



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

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INSPECTION REPORT

*PGI
 by
 JHO*

Partial: _____ Complete: XXX Exploration: _____
 Inspection Date & Time: 12/21/2001 /8:45AM-12 PM
 Date of Last Inspection: 11/28/2001

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 Federal Official(s): None
 Weather Conditions: Partly cloudy / some thawing
 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.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 12/21/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

4A. HYDROLOGIC BALANCE: DIVERSIONS

All of the site's ditches were buried under snow; the culvert inlets/outlets which were exposed appeared to be capable of functioning as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee conducted the third and fourth quarter impoundment inspection for the site on September 28 and December 17, respectively. Mr. Glasson performs the inspections for the permittee. There were no problems noted by the permittee's qualified individual during the inspections.

The ponds contained snow this day; no problems were noted during the field inspection.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee's water monitoring specialist completed the fourth quarter field monitoring requirements for the Centennial site during the first week of November 2001.

Third quarter water monitoring, which was performed on September 5, and 14, was reviewed. The following sites were reported as having no flow; 7-1, 8-1, 12-1, 17-1, 17-2, S18-1, 18-2, 18-3, 18-4, S25-1, and 25-2. Well #1 was monitored on 9/14. Review of its laboratory analysis sheet revealed a cation/anion balance of -1.7% ; this is within the acceptable error range.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The current UPDES permit remains in effect until April 30, 2003.

INSPECTION REPORT

(Continuation sheet)

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21. BONDING AND INSURANCE

A meeting was held this day with Messrs. Mike Glasson and Dan Guy, P.E. representing the permittee and Mr. Wayne Western, Ms. Amber Fortner and this individual representing the Division. The Division is currently re-evaluating the reclamation bond for the Centennial site, with input and assistance of the permittee. Mr. Western feels that it may be possible to lower the current bond amount through the use of more current concrete demolition costs. The re-evaluation of revegetation costs is another area where a potential cost savings might be achieved.

The "permit by rule" determination which is made by the Utah DEQ (relates to the demolition and disposal of asphalt) was discussed with the permittee.

The Division's goal is to have reclamation bonds adjusted as permit amendments are reviewed and approved. This will require keeping track of the amount of contingency dollars being used for each individual site for projects requiring less than the five percent of the total bond amount to reclaim that particular project.

Inspector's Signature: _____


Peter Hess #46

Date: December 21, 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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