

C/007/019 Incoming
#5258



ANDALEX
RESOURCES, INC.

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

RECEIVED

SEP 22 2016

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

DIV. OF OIL, GAS & MINING

September 16, 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 final Clean Copies of text and bonding pages for the Temporary Cessation changes made to the Tower MRP.

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.

when sediment reaches 60% of designed sediment volume. Measuring devices will be installed in the ponds to show when the ponds have filled with sediment to the clean-out level (please see 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.

HISTORICAL NOTE: On June 11, 2008 the company requested permission from the BLM to modify the R2P2 to allow the mine to

Direct Costs

Surface Facilities / Demo	\$450,274.50
Earthwork Cost	\$309,329.00
Revegetation Cost	\$175,940.00
Subtotal Direct Costs in 2014 Dollars	\$935,543.50

Indirect Costs

Mob/Demob	\$93,554.00	10.0%
Contingency	\$46,777.00	5.0%
Engineering Redesign	\$23,389.00	2.5%
Main Office Expense	\$63,617.00	6.8%
Project Maignement Fee	\$23,389.00	2.5%
Subtotal Indirect Costs in 2014 Dollars	\$250,726.00	26.8%

Total Reclamation Cost for 2014	\$1,186,269.50
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Escalation to 2019		
Escalation Factor for 2014		1.90%
Number of Years to 2019 (next Midterm Review 2019)		5
Escalation Factor Adjustment (1.019 to the 5 power)		1.09868

Escalation Dollars	\$116,995.00
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Total Escalated Reclamation Cost in 2019 Dollars	\$1,303,264.50
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TERC to nearest \$ 1,000	\$1,303,000.00
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Bond Amount Required	\$1,303,000.00
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Posted Bond Amount 04/19/2007	\$ 1,520,000.00
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Difference Between Cost Estimate and Bond	\$217,000.00
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Percent Difference	14.28%
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