



**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

## Inspection Report

Permit Number:	C0070019
Inspection Type:	COMPLETE
Inspection Date:	Thursday, November 02, 2006
Start Date/Time:	11/2/2006 8:00:00 AM
End Date/Time:	11/2/2006 1:00:00 PM
Last Inspection:	Friday, October 06, 2006

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 32 Deg. F.

InspectionID Report Number: 1125

Accepted by: whedberg  
12/5/2006

Permittee: **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**

6,602.02	<b>Total Permitted</b>
35.27	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

**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:**

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.

Inspector's Signature: \_\_\_\_\_

*Karl Houskeeper*  
Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Date Thursday, November 02, 2006

**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 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 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" 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 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 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 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 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 07/01/2006 and terminates 07/01/2007.
- 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. (This plan needs to be reviewed, updated if needed and re-certified by a P.E. The CFR requires re-certification once every three years.)

**2. Signs and Markers**

The mine permit ID sign located at the contact point of the public access to the permit area. The name ANDALEX Resources has been covered, since the purchase by UtahAmerican Energy. New signs need to be installed as soon as possible to reflect the changes.

Other signs and markers observed during the inspection met the coal rules.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Ponds B, C, & E were inspected on 9/9/06 for the second quarter 2006. No problems were noted.

**4.d Hydrologic Balance: Water Monitoring**

Third Quarter 2006 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

**4.e Hydrologic Balance: Effluent Limitations**

The discharge monitoring reports for September 2006 were viewed. The only discharge occurred from outfall 004. This discharge exceeded the daily loading max. DEQ is aware of the problem and is in the process of issuing a site-specific permit instead of the general permit.

**20. Air Quality Permit**

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

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**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.