

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

November 25, 2008

TO: Internal File

THRU: Jim Smith, Permit Supervisor *JS 11/25/08*

FROM: April A. Abate, Environmental Scientist II *AA 11/25/08*

SUBJECT: Permit Change for Guard Shack, Andalex Resources, Inc. (Andalex), Centennial Mine, Permit # 007/0019, Task #3085

SUMMARY:

An 8' x 8' guard shack was recently constructed at the entrance to the Centennial Mine located within Sections 7 and 18 T. 12 S. R 11 E and on the Bureau of Land Management (BLM) Right-of-Way UTU-62045 within the permit boundaries of the Centennial mine. The guard shack was constructed for security purposes sometime in October 2008 in response to the mine ceasing active operations.

The guard shack was constructed within the disturbed area. Surface drainage from the area discharges to a sediment pond located adjacent north of the newly constructed guard shack. No off-site hydrologic impacts were noted from the most recent site inspection. On October 28, 2008 the Division of Oil, Gas, and Mining (the Division) cited Andalex for failure to submit a permit change for the guard shack structure prior to its construction (Citation #10030). The submittal of this permit change to add the guard shack to the MRP is in response to Citation #10030.

The Permittee has not provided the Division with updated reclamation cost estimates that include the cost to construct and reclaim the guard shack structure.

Summary:

The Division should not approve the amendment until a line-item inclusion to the bond calculations is added to reflect the construction and reclamation costs of the guard shack structure.

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TECHNICAL ANALYSIS:

OPERATION PLAN

SUPPORT FACILITIES AND UTILITY INSTALLATIONS

Regulatory Reference: 30 CFR Sec. 784.30, 817.180, 817.181; R645-301-526.

Analysis: The Permittee met the requirements of this section. The Permittee provided the Division with updated information regarding the structure included on Plate 6 – As Constructed Surface Facilities Map, and in the list of existing structures of the MRP, Section 5, pages 31 and 158.

Findings: The information provided in the proposed amendment is considered adequate to meet the requirements of this section.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

The Permittee met the requirements of this section. The Permittee provided the Division with an updated Plate 6 that shows the location of the guard shack within BLM Right-of-way UTU-62045 inside the permitted area.

Findings:

The information provided in the proposed amendment is considered adequate to meet the requirements of this section.

RECLAMATION PLAN

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

The Permittee does not meet the requirements of this section.

Findings:

The Permittee has not provided the Division with updated reclamation cost estimates that include the cost to construct and reclaim the guard shack structure.

RECOMMENDATIONS:

The Division should not approve the amendment until a line-item inclusion to the bond calculations is added to include the construction and reclamation costs of the guard shack structure.