



ANDALEX
RESOURCES, INC.

P.O. Box 910, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

Utah Division of Oil, Gas & Mining
Utah Coal Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

May 10, 2016

Attn: Daron Haddock
Permit Supervisor

Re: Andalex Resources, Inc. C/007/019
T16-002 Temporary Cessation Amendment

Dear Mr. Haddock,

Attached you will find the amendment to request bonding changes and temporary cessation changes for Tower mine, to include adding gates to the doors of the shop building to provide security measures, eliminate trespassing, and provide public safety for anyone attempting to get in the buildings when not occupied. The bonding calculations are included within the submittal.

If you have any questions, or need any additional information regarding this submittal, please contact me directly at 435-888-4000.

Sincerely,

Karin Madsen
Engineering Tech
UtahAmerican Energy, Inc.

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change X	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/019
Title of Proposal: T16-002 Temporary Cessation Amendment						Centennial Coal Mine
						Permittee: UtahAmerican Energy, Inc.

Description, include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation

<input type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres decrease.
<input type="checkbox"/> Yes	<input type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

X Attach 1 complete digital copy of the application. In PDF Format

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Karin Madsen Karin Madsen - Engineering Tech. 5-5-16
Signed - Name - Position - Date

Subscribed and sworn to before me this 5th day of May, 19 2016

Linda Kerns
Notary Public
My Commission Expires: 03.27.17
Attest: STATE OF Utah COUNTY OF Carbon



Received by Oil, Gas & Mining
ASSIGNED TRACKING NUMBER

plates 11, 12, and 13). Drainage directly into the Pinnacle and Apex Portals is not part of the calculation for sediment pond sizing (Pond C).

R645-301-515.300. TEMPORARY CESSATION OF OPERATIONS

Whenever it is known that operations are to be temporarily ceased for more than 30 days, Andalex Resources will submit to the Division a notice of intention to cease or abandon the operations, in accordance with R645-301-515.320 and to MSHA standards.

This notice will describe mitigation measures to be employed in accordance with the terms and conditions of the permit approval, such as a statement of the number of surface areas involved in the cessation, extent of sub-surface strata, prior reclamation efforts accomplished on the property, and identification of all backfilling, regrading, revegetation, environmental monitoring, underground opening closures and water treatment activities that will continue during the temporary cessation.

Temporary closing of underground workings will be accomplished with chain link fence material as recommended by MSHA. This prevents access by unauthorized individuals during idle periods. It is not anticipated that once Andalex reaches its peak production that this will occur.

If underground openings are to remain inactive for a period greater than 90 days, such openings will be temporarily closed off from access. Such closures will consist of a chain link or other substantial wire mesh fabric fence placed over the portals to prevent public access while allowing for air flow. Locked gates may be installed in the portal to allow for mine inspection.

In the event of a temporary cessation, iron gates will be placed over the doors of the shop building if deemed necessary at any time by the company to protect the contents of the building from public access. These gates will be welded to the side of the building. The gates will be padlocked for company access.

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Tower Mine
C/007/019

Bond Amount

Direct Costs

Subtotal Demolition and Removal	\$402,715
Subtotal Backfilling and Grading	\$416,639
Subtotal Revegetation	\$146,756
Subtotal Direct Costs	<u>\$966,110</u>

Indirect Costs

Mob/Demob	\$96,611	10.00%
Contingency	\$48,306	5.00%
Engineering Redesign	\$24,153	2.50%
Main Office Expense	\$65,695	6.80%
Project Management Fee	\$24,153	2.50%
Subtotal Indirect Costs	<u>\$258,918</u>	26.80%

