



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

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INSPECTION REPORT

Handwritten notes: PGL, but, 10

Partial: Complete: XXX Exploration:
Inspection Date & Time: 05/29/2008 8:30-11:30 AM
Date of Last Inspection: 05/29/2008

Mine Name: Centennial Project County: Carbon Permit Number:
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): Mr. Mike Glasson, Senior Geologist
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Hot; 80-90's Fahrenheit
Existing Acreage: Permitted 5179.49 Disturbed 35.27 Regraded Seeded
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE (DIVERSIONS, SEDIMENT PONDS AND IMPOUNDMENTS, OTHER SEDIMENT CONTROL MEASURES, WATER MONITORING, EFFLUENT LIMITATIONS); EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS (CONSTRUCTION/MAINTENANCE/SURFACING, DRAINAGE CONTROLS); OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter- April, May, June); AIR QUALITY PERMIT; BONDING & INSURANCE.

## INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 06/22/2001

( COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE )

### **4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS**

The first quarter 2001 impoundment inspections for the site's three sediment containment ponds was conducted on March 29, 2001 by Mr. Glasson. There were no signs of instability or any other types of hazardous condition noted. There were no problems noted with ponds B, C, or E during today's field inspection.

### **4D. HYDROLOGIC BALANCE: WATER MONITORING**

Discharge monitoring reports for the months of February, March, and April were reviewed. None of the Centennial four permitted UPDES sites discharged during this period. All reports were submitted in a timely fashion.

It was the permittee's intent to conduct the requirements for the second quarter water monitoring during the week of June 25, 2001. Ms. Karla Knoop conducted this work for the permittee on June 28 and 29, 2001 as determined via telephone conversation with Mr. Mike Glasson on July 5, 2001.

During the inspection, Mr. Glasson indicated that the first quarter water monitoring report for the Centennial site had been submitted. However, the submitted information could not be found in the Salt lake office as of July 5, 2001. Mr. Glasson was informed of this and it was requested that the information be re-forwarded to Mr. Gregg Galecki, who is the hydrologist assigned to the Centennial site.

### **20. AIR QUALITY PERMIT**

The permittee forwarded an emission inventory declaration for the years 1999 and 2000 to the Utah Division of Air Quality on April 10, 2001.

### **21. BONDING AND INSURANCE**

The Division completed the midterm review for the Centennial site effective May 1, 2001. As part of that review, a recalculation of the reclamation bond estimate was performed. The Division determined that the site can be reclaimed for \$1,013,000 (in 2004 dollars). At present, the site is bonded for \$1, 080,839 (1999 dollars).

INSPECTION REPORT

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At present, the only mining activity at Centennial is occurring in the Pinnacle Mine, with one continuous miner section operating in the Gilson seam. The Apex Mine has been sealed, and the Aberdeen Mine is still being ventilated. The permittee has applied for a royalty reduction for the Aberdeen Mine through the U. S. Department of the Interior, Bureau of Land Management. If that reduction is approved, the potential for the permittee to re-enter the Aberdeen Mine to extract additional coal via continuous methods exists. This would extend the life of the Centennial operation approximately three to five years.

It was noted during today's inspection that the general liability insurance for the Centennial site was due to expire effective July 1, 2001. Mr. Glasson called the provider to request the appropriate new coverage forms during the inspection.

Inspector's Signature: \_\_\_\_\_



Peter Hess #46

Date: July 5, 2001

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

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cc: James Fulton, OSM  
Mike Glasson, Andalex  
Price Field office

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