

ANDALEX
RESOURCES, INC.

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

C/007/0019
Received 11/6/17
Task #5557

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

November 6, 2017

Attn: Daron Haddock
Permit Supervisor

Re: Andalex Resources, Inc. C/007/019
T17-003 Amendment to Appendix X Liberty Pioneer Information

Dear Mr. Haddock,

Attached you will find changes made to MRP C/007/019, Tower Mine regarding changes made to Appendix X Chapter 1 to add Liberty Pioneer's information into the MRP. This information was requested via the 3rd Quarter Inspection Report #5934 to be inserted into our company's Ownership and Control information, however where this company acts as a contractor on our site, we have determined that it is not appropriate to list them in the Ownership and Control section of Chapter 1 of the MRP. Their information has been listed in Appendix X, which discusses the operating plan for the GVH Area above the mine.

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

Sincerely,

Karin Madsen
Engineering Tech
UtahAmerican Energy, Inc.

APPLICATION FOR PERMIT PROCESSING

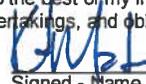
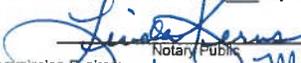
<input checked="" type="checkbox"/> Permit Change X	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/019
Title of Proposal: T17-003 Appendix X Addition of Liberty Pioneer Information						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?
<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

<p>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.</p> <p style="text-align: center;"> Karin Madsen - Engineering Tech. 11-6-17 Signed - Name - Position - Date</p> <p>Subscribed and sworn to before me this <u>6th</u> day of <u>November</u>, 20<u>17</u>.</p> <p style="text-align: center;"> Linda Kerns Notary Public</p> <p>My Commission Expires: <u>March 27</u>, 20<u>21</u>) Attest: STATE OF <u>Utah</u>) COUNTY OF <u>Carbon</u>)</p>	<p>Received by Oil, Gas & Mining</p> <hr/> <p>ASSIGNED TRACKING NUMBER</p>
 <p>LINDA KERNS NOTARY PUBLIC STATE OF UTAH COMMISSION # 698708 COMM EXP 03-27-2021</p>	

Resources Corp., ([Liberty Pioneer Energy Sources *see note*](#)), wherein Oso was granted the right to tap into certain GVH wells for the purpose of commercial use of the methane gas being liberated from the holes. Oso has acquired all of the necessary gas rights from the legal mineral owners associated with the properties involved. A copy of the Oso operating agreement is included as Attachment 1-1. The Oso agreement applies to all the GVH sites with the exception of GVH#1 and GVH#5 which were omitted because of property boundary and gas ownership ambiguities. Since the signing of the operating agreement, Oso has installed a compressor station (adjacent to GVH #9), and has extended the collection lines to all GVH sites (other than GVH #1 and 5) Oso is currently taking gas delivery from the GVH system and is delivering it to the local commercial pipeline. Because the GVH holes continue to produce methane even after the longwall panel area worked out and/or sealed up, the term of the Oso agreement is not tied to the active status of the mine.

Because GVH#1 and GVH#5 were never included in the Oso agreement, and these holes were not considered necessary for future ventilation of the mine operation, it was subsequently determined that these sites should be reclaimed in accordance with the stipulations of this (approved plan. Therefore in the autumn of 2009, these holes were plugged as per BLM guidelines, and the surface pads were reclaimed. All other GVH installations are maintained as vital and integral component of the overall mine ventilation system and will remain in a stand-by status until such time as the mine resumes operation.

The existing and proposed hole locations are described in Table 1-1 and are shown on Plate 1-1.

