

C/007/019 Incoming

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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

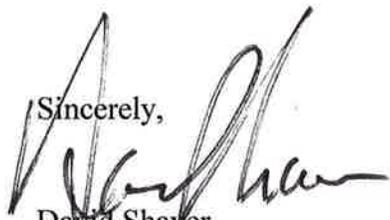
RE: Andalex Resources, Inc., C/007/019
Tower (Centennial) Mine
Application for Permit Renewal, Task 3896
Response to Deficiencies

RECEIVED
OCT 18 2011
DIV. OF OIL, GAS & MINING

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).

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

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

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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 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	CANCELLATION 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 <i>Karen Williams</i>
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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: 007/019
Title of Proposal: Application for permit renewal, response to Task 3896						Mine: Centennial Project
						Permittee: Andalex Resources, Inc.

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: <u>permit renewal</u>
<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 14th day of October, 2011.

My Commission Expires: _____
Attest: STATE OF _____
COUNTY OF _____

Notary Public
[Signature]
Utah
03-27-13



Received by Oil, Gas & Mining

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OCT 18 2011

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER