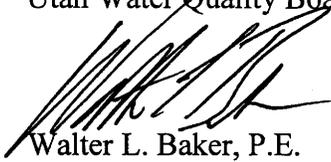
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Your continued efforts to remain in full compliance with the provisions of your UPDES Permit are appreciated.

If you have any questions with regards to this matter, please contact Jeff Studenka at (801) 538-6779 or by e-mail at jstudenka@utah.gov.

Sincerely,

Utah Water Quality Board



Walter L. Baker, P.E.
Executive Secretary

WLB:JAS:st

Enclosure

cc (w/o encl.): Bill Sinclair, DEQ Acting Executive Director
Fred Nelson, Assistant Attorney General
Darcy O'Connor, U.S. EPA Region 8 Enforcement (8ENF-T)
Claron Bjork, Director, SE Utah District Health Department
Dave Ariotti, SE Utah DEQ District Engineer
Daron Haddock, Division of Oil Gas & Mines
Dave Shaver, UEI West Ridge Mine