

007/041 Incoming

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United States Department of the Interior

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BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>

AUG 29 2011

IN REPLY REFER TO:
3453
UTSL-068754-01215
(UT-9223)

CERTIFIED MAIL—Return Receipt Requested

DECISION

Assignor:	:	
Intermountain Power Agency	:	Federal Coal Lease
10653 South River Front Parkway	:	UTSL-068754-01215
Suite 120	:	
South Jordan, UT 84095	:	
	:	
Assignee:	:	
ANDALEX Resources, Inc.	:	
794 North "C" Canyon Road	:	
P. O. Box 910	:	
East Carbon, UT 84520	:	
	:	
Principal:	:	
West Ridge Resources, Inc.	:	
P. O. Box 910	:	
East Carbon, UT 84520	:	
	:	
Surety:	:	Current Bond Amount: \$212,000
U. S. Specialty Insurance Company	:	Bond No. 1000900002
601 S. Figueroa Street, Suite 1600	:	
Los Angeles, CA 90017	:	
	:	

Assignment of 50% Interest in Federal Coal Lease UTSL-068754-01215 Approved
Bond Accepted

On December 21, 2010 ANDALEX Resources, Inc. submitted an assignment of an undivided 50% interest in Federal Coal lease UTSL-068754-01215 with Intermountain Power Agency, as assignor, and ANDALEX Resources, Inc. as assignee. With the approval of this assignment ANDALEX Resources, Inc. will hold an undivided 100% interest in this lease.

Satisfactory evidence of the qualifications and holdings of ANDALEX Resources Inc. has been previously filed along with the information concerning the assignee's coal holdings, required pursuant to the regulations at 43 CFR 3422.3-4. In that the assignee, ANDALEX Resources, Inc. currently holds the other 50% undivided interest in this Federal coal lease no further qualification and holding filings need be filed. Information concerning this assignment was forwarded to the

Attorney General, Antitrust Division, U.S. Department of Justice and no further information was required to be submitted. Additionally, a determination has been made on May 25, 2011 by the Office of Natural Resources Revenue that the lease account for the above noted lease is in good standing.

Therefore, the assignment meets the requirements of the regulations and is hereby approved effective September 1, 2011. Approval of the assignment does not constitute approval of any of the terms therein which may be in violation of the lease terms.

On August 23, 2011 West Ridge Resources, Inc., a subsidiary of ANDALEX Resources, Inc., as principal, and U. S. Specialty Insurance Company, as surety, submitted a surety bond (No. 1000900002) in the amount of \$212,000 to cover federal coal lease UTSL-068754-01215.

This bond has been examined, found to be satisfactory and is hereby accepted effective the date of filing. The regulations at 43 CFR 3474.2 does allow for the amount of any bond to be increased when additional coverage is determined to be appropriate. A written request must be submitted when you want to have the period of liability of this bond terminated.

/s/ Juan Palma

Juan Palma
State Director

cc: Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801
ONNR, MRM, Solid Minerals Staff, Attn: Patrick Mulcahy, MS390B2, Box 25165, Denver,
CO 80225-0165
Price Field Office
U. S. Specialty Insurance Company, 922 Philadelphia St., Indiana, PA 15701
Denise A. Dragoo, Snell & Wilmer, 15 West South Temple, Suite 1200, Salt Lake City, UT
84101-1531