



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

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INSPECTION REPORT

Handwritten notes: 'ok', 'PSC by JDO'

Partial: ___ Complete: XXX Exploration: ___
Inspection Date & Time: 09/26/2001 / 8:45-11:15 AM
Date of Last Inspection: 08/24/2001

Mine Name: Centennial Project County: Carbon Permit Number: C/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): Mr. Mike Glasson, Senior Geologist
State Official(s): Peter Hess, Gregg Galecki Federal Official(s): None
Weather Conditions: Sunny, clear; 50's -80'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 4 columns: EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include categories like PERMITS, SIGNS AND MARKERS, TOPSOIL, HYDROLOGIC BALANCE, EXPLOSIVES, DISPOSAL OF EXCESS SPOIL, etc.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee's current UDNR/OGM permit expires on January 6, 2002.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several rocks are blocking the surface drainage ditch located West of the Apex Mine truck loading loop. This ditch is very shallow and is not identified on Plate 6, "As Constructed Surface Facilities, Deadman Canyon".

Ditch DD-1 needs to be redefined.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The second quarter impoundment inspections for the site were conducted by Mr. Glasson on June 29, 2001. There were no hazards or signs of instability noted for ponds "B", "C", or "E".

Pond "E" contained some water this day. There were no problems noted with any of the ponds during today's field inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Mr. Gregg Galecki, Reclamation Hydrologist, UDNR/OGM/SLO accompanied this individual during today's complete inspection of the site. Ms. Karla Knoop, the permittee's water monitoring specialist, was also at the site to answer questions relative to data, etc.

The permittee has completed the third quarter water monitoring requirements for the Centennial site. All sites monitored were reported as dry, or no flow, with the exception of Well #1, which was sampled on September 14, 2001. The analytical results for this sample were yet to be received by the permittee.

The June 29, 2001 sample taken from Well #1 had reportable quantities for all the parameters required within the mining and reclamation plan. A cation/anion balance of -4.0% was reported, which is within the acceptable error range.

Discharge monitoring reports for the months of May, June, July, and August of 2001 were reviewed. None of the site's four UPDES points discharged during this period. All reports had been submitted in a timely fashion.

INSPECTION REPORT

(Continuation sheet)

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14. SUBSIDENCE CONTROL

The permittee's annual subsidence monitoring survey was conducted by Mr. Bruce T.S. Ware, Utah Registered Land Surveyor on September 2, 2001. Fifteen monitoring points are surveyed utilizing three control points. Mr. Ware's analysis noted that no horizontal or vertical displacement had occurred over the site. Longwall mining ceased at the Centennial site in March of this year. Secondary extraction is continuing in the Pinnacle Mine via continuous mining methods.

Inspector's Signature: _____


Peter Hess #46

Date: September 26, 2001

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

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

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