



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

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
#3524
Q

April 12, 2010

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

Subject: 2009 Annual Report Review, Centennial Mine, C/007/0019, Task ID #3524, Outgoing File

Dear Mr. Shaver:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for Centennial Mine, C/007/0019 completed on April 12, 2010.

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

sqg
Enclosure
O:\007019.CEN\FINAL\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 Appendices to the Division by April 30, 2010. 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

Permittee Name	Andalex Resources Inc.
Mine Name	Centennial Project
Operator Name (If other than 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@coalsource.com
Mailing Address	P.O. Box 910, East Carbon, Utah 84520-0910
Designated Representative	Dave Shaver
Resident Agent	Dave Shaver
Resident Agent Mailing Address	Same as above
Number of Binders Submitted	2

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 type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Sediment Pond Certifications (2009 Annual Report)
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: The 2009 annual pond certification report shows:

Sediment Basin B, sediment clean elevation @ 7081.0 and existing sediment level @ 7079.6.

Sediment Pond C, sediment clean elevation @ 7046.9 and existing sediment level @ 7042.7.

Sediment Pond E, sediment clean elevation @ 6946.5 and existing sediment level @ 6946.2.

Sediment Pond E is only three tenths of an inch (.3) away from requiring the pond to be cleaned and may be to the clean level now, since the certification was done on December 10, 2009. Additional sediment from the snowmelt may have raised the sediment level. The pond should be cleaned spring or summer of 2010.

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 new surface disturbance in 2009

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: Mining activities were in suspension during 2009.

Title: FIRE SUPPRESSION

Objective: Andalex will commit to prevent, control and suppress range forest and coal fires within the permit area.

Frequency: To the extent possible

Status: Ongoing

Reports: Report if range fires have occurred on the permit area during the year.

Citation: Volume 1 chapter 3 page 3-10 paragraph 5.

Operator: Has this commitment been acted on this year?

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

Operator Comments:

No range fires occurred on the permit area in 2009.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No fires in permit area during 2009.

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. A subsidence data sheet is included in the 2009 annual report. A comparison of the 2008 data against the 2009 data was done and all changes that occurred were in thousands of an inch. No major movement. Subsidence in 2009 from the data is not detectable or attributable to subsidence from mining.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

Geology R645-301-600

Hydrology R645-301-700

Bonding & Insurance R645-301-800

Other Commitments

*Reminder: If equipment has been abandoned during 2009, 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 other information submitted.

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 submitted in 2009 annual report.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2009, 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).

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

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

CONTENTS

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

CONTENTS

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS

APPENDIX E

Other Information

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

CONTENTS