

**From:** Daron Haddock  
**To:** Suzanne Steab  
**Date:** 10/18/2011 7:43 AM  
**Subject:** Fwd: Centennial permit renewal, Task 3896  
**Attachments:** UEI\_ West Ridge Main Office Xerox001.pdf

>>> "Shaver, Dave" <dshaver@coalsource.com> 10/14/2011 1:04 PM >>>  
Daron...Attached is the revised permit renewal application for the Centennial (Tower) Mine, Task 3896.  
Hard copy has been sent via post mail. Thanks

Dave



**ANDALEX**  
**RESOURCES, INC.**

P.O. BOX 910  
EAST CARBON, UTAH 84520  
PHONE (435) 888-4000  
FAX (435) 888-4002

Utah Division of Oil, Gas & Mining  
Coal Program  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801

October 14, 2011

Attn: Daron Haddock  
Permit Supervisor

RE: Andalex Resources, Inc., C/007/019  
Tower (Centennial) Mine  
Application for Permit Renewal, Task 3896  
Response to Deficiencies

Dear Mr. Haddock:

Andalex Resources, Inc. hereby re-submits the application for a five-year renewal of Coal Mining and Reclamation permit C/007/019 for the Centennial Project (a.k.a., Tower Mine). Enclosed is a revised draft public notice for your review, along with a notarized C1 form. Included is a copy of the liability insurance form. Also, please note that the existing performance bond for this permit is currently in place and on file with the Division. As you are aware, Andalex Resources, Inc. has entered into a reclamation agreement with the Division secured by the surety bond for reclamation performance issued by Rockwood Casualty Insurance, 654 Main Street, Rockwood, PA 15557. By the terms of the surety bond in place for the Centennial Mine, the surety remains in effect until all of the permittee's reclamation obligations have been met and released by the Division.

If you have any questions or comments please contact me at (435) 888-4017.

Sincerely,

David Shaver  
Resident Agent

**PUBLIC NOTICE FOR PERMIT RENEWAL  
CENTENNIAL PROJECT**

Andalex Resources, Inc., PO Box 910, East Carbon City, Utah, a subsidiary of UtahAmerican Energy Inc., has filed with the Utah Division of Oil, Gas and Mining an application for renewal of the existing Mining and Reclamation Permit C/007/019 for the Centennial Project (a.k.a., the Tower Mine) located at 10 Miles NE Airport Road, Price, Utah. The permit area is located in Carbon County, Utah.

The existing permit area contains 6516.91 acres and is described as follows:

T.12S., R.10E.	Sec. 36:	All (less 1.64 acres associated with Oso pipeline)
T.12S., R.11E.	Sec. 29:	SW1/4SW1/4, SW1/4SE1/4
	Sec. 30:	Lots 4, 12, 14, 15 and 16
	Sec. 31:	ALL (less 7.86 acres associated with Oso pipeline)
	Sec. 32:	NW1/4, W1/2NE1/4, W1/2SW1/4, NE1/4SW1/4
T.13S., R.10E.	Sec. 1:	All (less 2.42 acres associated with Oso pipeline)
	Sec. 12:	All
	Sec. 13:	Lot 1 (portion of BLM ROW 64158)
T.13S., R.11E.	Sec. 4:	Lots 5-8
	Sec. 5:	All
	Sec. 6:	All
	Sec. 7:	All
	Sec. 8:	All
	Sec. 9:	N1/2, W1/2SW1/4, N1/2SE1/4, NE1/4SW1/4
	Sec. 17:	N1/2, N1/2NE1/4SW1/4, NE1/4SE1/4, N1/2NW1/4SE1/4, NE1/4NW1/4SW1/4, W1/2NW1/4SW1/4
	Sec. 18:	N1/2N1/2, SW1/4NE1/4, NW1/4SE1/4NE1/4, E1/2SE1/4NE1/4, SE1/4NE1/4NW1/4, E1/2NE1/4SE1/4 and a 1.45 acre portion of Lot 2 and NE1/4SW1/4, and a 1.5 acre portion of NE1/4NE1/4SE1/4NW1/4

A copy of this application is available for inspection at the Division of Oil, Gas and Mining at 1594 West North Temple, Suite 1210, Salt Lake City, Utah, and also at the Carbon County Courthouse, 120 East Main St., Price, Utah. Comments, objections, or requests for informal conference on the application should be submitted within 30 days to: Utah Coal Program, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
5/26/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>Reschini Agency, Inc.</b> 922 Philadelphia Street P.O. Box 449 Indiana PA 15701		<b>CONTACT NAME:</b> Karen Williams <b>PHONE (A/C, No, Ext):</b> (724) 349-1300 <b>FAX (A/C, No):</b> (724) 349-1446 <b>E-MAIL ADDRESS:</b> kwilliams@reschini.com <b>PRODUCER CUSTOMER ID #:</b> 00001628	
<b>INSURED</b> <b>Andalex Resources, Inc.</b> A Subsidiary of UtahAmerican Energy, Inc. 6750 N. Airport Road Price UT 84501		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Federal Insurance Company <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	
		<b>NAIC #</b> 20281	

**COVERAGES**      **CERTIFICATE NUMBER:** Andalex GL 11-12      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> XCU			37104410	6/1/2011	6/1/2012	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC							DAMAGE TO RENTED PREMISES (Ea occurrence)
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000	
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$						<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$ \$ \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A	EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)**  
 Centennial Mine Act 007/019 and Wildcat Loadout Act 007/033. Should any of the above described policies be changed and/or cancelled before the expiration date thereof, the issuing company will mail (certified) 45 days written notice to the certificate holder.

**CERTIFICATE HOLDER****CANCELLATION**

State of Utah Dept of Natural Resources  
 Division of Oil, Gas & Mining/STE1210  
 Attn: Daron Haddock  
 1594 W. N. Temple, Box 145801  
 Salt Lake City, UT 84114-5801

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Karen Williams/KAREN

*Karen Williams*



## APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: <b>007/019</b>
Title of Proposal: <b>Application for permit renewal, response to Task 3896</b>						Mine: <b>Centennial Project</b>
						Permittee: <b>Andalex Resources, Inc.</b>

Description, include reason for application and timing required to implement.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: <i>permit renewal</i>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein. (R645-301-123)

Signed: *[Signature]* Name - Position - Date *10/14/2011*  
agent

Subscribed and sworn to before me this 14<sup>th</sup> day of October, 2011.

My Commission Expires: 03-27-13  
 STATE OF Utah  
 COUNTY OF Carbon



Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER