Suzanne Steab <suzannesteab@utah.gov>

Centennial, Temporary Cessation, Task ID #5258

Suzanne Steab <suzannesteab@utah.gov> Wed, Sep 28, 2016 at 9:54 AM
To: "Madsen, Karin" <kmadsen@coalsource.com>
Cc: Lisa Reinhart <lreinhart@utah.gov>, "Haddock, Daron" <daronhaddock@utah.gov>

Hello Karin,

The Division received the requested clean copy of the above-noted application.

The clean copy you sent is incorrect. The page number on the text is identified as page 5-25; however, the pages of the Centennial MRP are 5-122 and 5-123.

Please resubmit your corrected clean copies. Include a C2 showing the correct pages to be incorporated. Also, please submit 2 clean copies rather than 1 clean copy.

Thanks!

–
Suzanne Steab, Engineering Technician II
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

2 attachments

09222016.5258.pdf
255K

Pages from CHAPTER 5.pdf
248K

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
DIV. OF OIL, GAS & MINING

September 16, 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

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 idol 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

Centennial Project / C/007/019
2014 Midterm Permit Review
Task ID # 5258

Total Required Bond Amount

Revised September 12, 2016

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 Mainagement 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**	

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

Task ID	Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
		Security Gates 47																			
		Security Gates	Metal gate 4'-6'h x 3'-4'w (4) Labor included	02 41 13.66 0600	66.25	EA		3'-4'	4'-6'										4	EA	$265.00
		Security Gates	Metal gate 8'x15' (3) labor included	02 41 13.62 0300	88.5	EA		15'	8'										3	EA	$265.50
		Subtotal																			$530.50
		Equipment 's Disposal Cost																			
		Dismantling Cost																			
		Equipment 's Vol. Demolished																			
		Loading Costs																			
		Transport Costs																			
		Disposal Costs																			
		Subtotal																			
		Concrete Demolition																			
		Demolition Cost																			
		Concrete's Vol. Demolished																			
		Loading Cost																			
		Transportation Cost																			
		Disposal Costs																			
		Subtotal																			
		Concrete Demolition																			
		Demolition Cost																			
		Concrete's Vol. Demolished																			
		Loading Cost																			
		Transportation Cost																			
		Disposal Costs																			
		Subtotal																			
		Concrete Demolition																			
		Demolition Cost																			
		Concrete's Vol. Demolished																			
		Loading Cost																			
		Transportation Cost																			
		Disposal Costs																			
		Subtotal																			
		Total																			$ 531

unit's production. As mining progresses, additional units will be added with three production units and the longwall scheduled to be operating by mid-1994. A systematic mining plan will be followed to assure maximum recovery. All planning and scheduled production, however, will be contingent upon the coal market. Upon the conclusion of mining activities in the area, the scheduled reclamation phase will begin immediately.

Andalex will fill, regrade and stabilize rills and gullies over 9 inches in depth. Further, Andalex has agreed to interim stabilization of all slopes and embankments within the disturbed area and has done so. One slope located at the bottom of the office driveway, has been attempted through hydroseeding, fertilizing and mulching techniques on three separate occasions. Although no significant erosion problems have occurred, Andalex will notify the Division by the fastest available means of any slides or other damage and comply with any remedial measures required by the Division (generally, reporting will be accomplished by telephone).

Andalex will cover acid or toxic forming materials if any are encountered.

Andalex will advise the Division in the event of a temporary shutdown, such as a letter sent to the Division when Andalex's Apex Mine was temporarily closed.

R645-301-515.200. IMPOUNDMENT HAZARDS

Safety Precautions

The ponds were built as per specifications and under supervision of a qualified, registered professional engineer. The ponds are inspected quarterly for safety and compliance. Inspection reports are maintained on-site, and submitted to the Division on an annual basis. Ponds will be cleaned at minimum 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).

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cessation, extent of sub-surface strata, prior reclamation efforts accomplished on the property, and identification of all backfilling, regrading, rEVEGATATION, environmental monitoring, underground opening closures and water treatment activities that will continue during the temporary cessation.

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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.

HISTORICAL NOTE: On June 11, 2008 the company requested permission from the BLM to modify the R2P2 to allow the mine to be temporarily idled due to economic factors. The BLM approved the modification on June 20, 2008. The portals were then sealed to prevent public access. The idle status has continued for more than 30 days. The surface facilities are secured by a security guard at all times. At the time of the temporary idling, the permit area included 6516.91 acres, and the total disturbed area included 52.64 acres (minesite = 34.2 acres, Left Fork fan and access road = 1.45 acres, and seventeen GVH sites = 17 acres). The subsurface strata extends from zero at the outcrop to more than 3000' under the northernmost longwall panels, and the horizontal extent of the subsurface strata over the permit area is about 21,432' measured north-south and about 21,768' measured east-west. There has been no reclamation done at the site as a result of the temporary closure, although two GVH sites were reclaimed in the meantime. There are no water treatment activity going on at the mine.

The normal required environmental monitoring has continued since the mine has been idled, including hydrologic monitoring of springs, seeps and wells, UPDES monitoring, subsidence monitoring, and raptor surveys. The UPDES outfall points continue to be monitored but there has been no reported flow since the mine was shut down and the pumps were shut off. Nearly all water in the mine was created from the floor strata as mining occurred, and would normally dry up after the mine advanced several hundred feet. None of the flow was attributed to geological structures such as faults or dikes. Since all mining was advancing down-dip the water had to be continually pumped out to the surface since there were no sumps constructed below the workings to collect and store the water. Now that mining has stopped there is no reason to believe that the floor strata will continue to make water, especially at the liberation rate of 800 gpm typical of the operational period. Also, since all the water was being made in the extreme down-dip section of the mine, the water that does continue out of the floor