

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

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February 3, 2010

TO: Internal File

THRU: April Abate, Team Lead *2009 2-17-10*
Daron R. Haddock, Permit Supervisor *DRH*

FROM: Peter Hess / En Sci III / Engineering *PHH by SRS*

RE: MIDTERM PERMIT REVIEW, Andalex Resources, Inc., Centennial Project (Apex Mine, Pinnacle Mine, Aberdeen Mine), C/007/019, Task ID # 3465

SUMMARY:

The Permittee submitted a response to deficiencies aired on November 10, 2009 on January 28, 2010. This memo will address the adequacy of that response.

TECHNICAL ANALYSIS:

OPERATION PLAN

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

R645-301-731, OPERATION PLAN, (HYDROLOGY),

In consideration of the fact that Andalex Resources, Inc., has received a status of temporary idling from the Bureau of Land Management / Salt Lake Office, and that the Mines are no longer capable of de-watering through either the Pinnacle Mine water outfall (UPDES 002) or the Aberdeen Mine water outfall (UPDES 004) the Permittee will conduct a flooding survey of both Mines to determine the potential for discharge of mine water from the mine openings and provide that information to the Division. The information must include a potential date for water to discharge from any of the Mine openings at Centennial.

Analysis:

The Permittee submitted revised information in Page 5-123, which states the following:

“The UPDES outfall points continue to be monitored but there has been no reported flow since the mine was shut down and the pumps were shut off. Nearly all water in the mine was created from the floor strata as mining occurred, and would normally dry up after the mine advanced several hundred feet. None of the flow was attributed to geological structures such as faults or dikes. Now that mining has stopped there is no reason to believe that the floor strata will continue to make water, especially at the liberation rate of 800 GPM typical of the operational period. Also, since all of the water was being made in the extreme down-dip section of the mine the water that does continue out of the floor will fill up the bottom of the mine until it reaches a level of potentiometric equilibrium. The portals are at the highest end of the mine, and are 640 feet vertically above the impounding area, and more than 14,000 feet vertically separated. At the Tower Mine there is no primary recharge mechanism, and the vertical dip should serve to allow the water level to stabilize within the mine without discharging from the portals.”

It appears that water will never discharge from any of the Aberdeen Mine portals or UPDES outfalls.

The mine, although considered temporarily idled, remains on a monthly inspection frequency by the Division. Should any flows occur from the mines seals, they will be observed.

Findings:

The permittee’s response adequately addresses the minimum regulatory requirements of this section.

R645-301-515.321, Activities to Continue to During Temporary Cessation

The Notice-of-Intent to apply for temporary cessation status must include the following:

- a) a statement of the exact number of surface disturbance acreage;
- b) horizontal and vertical extent of subsurface strata which have been in the permit area prior to idling;
- c) the extent and kind of accomplished reclamation;
- d) extent of accomplished backfilling, grading, revegetation
- e) environmental monitoring to be continued (including subsidence monitoring)
- f) water treatment activities that will continue during temporary cessation.

Analysis:

The Permittee submitted a revised Chapter 5, page 5-123 as part of the Task ID # 3465 application.

Page 5-123 contains the following information:

HISTORICAL NOTE: On June 11, 2008 the company requested permission from the BLM to modify the R2P2 to allow the mine to be temporarily idled due to economic factors. The BLM approved the modification on June 20, 2008. The portals were then sealed to prevent public access. The idle status has continued for more than 30 days. At the time of the temporary idling, the permit area included 6516.91 acres, and the total disturbed area included 52.64 acres (mine site = 34.2 acres, Left Fork fan and access road = 1.45 acres, and seventeen GVH sites = 17 acres).

The subsurface strata extends from zero at the outcrop to more than 3000 feet under the northernmost longwall panels, and the horizontal extent of the subsurface strata over the permit area is about 21,432 feet measured north-south and about 21,768 feet measured east-west.

There has been no reclamation done at the site as a result of the temporary closure, although two GVH sites were reclaimed in the meantime.

There are no water treatment activities going on at the mine.

The normal required environmental monitoring has continued since the mine has been idled, including hydrologic monitoring of springs, seeps and wells, UPDES monitoring, subsidence monitoring, and raptor surveys.

The submitted revised information (as received in Task ID # 3465 on January 28, 2010) meets the minimum regulatory requirements of R645-301-515.321. The Permittee has adequately addressed the deficiency.

Findings:

The submitted information meets the minimum regulatory requirements of R645-301-515.321.

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

R645-301-551, Casing and Sealing of Underground Openings

The Task ID # 3465 response, received January 28, 2010, contains revised information relative to the degasification wells, which have been developed at the Centennial Mine.

The mine has been placed in temporary cessation status by both the BLM and DOGM. GVH-1 and GVH-5 were reclaimed in the fall of 2009, as it was determined that they were no longer needed as part of the mine ventilation system.

Analysis:

The Task ID # 3465 response contains the following information on page 5-2:

“All other GVH installations are maintained as a vital and integral component of the overall mine ventilation system and will remain in a stand-by status until such time as the mine resumes operation.

Because the overall status of the GVH sites changes frequently as a result of mine plan changes, the company commits to update the division annually as to the current status of all GVH sites. This will be done as part of the annual report.”

This commitment is adequate, as it will provide sufficient information for the Division to make a determination that a well, or wells are no longer needed for venting purposes. This determination by the Division will require that the Permittee initiate reclamation activities at the well sites, which are no longer, needed, in accordance with **R645-301-551**.

Findings:

The Permittee's response adequately addresses the deficiency.

RECOMMENDATION

The midterm review for the Centennial Mine should be approved.