



State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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April 29, 2005

Mike Glasson, Environmental Coordinator
Andalex Resources, Inc.
P.O. Box 902
Price, Utah 84501

Subject: Mathis/Summit Creek Boundary Change, Centennial Project, Andalex Resources, Inc., C/007/0019, Task # 2119, Outgoing File

Dear Mr. Glasson:

The Division reviewed the application submitted to expand mining operations in the area known as the Mathis/Summit Creek LBA. The initial submittal was made on January 14, 2005. The ACR was completed on April 14, 2005. The deficiencies listed below must be addressed prior to receiving a final approval for mining activities into the added lease areas. The proposed amendment adds 1,090.21 acres to the Centennial Project:

- Federal Summit Creek lease area 630.21 acres
- Mathis Tract (fee) 380.00 acres
- State LBA 80.00 acres

This will bring the total acreage to 6,597.53 acres.

Each coal rule has been bolded, for R645 reference, to assist in the preparation of response. The initials of the reviewer making the deficiency determination follow the specific rule to determine who wrote the deficiency.

The following telephone numbers are for the review team;

DWD	Dave Darby	(801) 538-5341
KRH	Karl Houskeeper	(435) 613-1146, X201
JCH	Joe Helfrich	(801) 538-5290
WHW	Wayne Western	(801) 538-5263
JDS	James Smith	(801) 538-5262

No further action is anticipated by the Division relative to this project until a response addressing each of the deficiencies is received. The Division feels that an acceptable response can be prepared in 60 days. However, a more timely

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response by Andalex Resources will expedite the process such that construction activities may be initiated earlier pending approval.

If you should have any questions, do not hesitate to contact me, Pete Hess, or any member of the review team. Thank you.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

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cc: Price Field Office
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Deficiency List

R645-301-114, A copy of the State L.B.A. needs to be submitted for review upon approval and receipt of the lease. A copy of this lease needs to be incorporated into Appendix J. [KRH]

R645-301-115, An accurate legal description needs to be submitted for the proposed expansion. The lots listed in the description need to be shown on a map. [KRH]

R645-301-521.190, The Permittee must include a legal description of the permit area with subdivisions for federal, state and fee acreages in the text of the MRP. The description of the leases in Section R645-301-114 of the MRP is not adequate, because some of the leased area may not be part of the permit area. The Division needs that information for administrative reasons. [WHW]

R645-301-521.141 and R645-301-521.190, The Permittee must show the new permit and affected area boundaries. The Permittee must update the permit boundaries on all applicable maps, such as, but not limited to, Plate 1A, Plate 2 and Plate 3. [WHW]

R645-301-525.420 and R645-301-512.110, The Permittee must have Plate 25 certified by a registered professional engineer, the permit boundaries must be shown as if the amendment had been approved (the expansion area should be noted) and the subsidence zone, 20 degree angle of draw, must be shown. In addition, the Permittee must provide a map that shows the subsidence zone for the entire project, not just for individual mines. [WHW]

R645-301-525.480, The Permittee must include 1) a narrative that describes how they will replace adversely affected State-appropriated water supplies and 2) a plan to mitigate or remedy any subsidence-related material damage to the land. [WHW]

R645-301-731.214, The Permittee is proposing to remove springs B351 and B352 from the monitoring plan and add springs B362 and B261. There is no evident reason for this change, and there are reasons for the Division to deny the change as it is presented. The Permittee needs to demonstrate, using the monitoring data, that adding B362 and B261 and dropping B351 and B352 will achieve the purposes set forth in the monitoring plan. [JDS]

R645-301-731.530, There is no information related to R645-301-731.530 in the MRP. Section 731.800 of the MRP refers to Appendix L for information on Water Rights and Replacement. The PHC determinations by Mayo and Associates and by Peterson Hydrologic in Appendix L acknowledge the requirement to replace State-appropriated water supplies that have been diminished, contaminated, or interrupted, but there is no plan to carryout such replacement. The Permittee needs to provide a plan stating how it will replace state-appropriated water supplies if they are diminished, contaminated, or interrupted by underground coal mining activities conducted after October 24, 1992. [JDS]