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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070019
#3290
OK

July 13, 2009

Dave Shaver, Manager
Andalex Resources
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: 2008 Annual Report Review, Centennial Mine, C/007/0019, Task ID # 3290
Outgoing File

Dear Mr. Gefferth:

The Division staff has completed the 2008 Annual Report Review. Enclosed is a copy of the review for Centennial Mine, C/007/0019 completed on July 13, 2009.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

sqj
Enclosure
O:\007019.CEN\reviewletter.doc



This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendicies to the Division by April 30, 2009. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permitte Name	Andalex Resources Inc.
Mine Name	Centennial Project
Operator Name (If other then permittee)	
Permit Expiration Date	January 4, 2012
Permit Number	C/007/0019
Authorized Representative Title	Dave Shaver, Resident Agent
Phone Number	(435) 888-4017
Fax Number	(435) 888-4002
E-mail Address	dshaver@utahamerican.com
Mailing Address	6750 Airport Road, P.O. Box 1077, Price, Utah 84501
Designated Representative	Dave Shaver
Resident Agent	Dave Shaver
Resident Agent Mailing Address	Same as above
Number of Binders Submitted	

Operator, please update any incorrect information.

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01474	Pinnacle	N/A
	42-01759	Apex	N/A
	42-02028	Aberdeen	N/A
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UT0025674	UPDES Permit	11/30/2011
PSD Permit(s) (Air)	DAQE-997-96	Centennial	N/A
Other			

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Annual Sediment Pond Certification/Inspection included in 2008 Annual Report Appendix A.
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments:

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100
Soils R645-301-200
Biology R645-301-300

Title: CULTURAL RESOURCES

Objective: If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required. The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

Frequency: As needed.

Status: Ongoing.

Reports: Annually.

Citation: Permit Condition Sec. 16.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: There was no surface disturbance in 2008.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Title: RAPTOR SURVEY

Objective:

Frequency: Annually or as long as the gob vent wells are in operation.

Status: Ongoing.

Reports: Annually.

Citation: Appendix X, chapter 3, page 3-4, paragraph 6.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: Raptor survey is included in the 2008 Annual Report.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: A report is included in the 2008 Annual Report. This information needs to be reviewed by the assigned Division Biologist to assure that the required information is acceptable to the Division.

The report was reviewed by Ingrid Wieser. Six active nests were located in the project site by DWR in 2008. All were golden eagle nests except for one red tailed hawk nest. Also, one tended golden eagle nest was identified. The centennial mine was inactive for most of 2008 and will be for 2009. The only activity occurring within the permit area is on the top of the escarpment area where the degas wells are located. No nests were identified within a mile radius of the well sites. An amendment was approved by the Division in 2009 that relieved the mine of the commitment to survey for raptor nests due to the inactivity. This commitment will no longer be required in future annual reports as long as the mine is idle. Reclamation activities and/or new surface activity will require raptor monitoring.

Title: SAGE GROUSE NEST SITE EVALUATION

Objective: Prior to development of the well site a Sage Grouse nest site evaluation will be conducted by a knowledgeable wildlife biologist. If nests are located an alternative drill site location will be determined.

Frequency: Based on the need to drill additional de-gas wells.

Status: Ongoing.

Reports: Annually.

Citation: Appendix X, chapter 3, page 3-5, paragraph 1.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: There was no new GVH activity in 2008.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Landuse, Cultural Resources, Air Quality R645-301-400

Engineering R645-301-500

Title: SUBSIDENCE MONITORING

Objective: Determine subsidence effects.

Frequency: Annually.

Status: On going.

Reports: Submit surveyed monitoring data to Division by June 30, annually.

Citation: MRP.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: Subsidence monitoring information is included in the 2008 Annual Report, Appendix A.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: Subsidence information is included in a tabular form. The submittal does not show historical information, just the current year. No map of subsidence locations or mine workings is provided to make a comparison of subsidence in conjunction with mining activities. The Division requires subsidence information, but has never set a standard or format that the information needs to be provided in.

Geology R645-301-600

Hydrology R645-301-700

Title: WATER MONITORING

Objective: Monitoring of in-mine water will occur if underground mining encounters flows from a single source of 3 gpm or greater and sustained at a rate of 3 gpm or greater for a period of 30 days.

Frequency: Observe throughout the year.

Status: Ongoing.

Reports: Sustained flows will be monitored and reported as a monitoring site.

Citation: Volume 1, Chapter 7, Page 7-5.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: UPDES monitoring on file.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Title: WATER MONITORING

Objective: Permittee commits to monitoring surface water stations with an emphasis on storm events. Every effort will be made to collect samples during runoff on a quarterly basis, should runoff occur.

Frequency: Observed throughout the year.

Status: On-going.

Reports: Included in quarterly reports to Division database.

Citation: Volume 1, Chapter 7, Page 7-6.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: UPDES at sediment ponds spillways, no discharge in 2008.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Title: WATER MONITORING

Objective: If ever there is a discharge at any UPDES location, field measurements of flow, air and water temperature, pH and EC will be made, as well as flow.

Frequency: Throughout the year.

Status: Ongoing.

Reports: Quarterly submission to the Division database.

Citation: Volume 1, Chapter 7, Page 7-7.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments: UPDES monitoring was completed and recorded, on file.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2008, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: No information.

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to

update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update **Required** **Included** **or** **DOGM File location**
 Yes No Included Vol, Chapter, Page

Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: No information.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2008, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments No information provided.

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

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APPENDIX B

Reporting of Technical Data

Including monitoring data, reports, maps, and other information
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

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APPENDIX C

Legal Financial, Compliance and Related Information

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

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APPENDIX D

Mine Maps

As required under R645-302-525-270

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APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

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