



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070019
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, August 22, 2017
Start Date/Time:	8/22/2017 9:00:00 AM
End Date/Time:	8/23/2017 4:00:00 PM
Last Inspection:	Tuesday, May 23, 2017

Representatives Present During the Inspection:	
OGM	Priscilla Burton
Company	Karin Madsen

Inspector: Priscilla Burton,

Weather: sun 75 F

InspectionID Report Number: 5934

Accepted by:DHADDOCK
9/8/2017

Permittee: **ANDALEX RESOURCES INC**
 Operator: **ANDALEX RESOURCES INC**
 Site: **CENTENNIAL MINE**
 Address: **PO BOX 910, EAST CARBON UT 84520-0910**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **INACTIVE**

Current Acreages

2,274.77	Total Permitted
47.19	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Inspected Left Fork, the Aberdeen, Pinnacle and Apex mine facilities and the GVH holes. Refer to Plate 6 for mine yard facilities, Plate 6A for Left Fork facilities, Figure IV-II for water monitoring locations, and App. X Figure 1-1 for degas well locations. Photographs, an excel spreadsheet and App. X Figure 1-1 are attached to this inspection report.

Inspector's Signature:

Priscilla Burton,
Inspector ID Number: 37

Date Wednesday, August 23, 2017



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Coal Leases bonds were filed with the BLM for UTU-010581 and UTU-69600 (Incoming 07032017).

Ownership of the GVH wells was transferred to Liberty Pioneer sometime in 2016. An MRP amendment providing the description of ownership and control by Liberty Pioneer was requested in the September 20, 2016 Inspection Report #5645. Such an amendment has not been received by the Division. The MRP must be updated with ownership and control information for Liberty Pioneer Energy Solutions, because Liberty Pioneer makes operational decisions concerning the GVH facilities under the Utah coal permit. Liberty Pioneer ownership and control must be provided to the Division by October 30, 2017

3. Topsoil

Topsoil piles photographed. Remaining topsoil pile at GVH #6 is covered with thistle.

4.a Hydrologic Balance: Diversions

Culverts were clear except for an accumulation of sediment in the culvert at the Aberdeen Mine loadout entrance and at the Administrative Office entrance. Flow to culvert at the SE end of the Aberdeen storage yard was being undercut and requires re-setting the culvert. At the North end of the Aberdeen material storage yard, the berm has been undercut and requires repair. A similar hole was noted in the berm at the NE end of the Pinnacle mine storage yard. These maintenance issues must be completed before November 30, 2017.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond E, C, and Catch Basins B were photographed.

4.d Hydrologic Balance: Water Monitoring

Ephemeral stream sampling location Site 18-3 is just below the Left Fork facilities. Site 18-3 was photographed; the stream was dry. Well #1 is in the mine yard near the fuel storage. Fourth quarter 2016 water monitoring was reviewed by the Division hydrologist. (Internal 7/29/2017).

4.e Hydrologic Balance: Effluent Limitations

UPDES permit #UTUG040000 has four outfall locations shown on Figure IV-11: sediment pond E = 003, Pinnacle mine discharge = 002, Sediment pond C = 001, Aberdeen mine discharge into Left Fork = 004. Sediment ponds and catch basins were photographed.

7. Coal Mine Waste, Refuse Piles, Impoundments

Two mine waste storage locations are in the Apex Mine yard and in the Pinnacle Mine yard.

9. Protection of Fish, Wildlife and Related Environmental Issues

Grazing of reclaimed GVH sites has been detrimental to the reclamation of the sites. Musk thistle is spreading from the GVH sites to adjacent undisturbed lands and to access roads.

11. Contemporaneous Reclamation

Attachment 1-1 of Appendix X of the MRP provides the operating agreement between OSO Energy and UEI. Oso is no longer the operator of the natural gas wells. The gas wells have changed hands twice since the agreement was signed. The current operator of the GVH sites on the plateau above the mine is Liberty Pioneer Energy Solutions. Sites under Liberty Pioneer's control are the interim reclaimed sites: 3, 4, 5A, 6, 11, 7, 7A, 8A, and 9. All sites under Liberty Pioneer Energy's control have valves and pipes on the surface. Some also have solar panels. All sites were inactive. The compressor station appeared abandoned by Liberty Pioneer. A hissing leak in the valve at site 5A could be heard. It was first documented in Sept. 2016 by the DOGM inspector (Insp Rpt. # 5645).