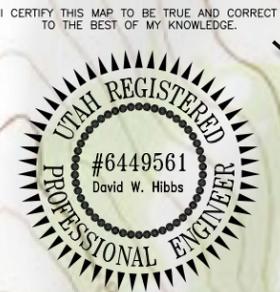
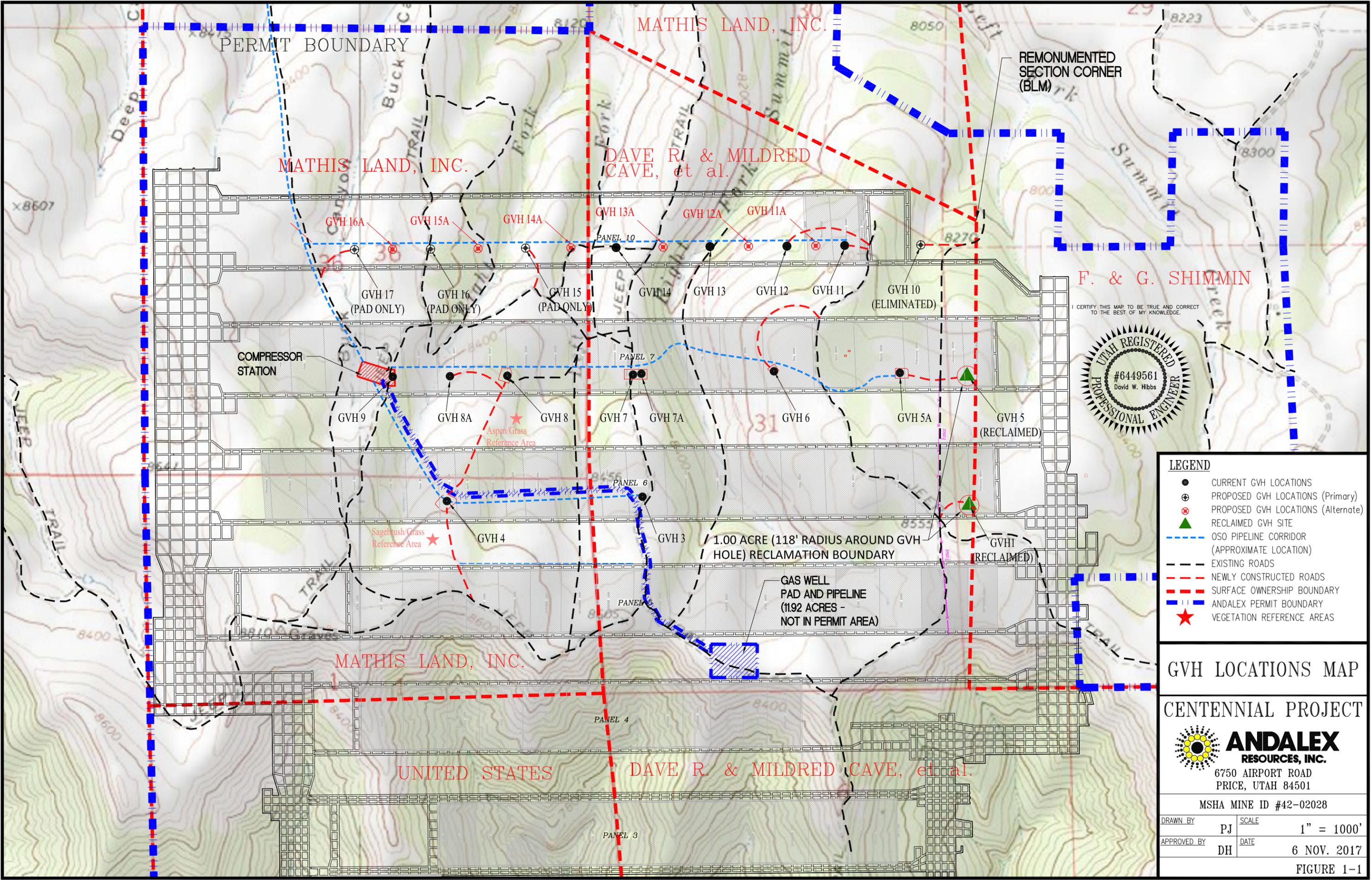
Because the overall status of the GVH sites changes frequently as a result of mine plan changes, the company commits to update the Division annually as to the current status of all GVH sites. This will be done as part of the annual report.

[*NOTE* On July 1, 2016 Liberty Pioneer Energy Source acquired the Oso Energy operating agreement in its entirety. For historical reference within this permit, the Oso name will be kept, but understood that Liberty Pioneer is now the contractor operating the GVH sites. Liberty Pioneer Ownership and Control information is as follows:](#)

[WEM Castlegate, LLC](#)
[1411 East 840 North](#)
[Orem, UT 84097](#)

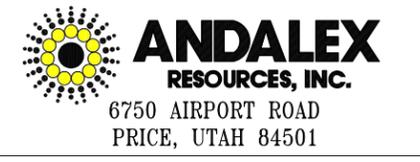
[Owners/Managers](#)

[Kimball Hodges 801-224-4771 x 2](#)
[Daniel Gunnell 801-224-4771 x 3](#)
[Cory Jensen 801-224-4771 x 4](#)



- LEGEND**
- CURRENT GVH LOCATIONS
 - ⊕ PROPOSED GVH LOCATIONS (Primary)
 - ⊗ PROPOSED GVH LOCATIONS (Alternate)
 - ▲ RECLAIMED GVH SITE
 - OSO PIPELINE CORRIDOR (APPROXIMATE LOCATION)
 - - - EXISTING ROADS
 - - - NEWLY CONSTRUCTED ROADS
 - - - SURFACE OWNERSHIP BOUNDARY
 - ANDALEX PERMIT BOUNDARY
 - ★ VEGETATION REFERENCE AREAS

GVH LOCATIONS MAP
CENTENNIAL PROJECT



MSHA MINE ID #42-02028	
DRAWN BY	SCALE
PJ	1" = 1000'
APPROVED BY	DATE
DH	6 NOV. 2017

FIGURE 1-1

G:\Current Drawings\Buildings & Construction\Tower Mine\GVH Drawings\Figure 1-9-22-09 Rev1.dwg, 11x17, 11/16/2017 2:21:36 PM