Total Cost \$1,225,028

Escalation Factor 0.012
Number of years 5
Escalation \$73,502

Total \$1,298,530

Reclamation Cost 2020 \$1,298,530

bond Amount (rounded to nearest \$1,000) \$1,299,000

Tower Mine
C/007/019

Cost Factors

Rev. November 2012

Means Number	Material	Unit Cost	Units
Concrete Demo1	Concrete Demolition	11.72	CY
31 23 16.42 1300	Front End Loader 3 CY	2.09	CY
City Sanitation Price	City Sanitation	2.10	CY
02 41 16.13 0020	Steel bld. Large	0.28	CF
02 41 13.60 1700	Chain Link, posts & fabric remove only	3.07	LF
23 05 05.10 3600	Mechanical equipment heavy	795.00	Ton
31 23 23.20 1025	12 CY (16 Ton) Dump Truck 1/2 mi. rod. Trip	10.80	CY
	On Site Disposal	9.07	CY
JennChem	Seal Portals	4320.00	EA
	Plug Wells	170.00	CY
02 41 16.13 0100	Mixture of Types, average	0.31	CF
AML 4	Seal Portals	25.75	SF
31 23 16.42 0260	Backhoe, hydraulic Bulk Bank Measure	1.44	CY
31 23 16.13 3080	Backfill Trench Minimal Haul 21/4 CY	1.79	CY
01 54 33 5300	Truck, Dump 16 Ton payload	104.00	HR
	Truck Driver	40.05	HR
	Dozer w/scarifer	4.67	CY
Centennial 001	Seed Mix Centennial Drainage	364.22	AC
32 92 19.14 0200	Hydro Spreader (equip. & labor)	41.39	MSF
32 92 13.16 0250	Hay 1" material only	61.27	MSF
32 92 19.14 0200	Hydro Spreader (equip. & labor)	41.39	MSF
Centennial 002	Seed Mix Centennial Slopes	482.41	AC
CLAB		37.60	HR
Centennial 003	Transplant for Centennial Mine	1150.00	\$/AC
01 54 33 20 4310	D8R Semi-U EROPS	100.65	
01 54 33 4310	Hourly Cost		
01 54 33 20 3600	627 G Scraper	231.70	
01 54 33 3550	Hourly Cost		
01 54 33 20 4870	CAT 325L (10-24) (2nd2005)	160.55	
01 54 33 4870	Hourly Cost		
01 54 33 20 4260	D7R Semi-U EROPS	77.25	
01 54 33 4262	Hourly Cost		
01 54 33 40 6950	6,000 Gal H2O Truck Diesel	88.15	
01 54 33 6950	Hourly Cost		
01 54 33 40 7200	Pick-up Truck 4x4 1 Ton	13.95	
01 54 33 7200	Hourly Cost		
	Formen Average Outside	39.60	
	Heavy Equip. Operator (Heavy)	50.60	
	Heavy Equip. Operator (Med)		
01 54 33 20 4360	D9R Semi-U EROPS	132.60	
01 54 33 4360	Hourly Cost		
	Tractor Spreader (equip. & labor) B-66	11.47	SY
01 54 33 4710	Front End Loader \$WD, 3.5 CY 145 HP	33.25	
	Plug Wells (Environmental Fee)	15.00	Load
	Labor	265.00	Hr
02 41 13.66 0600	Metal gate 4'-6' high 3'-4' wide	67.70	EA
02 41 13.62 0300	Metal gate 8'x15'	135.50	EA

Tower Mine
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Loadout Bin No. 01	2240
Concrete No. 02	626
Reclaim No. 03	4032
Conveyor No. 04	560
Hopper No. 05	1680
Conveyor No. 06	1820
Tunnel No. 07	2419
Fan No. 08	896
Substation No. 09	1909
Water Tank No. 10	263
Portals No. 11	896
Main Office No. 12	14722
Bath House No. 13	7,317
Substation No. 14	3392
Loadout Bin No. 15	3225
Conveyor No. 16	896
Reclaim No. 17	645
Hopper No. 18	1613
Conveyor No. 19	1036
Tunnel No. 20	2419
Water Tank No.21	395
Trailers No.23	3912
Portals No. 24	5920
Office No. 25	5157
Portals No. 26	945
ShopWarehouse No. 27	58783
Loadout No. 28	2463
Conveyor No. 29	0
Reclaim No. 30	4570
Hopper No. 31	2580
Conveyor No. 32	1400
Tunnel No. 33	3360
Portals No. 34	20595
Water Tank No. 35	263
Shed No. 36	1120
Magazines No. 37	27
Substation No. 38	1912
Office No. 39	3444
Portals No. 40	12152
Culverts 41	18097
Gob Vent Well 1,3,4,5,5A,6,7,8,9	100365
Gob Vent Well 8A,7A	33460
Gob Vent Well 10 thru 17	0
Vent Shaft Blowing Fan 45	66586
Aberdeen Substation	2061
Security gates 47	538
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