



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

gph

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 9/20/96 / 7:30a.m.-1:00p.m.
Date of Last Inspection: 8/28,29/96

Mine Name: Centennial Project County: Carbon Permit Number: ACT/007/019
Permittee and/or Operator's Name: Andalex Resources, Inc.
Business Address: P.O. Box 902, Price, Utah 84501
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): Mike Glasson
State Officials(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Clear 60's
Existing Acreage: Permitted- 5063 Disturbed- 34 Regraded- 0 Seeded- 0 Bonded- 34
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include items like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; etc.



INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/019

DATE OF INSPECTION: 9/20/96

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT -

- a) The permittee has sent a request for Permit Renewal to the Division on September 6, 1996.
- b) The DOGM-SLO has done an AVS check on Centennial this past month.
- c) The NPDES permit was modified on March 1, 1996 which requests a new point discharge. This permit will expire on April 30, 1998.

2. DIVERSION -

The diversions were spot-checked with no violation of the R645 regulations. Some of the ditches did contain a small amount of sediment but were functioning as designed.

4B. SEDIMENT POND -

The sediment ponds were inspected with no hazardous conditions being noticed. The ponds were not discharging and contained little or no water. These ponds were inspected for second quarter on June 28, 1996.

14. SUBSIDENCE -

The permittee has scheduled a subsidence survey for October 1, 1996. This information will be in the Annual Report.

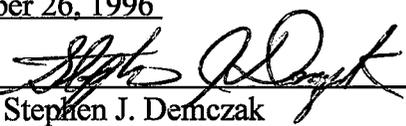
21. INSURANCE -

The insurance acord form was reviewed and complies will the requirements of the R645 regulations. This policy will expire on July 1, 1996.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Andalex Resources, Inc. Marcia Petta (OSM)
Given to: Joe Helfrich (DOGM) Filed to: Price Field Office
Date: September 26, 1996

Inspector's Signature:  #39
Stephen J. Demczak