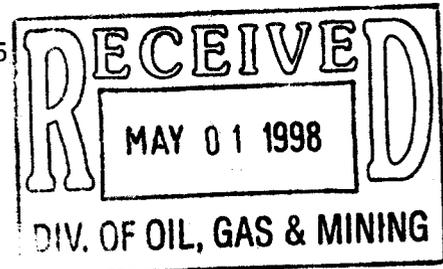




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



In Reply Refer To:
3452
UTU-68082
(UT-932)

Andalex Resources, Inc.
Attn: Douglas H. Smith, President
45 West 10000 South, Suite 401
Sandy, Utah 84070

APR 29 1998

Intermountain Power Agency
Attn: Michael J. Nosanov
Coal Business Manager
Box 51111
Los Angeles, CA 90051-0100

ACT/015/032 #2

Dear Sirs:

On April 9, 1998, you filed in this office a partial relinquishment of Federal coal lease UTU-68082. In accordance with the Memorandum of Understanding (MOU) "Processing of Requests to Relinquish Federal Coal Leases" (10-MOU-97-001), the State of Utah and the U.S. Forest Service reviewed your application for partial relinquishment.

Enclosed are the concerns and objections to the partial relinquishment as submitted by the State of Utah and the U.S. Forest Service. The partial relinquishment cannot be accepted by this office until the concerns and objections have been satisfied.

A copy of the aforementioned MOU is enclosed for your reference.

Sincerely,

ROBERT LOPEZ

Robert Lopez
Group Leader,
Minerals Adjudication Group

Enclosures

1. State of Utah Response
2. Forest Service Response
3. MOU (10-MOU-97-001)

cc: Lowell Braxton, DOGM
Janette Kaiser, Manti-LaSal National Forest