The reclamation status of the GVH sites is described in the 2016 Annual Report. Please refer to the attached spreadsheet for a summary of GVH site conditions. We visited and photographed each GVH site. Many reclaimed sites are being heavily grazed and are being invaded by musk thistle. Some sites, such as Sites 5A, 6, & 11 and the access road to sites 14 and 8 have been overrun by thistle. Fences were cut or down at sites 1, 5, 13, and 17. Sites 5A, 6, 11, and 3 are not fenced. Salt licks and grazing cows were observed at many of these sites. Fence repair (grazing control) and weed control at the GVH sites were required by the Division by Wednesday, October 26, 2016. During this 2017 inspection, musk thistle was observed to be out of control at many sites.

13. Revegetation

See contemporaneous reclamation above.

15. Cessation of Operations

The mine went into Temporary Cessation in April 2008 (2008 Incoming document 0008). The required inspection frequency is one complete inspection/quarter. Partial inspections will be conducted as needed.

16.a Roads: Construction, Maintenance, Surfacing

Degas well access road sediment logs are filled to capacity. Road wash has cut a large gully at the entrance to the bypass culvert at the North end of the facilities yard. Spur roads to GVH sites do not have sediment control. The roadside ditch on the access road to GVH 13 was incised due to erosion. The access road to GVH 12 was eroded.

16.b Roads: Drainage Controls

Left Fork road wash drains through vegetative filter that has established around the sediment control logs (which were filled to capacity) to the ephemeral Left Fork of Deadman Creek.

GVH access road drainage enters the undisturbed by-pass culvert.

18. Support Facilities, Utility Installations

The Left Fork fan installation is inactive. The fan portal is sealed and power is disabled. Water is puddled in front of the stoppings. The site berm is stable.

20. Air Quality Permit

DAQE-99-76 last revised in 2003 (MRP App J).

21. Bonding and Insurance

Surety bonds and Letter of Credit in total amount of \$1,520,000.
Insurance policy expires 6/1/2018.

ATTACHMENT A – Photos

Left Fork Facilities



PHOTO 1 Left Fork fan



PHOTO 2 Left Fork fan sealed



PHOTO 3 two sealed portals



PHOTO 4 Left Fork substation

ATTACHMENT A – continued

Sediment pond Photos



PHOTO 5 Sediment pond E



PHOTO 6 Sediment pond C



PHOTO 7
Catch basin B cell 4



PHOTO 8
Catch basin B cell 1

ATTACHMENT A – Photos continued

Mine facilities



PHOTO 9
Aberdeen Mine from Admin. Bldg



PHOTO 10
Apex fan portals, PR 9 and loadout



PHOTO 11
Material storage N of PR 2 road



PHOTO 12
Substitute topsoil slope below Apex loadout

ATTACHMENT A – Photos continued

Topsoil piles (except topsoil pile F)



