



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070019
Inspection Type:	PARTIAL
Inspection Date:	Thursday, June 20, 2013
Start Date/Time:	6/20/2013 9:00:00 AM
End Date/Time:	6/20/2013 2:40:00 PM
Last Inspection:	Wednesday, June 12, 2013

Representatives Present During the Inspection:	
OGM	Priscilla Burton
OGM	Pete Hess
OGM	Ingrid Campbell

Inspector: Pete Hess

Weather: Sunny, cool; 77 degrees F. Beautiful day.

InspectionID Report Number: 3517

Accepted by: jhelfric

6/26/2013

Permittee: **ANDALEX RESOURCES INC**
 Operator: **ANDALEX RESOURCES INC**
 Site: **CENTENNIAL MINE**
 Address: **PO BOX 910, EAST CARBON UT 84520-0910**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

6,516.91	Total Permitted
47.19	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The permit for the Centennial Project contains a condition which requires UtahAmerican Energy to update the status of the reclamation work on the 17 gob vent drill holes which were drilled to enhance the bleeder ventilation system of the Aberdeen Mine. The Centennial Project was placed into temporary cessation effective 6/20/2008. The information submitted in the 2012 Annual Report relative to the GVH wells was considered inadequate, prompting an inspection of the associated disturbed areas.

Jay Marshall, and J.D. Leonard represented Utah American Energy this day. Mr. Jerry Crips of Scamp Excavation was also present during the course of today's inspection. Mr. Marshall provided the Division with an updated spreadsheet which listed the amount of work performed at each site, and this was re-submitted to the Division following the 6/20 inspection. No violations were written this day. The Permittee has accomplished a significant amount of work on the various well sites. All of the sites are constructed on private lands, which are owned by either the Mathis Land Comapy, or David and Mildred Cave.

2012 and spring 2013 contemporaneous reclamation has focused on Mathis lands. Summer and fall work will move to Critelow/Cave owned surface lands. UEI will contact Blue Tip about the stand papas and either retain the pipes with a post-mining landuse change or Blue Tip will remove the valves and stand pipes so that full reclamation can occur.

Inspector's Signature:

Pete Hess,

Inspector ID Number: 46

Date

Thursday, June 20, 2013

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

The topsoil pile adjacent to the access for GVH-5 needs to have a topsoil storage sign replaced. It probably was removed by high winds in the area. Mr. Leonard agreed to replace the sign.

11. Contemporaneous Reclamation

Seventeen sites were disturbed to enhance the Aberdeen Mines ventilation system; only 14 wells were drilled. GVH 1 in longwall panel #6 and GVH 5 in panel 7 have been plugged and reclaimed. These two sites were observed this day and the Division recommended that the Permittee submit a Phase 1 / Phase 2 bond release application for the associated 1.03 acres.

12. Backfilling And Grading

Well site GVH 6 has been re-graded to reduce the size of the footprint, although some solar panels and CH4 plumbing remain. Spraying of thistle in the area is next, followed by topsoiling of the 0.46 acres. Other well sites which have had the disturbance footprint reduced in size are GVH-9 (Panel 7) , GVH-11 (Panel 10), GVH-6 and GVH-8 (Panel 7), and GVH-12. Wells 12, 13, and 14 (located in Panel 10) have yet to be undermined by the longwall secondary extraction process.

13. Revegetation

GVH sites #1 and #5 have been revegetated and the grasses look very good. Herbicide has been utilized to control musk thistle. A few plants were observed at GVH-1.

14. Subsidence Control

All of the gob vent borehole sites At the Aberdeen Mine are drilled about one-third of the distance between the headgate and the tailgate of their respective longwall panel. All surface areas will deform accordingly.

15. Cessation of Operations

GVH sites #7, #8, #9 and #14 are still venting methane to Bluetip Energy.

20. Air Quality Permit

21. Bonding and Insurance

The Permittee should apply for Phase 1,2,and 3 bond release for well sites GVH's #1 and #5. All well sites are bonded, however the bond amount for some should be re-evaluated. The amount presently posted for wells 1, 3 ,4, 5 ,5A, 6, 7 ,8 and 9 appears quite low.

22. Other

The following gob vent holes are producing gas which is being collected, compressed and marketed by Blue-Tip Energy (previously OSO Energy Resources Corporation); GVH-3, GVH-7, GVH-8, GVH-9, GVH-11, GVH-14. 9, 11 and 14 have had the pad areas reduced. Some of the sites which have had the footprint areas reduced contain 48 inch vertical CMP which are about 10 feet tall with seven feet buried in the ground. The stand pipes contains valves which are a part of the gas collection systems. It is unclear if Bluetip will accept the responsibility of removing these pipeline accesses as part of the final reclamation of the sites. At this time, it appears that UtahAmerican is anxious to achieve bond release for the 17 well sites. Based on the updated, revised spreadsheet provided to the Division on 6/24/2013, the Division will revise its evaluation of the 2012 Annual Report information indicating that the GVH update information is adequate. The Division has scheduled a follow-up inspection for August 13, 2013 to observe the progress of the reclamation activities.



GVH 1 looking W



Access at NE toe of GVH 1



GVH 5 looking NE



GVH 5A and access road looking NE



GVH 5 looking SW



Access road topsoil pile needs signage



GVH 6 looking N



Side slope of GVH 6 needs cheat grass control



Site 17 valve protective culvert



GVH 17 landowner or Blue Tip well?



GVH 17 looking N



GVH 16 looking N



GVH 16 valve and protective culvert



GVH site 8 looking N



GVH 8A



Landowner well near GVH 8?



GVH site 15 looking N



Landowner well near GVH 8A?