



United States Department of the Interior

E/O 15/032 Incoming



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

JUN 17 2011

RECEIVED

JUN 21 2011

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3453, 3474
UTSL-062648
UTU-54762
UTU-68082
UTU-78953
(UT-9223)

CERTIFIED MAIL- Return Receipt Requested

DECISION

Assignor:
Intermountain Power Agency
10653 South River Front Parkway, Suite 120
South Jordan, UT 84095

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: Federal Coal Leases
: UTSL-062648, UTU-54762,
: UTU-68082 and UTU-78953
:
:

Assignee:
ANDALEX Resources, Inc.
794 North "C" Canyon Road
P. O. Box 910
East Carbon, UT 84520

Principal:
Genwal Resources, Inc.
794 North "C" Canyon Road
P. O. Box 910
East Carbon, UT 84520

Surety:
U.S. Specialty Insurance Company
601 S. Figueroa Street, Suite 1600
Los Angeles, CA 90017

:
:
: Current Bond Amounts: \$195,000, \$1,316,000
: Bond Nos: 1000899999, 1000900000
:
:
:

Assignments of 50% Interest in Federal Coal Leases Approved
Bonds Accepted

On December 21, 2010 ANDALEX Resources, Inc. submitted assignments of an undivided 50% interest in Federal Coal leases UTSL-062648, UTU-54762, UTU-68082 and UTU-78953 with Intermountain Power Agency, as assignor, and ANDALEX Resources, Inc. as assignee. With the approval of these assignments ANDALEX Resources, Inc. will hold an undivided 100% interest in these leases.

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 these Federal coal leases no further qualification and holding filings need be filed. Information concerning these assignments 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 April 13, 2011 by the Office of Natural Resources Revenue that the lease accounts for the above noted leases are in good standing.

Therefore, the assignments meet the requirements of the regulations and are hereby approved effective June 1, 2011. Approval of the assignments does not constitute approval of any of the terms therein which may be in violation of the lease terms.

On June 15, 2011, Genwal Resources, Inc a subsidiary of ANDALEX Resources, Inc., as principal, and U. S. Specialty Insurance Company, as surety, submitted surety bonds (No. 1000899999 and No. 1000900000) in the amount of \$195,000 and \$1,316,000 to cover Federal coal leases UTU-68082 and UTU-78953, respectively.

These bonds have been examined, found to be satisfactory and are 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/ Jeff Rawson

Juan Palma
State Director

Enclosures:
Assignment

cc: Price Field Office
Mr. John Baza, Director, Utah Division of Oil, Gas and Mining, P.O. Box 145801,
Salt Lake City, Utah 84114-5801
ONNR, MRM, Solid Minerals Staff, Attn: Patrick Mulcahy, MS390B2, Box 25165, Denver,
CO 80225-0165
U. S. Specialty Insurance Company, 922 Philadelphia Street, Indiana, PA 15701