PHOTO 13
Topsoil pile G at N end of Sediment pond C



PHOTO 14
Topsoil pile J



PHOTO 15
Topsoil pile A



PHOTO 16
Monitoring site 18-3 Left Fork

ATTACHMENT A – Photos continued

Maintenance issues



PHOTO 17

Flow circumventing culvert in SE corner Aberdeen coal storage yard



PHOTO 18

Erosion beneath cement berm to PR1 ditch below Aberdeen material storage yard



PHOTO 19

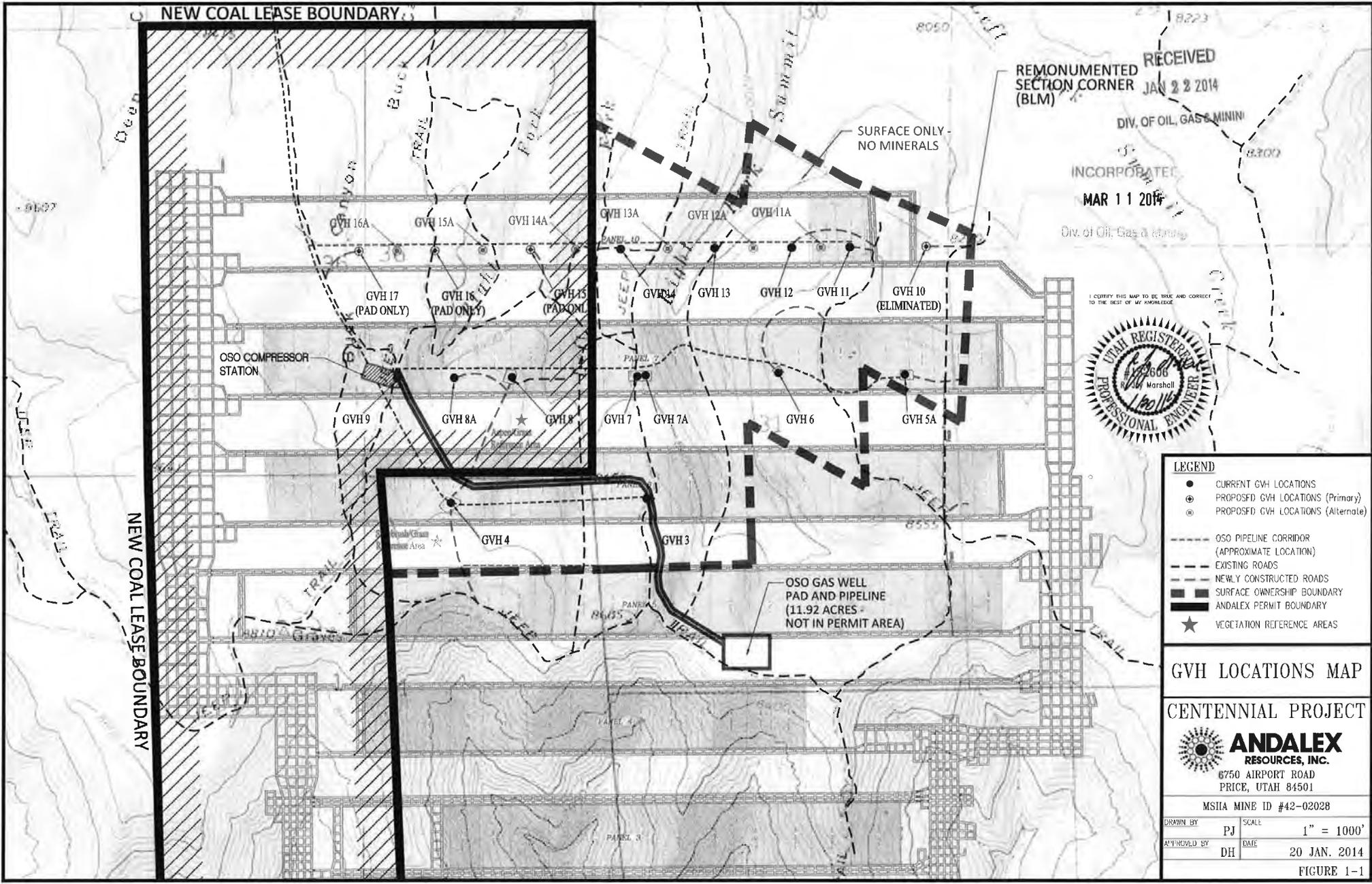
Blocked culvert on PR 1 at PR6 intersection



PHOTO 20

Erosion in berm Pinnacle Mine storage yard above PR 4.

