



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

INSPECTION REPORT

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 12/28/99 / 8:45a.m.-11:00a.m.
Date of Last Inspection: 11/23/99

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): Peter Hess Federal Official(s): None
Weather Conditions: Clear, Cold, 40's
Existing Acreage: Permitted- 5063 Disturbed- 35.27 Regraded- 0 Seeded- 0 Bonded- 35.27
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: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows list 21 categories of permit conditions and their evaluation status.

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/019

DATE OF INSPECTION: 12/28/99

(Comments are Numbered to Correspond with Topics Listed Above)

Note: With the retirement of Mr. John Pappas, Mr. Mike Glasson has assumed the responsibility of Senior Operations Manager for the Wild Cat loadout.

4A. DIVERSIONS

The permittee has made repairs to the openings of several culverts which have been damaged by machinery.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee has had Mr. Dan Guy, P. E., of Blackhawk Engineering Co., resurvey pond "E" to determine if a sufficient amount of sediment storage volume remains such that cleaning of the pond might be postponed until spring of 2000. The annual pond inspection/certification was conducted on October 12; the new survey was conducted December 17, at the request of Mr. Glasson. According to Mr. Guy's inspection report, 0.18 feet of sediment storage is remaining in the pond to the 60% clean out elevation. Mr. Guy feels that this is adequate to keep the pond in compliance until spring. A copy of Mr. Guy's inspection report is attached.

4D. WATER MONITORING

Based on a December 17, 1999 memo which was generated by Mr. Jim Smith, UDNR/OGM Reclamation Hydrologist and directed to Mr. Daron Haddock, Permit Supervisor, it has been determined that there is water monitoring data missing for both the Centennial operation and the Wild Cat loadout. Mr. Smith's memo is specific about what data is missing, and same was forwarded to Mr. Glasson this day.

Mr. Smith's memo also indicates that much of the information was forwarded to the Division in November of 1999, but that some (information relative to the 1st and 2nd quarters of 1998) is still missing.

In light that the missing information is long past due, Mr. Glasson was given until January 10, 2000 to find and submit same. Mr. Glasson is aware that a notice of violation may be issued for the missing information.

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: Mike Glasson (Andalex)

Henry Austin (OSM)

Given to: Pam Grubaugh-Littig (DOGM)

Filed to: Price Field Office

Date: January 3, 2000

Inspector's Signature: _____

Peter Hess
Peter Hess

#46

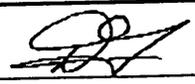
*Andalex Resources, Inc.
Centennial Project
Sedimentation Pond Inspection Report*

POND: Sediment Pond "E"

DATE: 12/17/99

<i>Inlet & Outlet Conditions:</i>	<i>O.K. - Culverts/Ditches/Spillway open.</i>
<i>Erosion Problems:</i>	<i>None Noted.</i>
<i>Embankment Stability:</i>	<i>Stable - Mostly Incised.</i>
<i>Water Level:</i>	<i>Approximately 3" Snow/Ice.</i>
<i>Weather Conditions:</i>	<i>Cloudy/Cold.</i>
<i>Additional Comments:</i>	<i>0.18' to Sediment Cleanout. Sediment Cleanout is 60% of maximum sediment level. Should be O.K. until spring.</i>

Time of Inspection: 11:25 a.m.

Person Conducting Inspection: Dan W. Guy 

Note: Annual Pond Inspection was on 10/12/99. Sediment level was re-checked per Mike Glasson's request, to see if capacity would be O.K. until spring. Pond capacity is adequate based on measurements.