



The State of Utah
Department of
Natural Resources
Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
Company	Mike W. Glasson Environmental Coordinator
OGM	Karl Houskeeper Environmental Scientist III

Inspection Report

Permit Number:	C0070019
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, November 17, 2004
Start Date/Time:	11/17/2004 9:00:00 AM
End Date/Time:	11/17/2004 1:00:00 PM
Last Inspection:	Friday, October 15, 2004

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy, Temp 55 Deg F

InspectionID Report Number: 457

Accepted by: pgrubaug
12/8/2004

Permitee: **ANDALEX RESOURCES INC TOWER DIVISION**

Operator: **ANDALEX RESOURCES INC TOWER DIVISION**

Site: **CENTENNIAL MINE**

Address: **PO BOX 902, PRICE UT 84501**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **INACTIVE**

Current Acreages

5,419.49	Total Permitted
34.20	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

There are no pending compliance actions. The only permit condition currently in place is that the permittee must submit all water monitoring data in an electronic format to the Division's web site. The permittee is complying with this stipulation.

The Division received an application for an IBC on the Mathis Tract (20.0 acres) and in the Federal Summit Creek Lease Area (72.32 acres). The proposed change is for 92.32 acres or 1.705% of the Centennial Project Permit Area. The application was assigned Task ID #1919. Task ID #1919 was sent deficient on June 18, 2004. The operator responded to the deficiencies on July 2, 2004. The State issued the permit on September 9, 2004. The Department of Interior approved the mine plan modification on October 25, 2004.

Inspector's Signature

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Date Wednesday, November 17, 2004

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

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Inspection Continuation Sheet

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit was re-issued effective 09/09/2004, to include the incidental boundary change in the Summit Tract, and expires 01/06/2007.

- Certificate of Insurance issued 07/01/2004 and terminates 07/01/2005.
- Reclamation agreement dated and signed February 1990 (amended January 2001).
- UPDES permit UTG040008 effective 05/01/2003 and expires midnight 04/30/2008.
- Air Quality permit DAQE-997-96, issued October 25, 1996.
- SPCC Plan dated 08/29/2003.

2. Signs and Markers

The mine permit ID sign located at the contact point of the public access to the permit area contained the required information. Other signs and markers observed during the inspection met the coal rules.

4.a Hydrologic Balance: Diversions

Several diversions are in the process of having maintenance work done as a result of recent storm events. The mine site has received 6.77 inches of moisture since September 20, 2004.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond inspections conducted on September 24, 2004 were reviewed. The ponds are all in good repair. Minor maintenance work was required on the inlet of pond C.

4.d Hydrologic Balance: Water Monitoring

Second quarter 2004 water monitoring information is in the EDI website and uploaded. Third quarter 2004 water monitoring information is in the EDI pipeline, but still needs to be reviewed and approved for uploading.

4.e Hydrologic Balance: Effluent Limitations

The last discharge monitoring reports available for review are July 2004. August and September 2004 reports either were not submitted or were lost. The operator is working with DEQ and their consultant to provide that information to DEQ.

8. Noncoal Waste

Several items of noncoal waste items were identified during the inspection that need to be placed in the appropriate storage area.

14. Subsidence Control

The subsidence monitoring for 2004 was conducted by Bruce Ware a Registered Land Surveyor (RLS) on 9/22/04. The operator indicated that Mr. Ware did not find any movement from his previous surveys. A report of the subsidence monitoring survey will be included with the 2004 annual report.

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Page 4 of 4

19. AVS Check

An AVS Check was done by the Division on May 10, 2004. No violations were retrieved by the system. Legal information from the AVS check was compared to the MRP and the information correlated with the approved MRP.

20. Air Quality Permit

The air quality permit DAQE-997-96 referenced above was issued on October 25, 1996 and remains in effect.

21. Bonding and Insurance

The insurance referenced in item #1 above is through Federal Insurance Company, policy #37102594. The insurance has explosion coverage, meets the minimum coverage requirements, lists the Division as the certificate holder, and has the proper language on the notification policy.

Bond No. SU34593 is for \$381,839 and Bond No. SU1354086 is for \$699,000. Both bonds remain in effect for the term of the permit and are through Utica Mutual Insurance Company.