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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

June 9, 2015

Karin Odendahl, Engineering Tech  
Andalex Resources Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: 2014 Annual Report Review Completion, Centennial Mine, C/007/0019, Task ID #4800

Dear Ms. Odendahl:

The Division staff has completed the review of the 2014 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 9, 2015.

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  
O:\007019.CEN\WG4800 ANNUAL REPORT\ReviewCompletionLetter.doc



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# 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 the date specified in the cover letter. 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	1/4/2017
Operator Name	Utah American Energy	Phone Number	+1 (143) 558-8840
Mailing Address	P.O. Box 910	Email	dhibbs@coalsource.com
City	East Carbon		
State	Utah	Zip Code	84520

## DOG M File Location or Annual Report Location

Excess Spoil Piles

- Required  
 Not Required

Refuse Piles

- Required  
 Not Required

Impoundments

- Required  
 Not Required

Annual pond certifications included.

Other:

## OPERATOR COMMENTS

Tower mine was inactive during 2014.

## 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 occurred on the permit area during 2014.

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 information is included.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The Permittee included a subsidence summary table within the annual report. The subsidence table includes information from 2007 to 2014. The subsidence since 2013 ranged from 0.03 ft to an upheaval of 0.04 ft. The overall range of subsidence since 2007 ranged from 0.1 ft to an upheaval of 0.19 ft with an average of 0.01 ft. The variance in the range of subsidence observed can be attributed to the margin of error for the equipment and method used to conduct the subsidence survey. The Permittee has addressed the requirements of this commitment. (CP)

### **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. "Provide a spreadsheet showing the progress of reclamation at each drill pad, indicating the date of interim or final grading; the date of seeding and mulching; stating whether the well is still producing; stating whether there is Blue Tip equipment (solar arrays, valves) still on site.

**Please comment on the status of plugging wells and removal of Blue Tip Energy equipment from these sites.**

**The landowner requested that final reclamation include construction of water bars on the road down to GVH 13. Please comment on the status of water bar construction.**

**App. X Section 341.200 states that wood fiber mulch is to be applied on top of the seed with hydroseeding equipment at the rate of 2,000 lbs/ac and anchored with a tackifier. Where work differed from this plan, please comment on the type and rate of mulch applied to each site.**

**Roads constructed to GVH 4, GVH 5A, GVH 6, GVH 8, GVH 8A, GVH 11, GVH 12, GVH 16, and GVH 17 will be reclaimed as shown on Figure 1-1. Please comment on the status of road reclamation.**

**Frequency:** Annually

**Status:** Ongoing

**Reports:** Annual report item

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

### Operator Comments

GVH update included. Wells 12, 13 and 14 were plugged, fenced and seeded in the summer of 2014. 15, 16 and 17 were never drilled, therefore they were fenced and seeded. Water bar construction and all road reclamation will be completed upon final reclamation of the GVH pads. No road reclamation was done in 2014.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

On 3/25/15 DOGM received the Revegetation Monitoring report for Sites GVH 01 and GVH 05 which documents the bond clock starting in 2009 for these sites. (LR 4/8/15)

The Division reviewed the status update sheet included in the Annual report. GVH #3, GVH #7, GVH #8A, GVH#9, GVH #11 are still currently in production. Representatives from Utah American Energy met with the Division on May 21, 2014 about wells 12, 13, and 14. Utah American Energy was giving three weeks after the meeting to develop an acceptable plan of closure. Utah American Energy responded via email on June 11, 2014 with the intent to plug the three wells, no later than the end of third quarter 2014, with completion of plugging by the second quarter of 2015. The plan to plug the wells was reviewed and approved by the BLM (mineral estate is Federal coal) in accordance with 43 CFR 3484.1(a)3. Wells 12, 13, and 14 were plugged in July 2014 with the collar and all valves removed. Wells 15, 16, and 17 the drill pad was prepared but the hole was never drilled. The sites were fenced and reseeded in September of 2014. The well pip was cut off 18 inches below ground level. the GVH was fenced and re-seeded to augment existing vegetation in September of 2014. (CP)

# 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.

**Title: SAGE GROUSE NEST SITE EVALUATION**

**Objective:** 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.

**Frequency:** Based on the need to drill additional de-gas wells.

**Status:** Required in future if new de-gas wells are proposed.

**Reports:** Send with application

**Citation:** Appendix X, Chapter 3, page 3-5, paragraph 1

**Title: RECLAMATION SUCCESS**

**Objective:** Determine reclamation success.

**Frequency:** Reclaimed areas will be monitored monthly for the first two growing seasons following reclamation.

**Status:** Check at reclamation.

**Reports:** When monitoring commences.

**Citation:** Volume 1, Chapter 3, page 3-17 paragraph 5.

**Title: RECLAMATION ENHANCEMENT MEASURES**

**Objective:** 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.

**Frequency:** Once

**Status:** Will be required prior to final reclamation

**Reports:** Report reclamation plans to Division for incorporation into MRP

**Citation:** Volume 1, Chapter 3, page 3-23, paragraph 1

**Title: SEALING OF WELLS**

**Objective:** Permanent closure of wells using measures required by the Division to prevent access and contamination of groundwater.

**Frequency:** When wells are no longer needed.

**Status:** Throughout mining

**Reports:** Report in Annual report the year when wells are completed.

**Citation:** Gob Gas Vent Wells: Appendix X R645-301.542.700 All other exploration and water wells: MRP - 301.529.100 301.755

**OPERATOR COMMENTS (Optional)****REVIEWER COMMENTS:**

## 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

The Permittee has submitted Impoundment Inspection and Certified Report for the sediment ponds within the permit area as per R645-301-713. (KS, 5/1/2015)

# MAPS

Copies of mine maps, current and up-to-date, 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
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"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments     Met Requirements                       Did Not Meet Requirements

The annual report submittal included the last 2006 Mine Production area map, which shows that the mine did not produce coal from 2009 to 2014. The mine map meet the Division's requirements to show at least five years of projected mining annually. (CP)

The appropriate subsidence table were provided with the annual report (CP).