



GARY R. HERBERT  
Governor

GREGORY S. BELL  
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  
#4070  
K

May 30, 2012

David Hibbs, Resident Agent  
Andalex Resources Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: 2011 Annual Report Review Completion, Centennial Mine, C/007/0019, Task ID #4070

Dear Mr. Hibbs:

The Division staff has completed the review of the 2011 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on May 30, 2012.

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  
Coal Program Manager

DRH/sqs  
Enclosure  
cc: Price Field Office  
O:\007019.CEN\WG4070\Completion Letter.doc



# Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 30, 2012**. During a complete inspection an inspector will check and verify the information.

## GENERAL INFORMATION

Company Name	Andalex Resources INC	Mine Name	Centennial Mine
Permit Number	C/007/0019	Permit expiration Date	2017-01-04
Operator Name	Andalex Resources, Inc.	Phone Number	+1 (435) 888-4000
Mailing Address	P.O. Box 910	Email	dshaver@coalsource.com
City	East Carbon		
State	Utah	Zip Code	84520

## DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Other:		Sediment pond certification included.

## OPERATOR COMMENTS

The Centennial Mine operation was inactive during the year 2011.

## REVIEWER COMMENTS

Met Requirements       Did Not meet Requirements

## COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan 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 additional written response is required, it should be filed as an attachment to this report.

### **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 Comments

No range fires have occurred on the permit area during 2011.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

### **Title: SUBSIDENCE MONITORING**

**Objective:** Determine subsidence effects from mining.

**Frequency:** Annually

**Status:** Ongoing

**Reports:** Provide annual subsidence monitoring data and MAP and report of impacts in annual report.

**Citation:** Volume 1, Chapter 5, Page 5-150a, 5-151.

Operator Comments

Subsidence monitoring information is included.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by James Owen. The annual report included updated subsidence information. No significant subsidence was observed.

**Title: GAS VENT HOLE STATUS UPDATE**

**Objective:** To keep the Division apprised of the status of all wells drilled above the Aberdeen Mine including any future venting of existing wells and/ or development of non GVH pads and to ensure that reclamation of each disturbance is accomplished in a timely manner once the wells are no longer in use.

**Frequency:** Annually

**Status:** Ongoing

**Reports:** Annual report item

**Citation:** Appendix X, page 1-2

Operator Comments

GVH sites 1 and 5 have been totally reclaimed. All other active GVH holes are under contract with OSO Energy for commercial met have capture. GVH sites 6, 12 and 13 have been "contemporaneously" reclaimed in 2011. Contemporaneous reclamation of the other sites will resume in 2012, along with full reclamation of undrilled sites 15, 16 and 17 as per the attached email.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by A. Abate 5/30/2012. Contacted David Hibbs via telephone to discuss status of reclamation work for summer 2012. Mr. Hibbs confirmed that reclamation work outlined above was on schedule. The Division will conduct an annual inspection in late summer to follow up.

**Title: SUBSIDENCE MITIGATION**

**Objective:** Andalex has committed to compensation of livestock lost as a result of subsidence from underground mining activities. Andalex commits to mitigate all subsidence related damage to resources including, but not limited to, water, grazing and wildlife habitat including raptor nests.

**Frequency:** Annual Review

**Status:** Ongoing

**Reports:** Identify if any compensation was paid out or if mitigation was completed in annual report.

**Citation:** Volume 1, Chapter 3, page 3-11, paragraph 2, page 3-19, paragraph 1

Operator Comments

There has been no loss of livestock from subsidence, hence no compensation or mitigation.

Reviewer Comments  Met Requirements

Did Not Meet Requirements

Reviewed by James Owen. Due to cessation, there has been no subsidence or related damage.



## FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

<b>Title: SAGE GROUSE NEST SITE EVALUATION</b>
<b>Objective:</b> 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.
<b>Frequency:</b> Based on the need to drill additional de-gas wells.
<b>Status:</b> Required in future if new de-gas wells are proposed.
<b>Reports:</b> Send with application
<b>Citation:</b> Appendix X, Chapter 3, page 3-5, paragraph 1
<b>Title: RECLAMATION SUCCESS</b>
<b>Objective:</b> Determine reclamation success.
<b>Frequency:</b> Reclaimed areas will be monitored monthly for the first two growing seasons following reclamation.
<b>Status:</b> Check at reclamation.
<b>Reports:</b> When monitoring commences.
<b>Citation:</b> Volume 1, Chapter 3, page 3-17 paragraph 5.
<b>Title: RECLAMATION ENHANCEMENT MEASURES</b>
<b>Objective:</b> Andalex will consult with the Division of Wildlife Resources, at the time of final reclamation, to determine exactly what reclamation designs, planting arrangements, and artificial structures would best enhance wildlife habitat.
<b>Frequency:</b> Once
<b>Status:</b> Will be required prior to final reclamation
<b>Reports:</b> Report reclamation plans to Division for incorporation into MRP
<b>Citation:</b> Volume 1, Chapter 3, page 3-23, paragraph 1
<b>Title: SEALING OF WELLS</b>
<b>Objective:</b> Permanent closure of wells using measures required by the Division to prevent access and contamination of groundwater.
<b>Frequency:</b> When wells are no longer needed.
<b>Status:</b> Throughout mining
<b>Reports:</b> Report in Annual report the year when wells are completed.
<b>Citation:</b>
<b>OPERATOR COMMENTS (Optional)</b>

[Empty rectangular box]

**REVIEWER COMMENTS:**

[Empty rectangular box]

## **REPORTING OF OTHER TECHNICAL DATA**

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

# MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments     Met Requirements                       Did Not Meet Requirements

An annual subsidence map is not required unless subsidence data can demonstrate that there have been deviations from the year prior which would indicate that subsidence is occurring.