

C0070019 Incoming

#5557



ANDALEX
RESOURCES, INC.

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

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DIV. OF OIL, GAS & MINING

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

December 14, 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 Clean Copies for changes made to MRP C/007/019, Tower Mine regarding changes made to Appendix X Chapter 1.

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.

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:

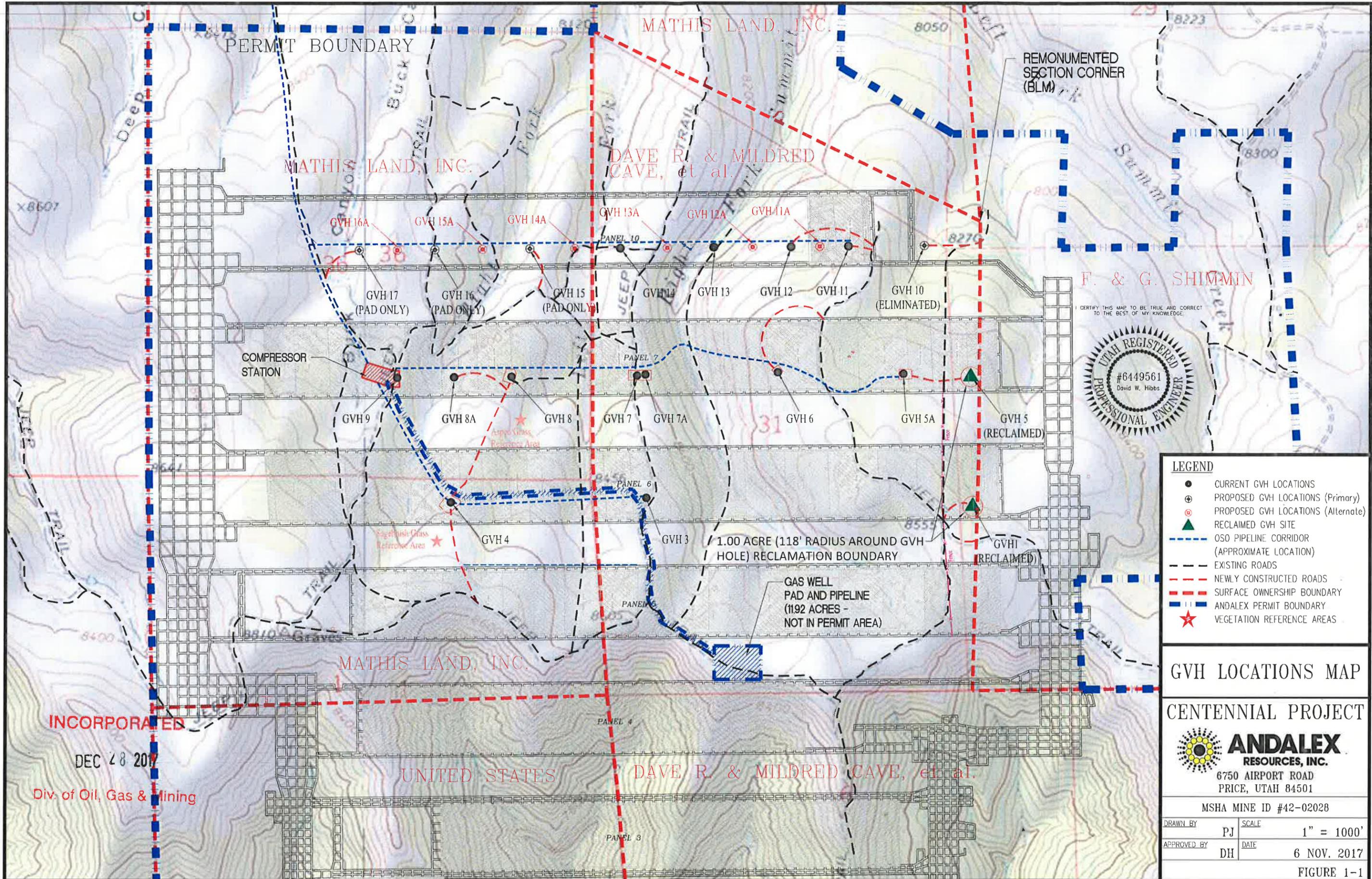
WEM Castlegate, LLC
1411 East 840 North
Orem, UT 84097

Owners/Managers
Kimball Hodges 801-224-4771 x 2
Daniel Gunnell 801-224-4771 x 3
Cory Jensen 801-224-4771 x 4

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LEGEND

- CURRENT GVH LOCATIONS
- ⊕ PROPOSED GVH LOCATIONS (Primary)
- ⊕ PROPOSED GVH LOCATIONS (Alternate)
- ▲ RECLAIMED GVH SITE (APPROXIMATE LOCATION)
- 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	PJ	SCALE	1" = 1000'
APPROVED BY	DH	DATE	6 NOV. 2017

G:\Current Drawings\Buildings & Construction\Tower Mine\GVH Drawings\Figure 1-9-22-09 Rev1.dwg, 11/17, 11/6/2017 2:21:36 PM

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