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April 11, 1994

TO: File

THROUGH: Daron Haddock

FROM: James D. Smith, Reclamation Specialist *JDS*

RE: Application for Permit Change - Initial Review
Addition of Aberdeen Seam in AEP Lease to MRP
Centennial Project - Andalex Resources
ACT/007/019, Folder #2, Carbon County, Utah

An amendment has been submitted to add the Aberdeen Seam within the AEP lease to the mine plan. Pages 2 and 194-197 in this submittal did not contain any changes, additions, or deletions that I could identify.

Applicant's Proposal:

Page 1, paragraph 1 "... Andalex now proposes to add federal coal lease UTU-69600 (AEP) containing 802 acres and 3 million tons of recoverable coal. All reserves will be mined simply as an underground extension of the existing, approved, and currently operating Pinnacle Mine. ... Access to and handling of all coal will be through existing Pinnacle Mine facilities."

Analysis:

The Aberdeen mine will be extended into the AEP lease. It is the underground and surface facilities of the Aberdeen Mine, not the Pinnacle Mine, that will be used to access and handle coal from the Aberdeen Upper and Lower "A" coal seams.

Deficiency:

1. Update the text in the first paragraph of page 1 to include the Aberdeen Mine.



Applicant's Proposal:

In the first paragraph on Page 2, Plate 4 is referenced for information on the leases of the Centennial project.

Analysis:

Plate 4 indicates lease UTU-696000 is for the Centennial Seam only. Mining rights to the Aberdeen seam have not been added. BLM Right-of-Way U-62045 to the mine portals is shown on Plate 4, but the Right-of Way shown on Plate 29 for the fan portal is not identified on Plate 4.

Deficiency:

2. Update Plate 4 to show rights to the Aberdeen seam and add the Right-of-Way to the fan portal.

Applicant's Proposal:

Page 39 contains information on the drill holes in the Centennial Project. The first paragraph describes seven holes drilled by Andalex in 1977. Pertinent information including elevations is in Table III-2, lithologic logs are in Appendix E, and locations are on Plates 26, 27, and 28. The first paragraph also discusses six holes drilled from underground and one drilled from the surface in 1989, but it is not stated that the lithologic logs are in Appendix E.

The second paragraph on page 39 reports on lithologic logs from three bore holes acquired by Andalex from other companies. Pertinent information including elevations is summarized in Table III-3, lithologic logs are in Appendix E, and their locations are shown on Plates 26, 27, 28, and 29.

Analysis:

Plates 26, 27, 28, and 29 do not show any drill hole locations. Plate 29 is listed in the second paragraph as showing bore hole locations, but is not listed in the first paragraph.

Table III-2 summarizes information from the seven holes drilled by Andalex in 1977, but it is not clear from the text on page 39 nor from Table III-2 itself that the second set of seven drill holes summarized in Table III-2 are the seven drilled in 1989

by Andalex.

Lithologic logs of the two holes drilled by North American Coal Corp. in 1948 are in Appendix E, but the lithologic log for the hole drilled by Pacific Gas & Electric in 1980 is not in Appendix E.

Deficiencies:

3. Locations of test drill holes are not shown on any map or plan.
4. Table III-2 apparently includes information from the seven holes drilled by Andalex in 1989, but this is not clear from the text on page 39 nor from Table III-2 itself.
5. The lithologic log for the Pacific Gas & Electric drill hole is not in Appendix E, contrary to the statement on page 39.

Applicant's Proposal:

At the top of page 83 ... "The [AEP] lease contains 3.0 million tons of recoverable coal in the Centennial Seam only. All reserves will be mined simply as an underground extension of the ... Pinnacle Mine. ... Access ... will be through the existing Pinnacle Mine."

At the bottom of page 83 ... "Mining will consist of the underground method of coal extraction using continuous miners, shuttle cars, and conveyor haulage. Room and pillar development will be employed with final extraction estimated to be about 65 percent of the reserve, after pillar extraction."

Analysis:

Based on the change made on page 1, the 3.0 million tons recoverable coal reserves in the AEP lease includes the Aberdeen seam. The Aberdeen mine is to be extended to recover this coal.

It isn't clear if the 65 percent recovery predicted on page 83 is based on the old plan or the new one that uses longwall extraction. Reserves, production, and life of mine information on page 85 do not appear to have been updated to include the additional reserves of the Aberdeen Seam or to account for possible change in recovery due to conversion to longwall mining.

Language remains in the text that refers to the old extraction plan. A similar

reference to the old mining method is used at the top of page 84.

Deficiencies:

6. Information on pages 1 and 83 needs to be consistent as to the recoverable reserves in the Centennial and Aberdeen Seams in the AEP lease.
7. Language on pages 83 and 84 that describes the mining needs to be updated to include the Aberdeen Mine and the longwall method.
8. Reserves, production, and life of mine information on page 85 may need updating.

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