

WATER QUALITY MEMORANDUM

Utah Coal Regulatory Program

November 26, 2008

TO: Internal File

THRU: James D. Smith, Permit Supervisor *JDS 02/12/08*

FROM: April A. Abate, Environmental Scientist II *AAA 12-1-08*

SUBJECT: 2008 First Quarter Water Monitoring, Andalex Resources, Centennial Mine, C/007/0019, Task ID #2695

The Centennial Mine is currently in temporary cessation. No mining or coal processing activities currently take place there, nor is the site in active reclamation.

In June 2007, the Division of Oil, Gas, and Mining (the Division) conditionally-approved an amendment to revise the existing operational water monitoring requirements. JBR Environmental Consultants (JBR) of Sandy, Utah prepared a water monitoring plan on behalf of Andalex Resources, L.L.C. (the Permittee). The purpose of submitting the water-monitoring plan was to correct discrepancies identified by Division personnel within the MRP and revise the existing water monitoring operational requirements at the Centennial mine. Water-monitoring requirements are presently located in Sections 711.300 pages 7-2 through 7-10 and Appendix L of the MRP. Water sampling locations are shown on Figure IV-11.

The water monitoring plan prepared by JBR is intended to supercede the existing sections of the MRP pertaining to water monitoring. The Division has notified the Permittee regarding the outstanding amendment and the Permittee has indicated that they intend to finalize the amendment in order to implement the new water monitoring plan prepared by JBR by the end of 2008. Presumably, the new water monitoring plan will go into effect as of first quarter 2009.

1. Were data submitted for all of the MRP required sites?

Springs YES NO

None of the springs were inaccessible to sample.

Streams YES NO

With the exception of sample point 18-3 (Left Fork of Deadman Wash), none of the streams/ponds had flow, or were inaccessible to sample.

Wells YES NO

Well #1 was dry.

UPDES YES NO

No discharge from sample locations 001, 002, and 003 were reported for the first quarter of 2008. Data were submitted from sample location 004, Aberdeen Mine Discharge point.

Pond YES NO

The stock watering pond 31-1 sampling location could not be accessed during the first quarter of 2008.

2. Were all required parameters reported for each site?

Springs and Pond YES NO

Not applicable this quarter.

Streams YES NO

Where applicable

Wells YES NO

Not applicable this quarter.

UPDES YES NO

Where applicable

3. Were any irregularities found in the data?

Listed parameters were more than two standard deviations from the mean. An asterisk (*) indicates this is not a parameter specifically required by the MRP.

Springs and Pond YES NO

Not applicable this quarter.

Streams YES NO

Wells YES NO
Not applicable this quarter.

UPDES YES NO

Discharges were reported from sampling location point 004. Based on the data reported from this sample point for the first quarter of 2008, the concentration of total dissolved solids (TDS) averaged 1563 milligrams per liter (mg/L) in a 30-day period. The 30-day average TDS discharge limitation under the mine UPDES Permit is 500 mg/L. However, the permit indicates that if each outfall cannot achieve a 30-day average TDS of 500 mg/L, then the Permittee is limited to one ton (2000 lbs) per day as the sum from all outfalls. The Permittee is well within these requirements.

4. Did the Permittee make a timely submittal of all data, including initially missing data, and satisfactorily explain irregular data? YES NO

5. Does the Mine Permittee need to submit more information to fulfill this quarter's monitoring requirements? YES NO

6. Based on your review, what further actions, if any, do you recommend?

Stream sampling point locations 17-1, 17-2, 8-1, 25-2 and spring sampling location S25-1 were conditionally approved by the Division to be eliminated from the monitoring plan. The Permittee to date has not submitted the necessary paperwork to finalize the amendment and subsequently, the locations are still being sampled under the original water monitoring plan. The Division has notified the Permittee regarding the outstanding amendment and the Permittee has indicated that they intend to finalize the amendment in order to implement the new water monitoring plan prepared by JBR by the end of 2008. Presumably, the new water monitoring plan will go into effect as of first quarter 2009.

7. Follow-up from last quarter, if necessary.

None