



**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	Dan Guy
OGM	Karl Houskeeper Environmental Scientist III

**Inspection Report**

Permit Number:	C0070019
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, May 02, 2007
Start Date/Time:	5/2/2007 9:30:00 AM
End Date/Time:	5/2/2007 2:00:00 PM
Last Inspection:	Thursday, April 05, 2007

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast/Light Rain with Thunder. Temp. 62 Deg. I

InspectionID Report Number: 1287

Accepted by: pgrubaug  
5/23/2007

OK

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*

Date Wednesday, May 02, 2007

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.

**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 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 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 checked="" 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 was renewed on 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 11/15/2006.

**2. Signs and Markers**

The mine permit ID signs are located at the contact points of public access to the permit area.

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

First quarter sediment pond inspections for pond B, C, and E were done on 3/30/2007. No problems were noted.

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

Third quarter 2007 water monitoring information is in the EDI website, but has not been uploaded. Water monitoring is current.

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

January, February, and March 2007 discharge monitoring reports were reviewed. Out fall 004 discharged during all three months of the first quarter of 2007, but did not exceed any parameters.

**8. Noncoal Waste**

Noncoal waste items were present during the inspection at the bathhouse pad and around the rock dust tank. Mine personnel were actively picking the items up during the inspection without notification.

**18. Support Facilities, Utility Installations**

Several portable trailers were added to the existing bathhouse in October of 2006. The intention was that they were to be temporary until new facilities could be approved and constructed. To date, the Division has not approved any new bathhouse facilities. The trailers appear to be now permanent structures and therefore need to be addressed in an amendment and included in the MRP and Surface Facilities Map. Failure to do so could result in enforcement action. Dan Guy from Blackhawk Engineering, acting on behalf of the operator/permittee was informed of this concern during the April 5, 2007 inspection. Dan Guy indicated in the inspection conducted today that the trailers would be addressed through an amendment. Other concerns that need to be addressed is a permanent fuel storage area had a permanent noncoal storage facility. Both the fuel storage area and the noncoal storage area had to be moved with the new fan installation.

**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.