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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 15, 2014

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

Subject: Permit Revision, Andalex Resources, Inc., Centennial Mine , C/007/0019, Task ID #4464

On December 12, 2013, the Permittee submitted an application for a permit change to the Division to:

- 1) Reduce the permit acreage of the Centennial Project permit area through the relinquishment of parcels of the following Federal coal leases:
  - a. 677.16 acres of UTU-010581;
  - b. 80.00 acres of UTSL-027304;
  - c. 240 acres of UTSL-063058;
  - d. 566.35 acres of UTU-66060, and
  - e. all of UTU-79975 (422.73 acres).
- 2) Adding the Kenilworth lease area containing 1,760 acres to the Centennial Project permit area, and
- 3) Changing the name of the Resident Agent for the Centennial Project.

The Permittee submitted a copy of the of the letter dated August 20, 2013 from the U.S. Department of the Interior, Bureau of Land Management, Utah State Office approving the partial relinquishments and full relinquishment (effective August 20, 2013) of the aforementioned leases.

That letter did not address the addition of Federal lease UTU-81893 (the Kenilworth Lease).

The application, identified as Task ID # 4464, is not considered adequate for review and is being returned to you.

The reasons for this determination are the following:

- 1) This permit change is considered to be a significant revision to the Centennial Project mining and reclamation plan, because of the proposed addition of the 1760 acres.
- 2) The addition of the Kenilworth lease may require Federal mine plan approval, which is granted by the Secretary of the Department of the Interior. This determination will be made by OSM.
- 3) This permit change/revision does not contain any of the information necessary to address the requirements of R645-301-200, Soils, R645-301-300, Biology, R645-301-400, Land Use and Air Quality, R645-301-500, Engineering, R645-301-600, Geology, R645-301-700, Hydrology (specifically groundwater seeps, springs, and undisturbed flows), R645-301-800, Bonding and Insurance. Even though there may not be any additional disturbance as a result of this revision, all of these topics must be adequately addressed since underground mining may have an effect on the environmental resources of the area.

The Division is therefore returning the application.

To simplify the process, you may want to consider resubmitting as two separate applications.

The first application would:

- 1) Entirely remove any reference to the 1,760 acre Kenilworth lease addition.
- 2) Retain the permit acreage associated with the gob gas vent holes associated with Panel 10 (i.e., the vent holes yet to be connected to the mine bleeder system), as well as the 894.55 acres not released with the partial relinquishment of the five Federal coal leases.
- 3) Revise Chapter One of the currently approved Centennial MRP (Chapter 1, page 1-7, section 112.200, Applicant and Operator) making Mr. R. Jay Marshall, P. E., Resident Agent and Contact Person for the Centennial Project.

The second and separate application would contain all of the required information for the R645 Coal Mining Rules, Chapters 1-8, for the 1,760 acre Federal lease addition UTU-81893, (the Kenilworth lease). This would include a proposed public notice.

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Thank you for submitting these two permit acreage revisions for the Centennial Project as separate projects.

Should you have any questions, please contact me at (801) 538-5325, or Pete Hess at (435) 613-3731.

Sincerely,



Daron R. Haddock  
Coal Program Manager

DRH/PHH/sqs  
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