



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: | COMPLETE |
| Inspection Date: | Wednesday, August 05, 2015 |
| Start Date/Time: | 8/5/2015 9:00:00 AM |
| End Date/Time: | 8/6/2015 11:00:00 AM |
| Last Inspection: | Monday, July 13, 2015 |

| Representatives Present During the Inspection: | |
|--|---------------|
| Company | Karin Madsen |
| OGM | Steve Demczak |

Inspector: Steve Demczak
 Weather: Sunny, 70's
 InspectionID Report Number: 5275
 Accepted by: JHELFRIC
 8/26/2015

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: **INACTIVE**

Current Acreages

| | |
|----------|------------------------|
| 2,274.77 | 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 site is not active except for the shop area. Equipment is overhauled or repaired at the Andalex shop.

Inspector's Signature:

Steve Demczak,
 Inspector ID Number: 39

Date Monday, August 11, 2015



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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 type="checkbox"/> | <input checked="" type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

1. Permits, Change, Transfer, Renewal, Sale

There is no permitting action with the Division at this time.
DOGM Permit - The permit will expire on January 4, 2017
UPDES Permit- The permit is UT0025674. Policy expires on Aug 31, 2018
Air Quality Permit - The permit number is DAQE-992-96
SPCC Plan – The certified and review on August 14, 2014

2. Signs and Markers

The identification sign contained the necessary information as required in the R645 Coal Rules.

3. Topsoil

The topsoil soil piles had good vegetative cover. There were no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

All diversions and culverts were open. The diversions were not flowing water during the inspection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds did contain water but were not discharging during the inspection. The permittee conducted a first quarter inspection on June 8, 2015. No hazardous conditions were reported. The ponds appeared to be stable.

4.d Hydrologic Balance: Water Monitoring

The water monitoring data is submitted to the Division in Salt Lake City. It is then reviewed by the assigned hydrologist (Keenan Storrar).

4.e Hydrologic Balance: Effluent Limitations

There were no discharges from the mine for the second quarter of 2015.

7. Coal Mine Waste, Refuse Piles, Impoundments

There are no refuse piles at this facility.

8. Noncoal Waste

The mine site was clear of non-coal waste materials such as trash. There is a large amount of old equipment on the property. Some of this equipment has value and some may not have value.

10. Slides and Other Damage

No slides or other damage were noticed during the inspection.

14. Subsidence Control

This information is in the annual report.

16.b Roads: Drainage Controls

Road drainage was functioning as designed. Culverts and diversions were open.

18. Support Facilities, Utility Installations

The shop is the only facility that is working/operating.

19. AVS Check

AVS checks are made in Salt Lake City.

21. Bonding and Insurance

The insurance is provided by Reschine Agency Inc. The policy number is 3711 54 55, and expires on June 1, 2016. The bond is for the amount of \$1,520,000.