



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

INSPECTION REPORT

Handwritten initials

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Partial: XXX Complete: Exploration:
Inspection Date & Time: 3/30/2000 / 7:30a.m.-10:30a.m.
Date of Last Inspection: 2/29/2000

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: Partly Cloudy, Windy, Cold, Some snow flurries
Existing Acreage: Permitted- 5179.49 Disturbed- 35.27 Regraded- Seeded- 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 inspection items with checkboxes for evaluation status.

INSPECTION REPORT
(Continuation sheet)

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PERMIT NUMBER: ACT/007/019

DATE OF INSPECTION: 3/30/2000

(Comments are Numbered to Correspond with Topics Listed Above)

4a. HYDROLOGIC BALANCE: DIVERSIONS

The permittee needs to enhance the berm NE of the substation which directs flow to the eighteen inch drop culvert inlet. Fines blowing from the Pinnacle Mine coal pile have filled in much of the ditch cross section, causing flows to short circuit off the slope, instead of reporting to the culvert. Erosion on the outslope is minimal. Mr. Glasson agreed to address the berm enhancement.

All other diversions, which were inspected, appeared to be capable of functioning as designed. Ditch DD-4, which lies east of the Aberdeen Mine coal stockpile contained a few lumps of coal (over roll of the Jersey barriers from the stockpile). Other diversions contained some rock from the freeze/thaw cycle. No ditch blockages were observed.

4c. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Straw bales provide the sediment control/treatment for the ASCA on the southern end of the pad where the main electrical substation is located. An additional bale needs to be implemented within this area to prohibit end-running of flows.

4d. HYDROLOGIC BALANCE: WATER MONITORING

The permittee had not, as yet, conducted the first quarter water monitoring regime for the site.

8. NONCOAL WASTE

There are about forty empty RockLok/catalyst barrels on site. Mr. Glasson is aware that these exist and plans on having them removed in the near future.

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)

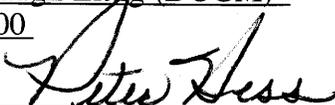
Henry Austin (OSM)

Given to: Pam Grubaugh-Littig (DOGM)

Filed to: Price Field Office

Date: March 30, 2000

Inspector's Signature: _____



#46

Peter Hess