



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

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Handwritten notes: PAL, OK, and initials.

INSPECTION REPORT

Partial ___ Complete XXX Exploration ___
Inspection Date: 09/09/2002 / Time: 7:45-10:45 AM
Date of Last Inspection: 08/27/2002

Mine Name: Centennial Project County: Carbon Permit Number: C/007/019
Permittee and/or Operator's Name: Andalex Resource, Inc.
Business Address: P.O. Box 902, Price, Utah 84501
Company Official(s): Mr. Mike Glasson, Senior Geologist
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Cool / 50-60's Fahrenheit / high, stratified clouds
Type of Mining Activity: Underground XXX Surface ___ Prep Plant ___ Other ___
Existing Acreage: Permitted 5419.49 Disturbed 35.27 Regraded ___ Seeded ___
Status: Active

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 categories like PERMITS, SIGNS AND MARKERS, TOPSOIL, HYDROLOGIC BALANCE, etc.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 9/10/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: Mr. Gregg Galecki, Reclamation Hydrologist with the Salt Lake Division technical staff, was part of the inspection team this day.

3. TOPSOIL

The permittee intends to do re-seeding of the topsoil storage piles located at the site. Seed has been purchased for this project.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The Price area has received 0.53 inches of rain during September. All of the diversions that were inspected at the site appeared to have functioned as designed.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

Mr. Glasson conducted the third quarter 2002 impoundment inspections for the site on August 27, 2002. There were no signs of instability or other hazardous conditions reported for ponds "B", "C", or "E".

Ponds "C" and "E" contained water this day; no hazards were noted.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The upstream straw bale dike that operates in series in the undisturbed drainage designated as UD-3 should have the basin behind the dike cleaned. Material has built up behind the dike to the point that the next storm will overtop the bales. Two dikes are in place below the dike and they need to be cleaned.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The addition of the Mathis lease to the Centennial permit area includes the addition of two new spring monitoring locations, B-351 and B-352. Mr. Galecki suggested that the permittee submit a permit amendment to delete the first quarter monitoring requirements for these two points. The surface elevation of each is such that "no access" would more than likely be reported for most of the quarters being monitored. Mr. Galecki feels that three quarters of monitoring should be adequate for a year to determine if the mining is having any affect of groundwater quantity or quality.

The permittee's third quarter water monitoring field notes for the Centennial site were reviewed. The following sites were reported as dry on August 16, 2002: 17-1, 17-2, 8-1, 18-2, 18-3, S18-1. Other sites reported as dry include 12-1 (Alrad Canyon) and 25-2 and S25-1 (Hoffman) on September 5, 2002.

Well #1 was sampled on August 29; the analytical results are pending. Sites 18-4 and 7-1 were monitored and reported as dry.

Discharge monitoring reports were reviewed for the site's four permitted discharge points for the months of May, June, and July. There were no outfalls reported during the period. All reports had been submitted in a timely fashion.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/019

DATE OF INSPECTION: 9/10/2002

Mr. Galecki had the following comments during this inspection:

- 1) It was pointed out to Mr. Glasson that the permittee had failed to submit ground water monitoring information for the Well #1 site for the first quarter of 2001. An examination of the permittee's records indicated that Well #1 had been sampled on March 30, 2001. Analysis of the parameters was available for review. Mr. Glasson agreed to have the missing information submitted.
- 2) Mr. Glasson indicated during the inspection that the rain gauge that is used to monitor precipitation events has been broken. Mr. Galecki requested that this gauge be replaced.
- 3) Mr. Galecki requested that the permittee include more detail in the water monitoring field notes. This additional information might include, as an example, the numbers of times the well was pumped prior to sampling, the pumps discharge rate, the length of time it took for the well to recharge, etc. Mr. Glasson agreed to discuss these items with the water-monitoring contractor.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The current UPDES permit, UTG040000, remains in affect until April 30, 2003.

8. NONCOAL WASTE

The upper yard at the site contains several antiquated pieces of machinery that are to be scrapped out. According to Mr. Glasson, this should occur shortly.

Inspector's Signature: _____

Peter Hess
Peter Hess #46

Date: September 11, 2002

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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