Inspection Report

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

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

Permit Number:	**C0070019**
Inspection Type:	COMPLETE
Inspection Date:	Thursday, December 08, 2005
Start Date/Time:	12/8/2005 9:00:00 AM
End Date/Time:	12/8/2005 1:00:00 PM
Last Inspection:	Thursday, November 17, 2005

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Partly Cloudy, Temp 12 Deg F

InspectionID Report Number: 806

Accepted by: pgrubaug
12/16/2005

Permitee: **ANDALEX RESOURCES INC TOWER DIVISION**
Operator: **ANDALEX RESOURCES INC TOWER DIVISION**
Site: **CENTENNIAL MINE**
Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

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

Mineral Ownership

- [x] Federal
- [x] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [x] 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.

Inspector's Signature /S/ **Date** Thursday, December 08, 2005

Karl Houskeeper, Environmental Scientist III
Inspector ID Number: 49

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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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 performace 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	☑	☐	☑	☐
2.	Signs and Markers	☑	☐	☑	☐
3.	Topsoil	☑	☐	☐	☐
4.a	Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c	Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d	Hydrologic Balance: Water Monitoring	☑	☐	☑	☐
4.e	Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5.	Explosives	☑	☐	☐	☐
6.	Disposal of Excess Spoil, Fills, Benches	☑	☑	☐	☐
7.	Coal Mine Waste, Refuse Piles, Impoundments	☑	☑	☐	☐
8.	Noncoal Waste	☑	☐	☐	☐
9.	Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10.	Slides and Other Damage	☑	☐	☐	☐
11.	Contemporaneous Reclamation	☑	☐	☐	☐
12.	Backfilling And Grading	☑	☐	☐	☐
13.	Revegetation	☑	☐	☐	☐
14.	Subsidence Control	☑	☐	☐	☐
15.	Cessation of Operations	☑	☐	☐	☐
16.a	Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b	Roads: Drainage Controls	☑	☐	☐	☐
17.	Other Transportation Facilities	☑	☐	☐	☐
18.	Support Facilities, Utility Installations	☑	☐	☐	☐
19.	AVS Check	☑	☐	☐	☐
20.	Air Quality Permit	☑	☐	☑	☐
21.	Bonding and Insurance	☑	☐	☑	☐
22.	Other	☑	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

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 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 07/01/2005 and terminates 07/01/2006.
-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

Pipe is in the diversion along side of the main access road in the upper portion of the mine facility. The pipe should be removed from the diversion.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The record review shows that Ponds B, C, and E were inspected on 09/30/2005. The inspection reports show that the ponds are Ok. No hazards or problems were noted as a result of the inspection. The annual inspection and certification of the ponds was done by a registered P.E. in Utah on 11/10/05.

4.d Hydrologic Balance: Water Monitoring

Third quarter 2005 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The October 2005 discharge monitoring reports have been sent to DEQ. The report shows that outfall 004 exceeded the TDS standard. DEQ is aware of the problem and is looking at making the mine site obtain a site-specific permit and not be on the general permit. The operator and DEQ have had discussion on the TDS standard at present and what a future standard might be based upon the diversion receiving standard. DEQ has done recent testing of the receiving diversion to verify the standard and adjust it as necessary to satisfy the regulations.

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.