G:\Current Drawings\Map Maps\Tower Mine\Current 1-20-14\Figure 1 - GVH Location Map 1-20-14.dwg, 11x17, 1/20/2014 9:06:47 AM



REMONUMENTED RECEIVED
SECTION CORNER JAN 23 2014
(BLM)
DIV. OF OIL, GAS & MINING
INCORPORATED
MAR 11 2014
Div. of Oil, Gas & Mining



I CERTIFY THIS MAP TO BE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

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

GVH LOCATIONS MAP
CENTENNIAL PROJECT

ANDALEX RESOURCES, INC.
6750 AIRPORT ROAD
PRICE, UTAH 84501

MSIA MINE ID #42-02028

DRAWN BY	PJ	SCALE	1" = 1000'
APPROVED BY	DH	DATE	20 JAN. 2014

FIGURE 1-1

ATTACHMENT A – Photos

GVH Sites



PHOTO 1 GVH 1 (fenced 5 years, now down)



PHOTO 2 GVH 3 (no fence, active status?)



PHOTO 3 GVH4(not fenced, active status?)



PHOTO 4 GVH 5 (fenced 5 yrs , now down)





PHOTO 5 GVH 5A (not fenced, active status?)



PHOTO 6 GVH 6 (not fenced, active status?)



PHOTO 7
GVH 7 (not fenced, active status?)



PHOTO 8
GVH 7A (not fenced, active status)

ATTACHMENT A – Photos continued

GVH sites



PHOTO 9
GVH 8 (not fenced, active status?)



PHOTO 10
Road between GVH 8 & GVH 8A



PHOTO 11
GVH 8A (not fenced, active status?)



PHOTO 12
GVH 9 (not fenced, active status?)

ATTACHMENT A – Photos continued

GVH Sites



PHOTO 13

Compressor station adjacent to GVH 9, active status?



PHOTO 14

GVH 11 (not fenced, active status?)



PHOTO 15

GVH 12 (fenced)



PHOTO 16

GVH 13 (fenced, gate open)

ATTACHMENT A – Photos continued

GVH Sites



PHOTO 17
GVH 14 (fenced, gate open)



PHOTO 18
GVH 15 (fenced, gate open)



PHOTO 19
GVH 16 (fenced, gate open)



PHOTO 20
GVH 17 (fenced, far NW corner down)



ATTACHMENT A –

Summary Issues



PHOTO 13

Example of pipes and valves remaining on sites with questionable status



PHOTO 14

Example of solar panel remaining on sites with questionable status



PHOTO 15

Example collection culvert remaining on all sites



PHOTO 16

Inside collection culvert

ATTACHMENT A Photos

Summary Issues

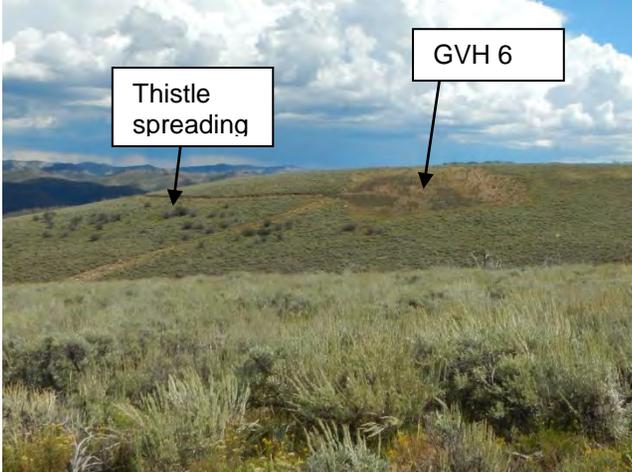


PHOTO 13

Thistle on GVH sites is spreading across the plateau.



PHOTO 14

Must thistle control



PHOTO 15

No sediment control on access roads to GVH sites



PHOTO 16

Uncontrolled grazing at unfenced and fenced sites.

8/23/2017 GVH SITE Status	Full (F) or partial (P) reclamation & year	FENCED, gate or fence needs repair	Needs Fence	WEED CONTROL required	SOLAR PANEL	VALVES	COLLECTION CULVERT
1	F, 2009	X					
2 never disturbed							
3	P, 2014		x	x	x	x	x
4	P, 2014		x	x	x	x	x
5	F, 2009	X					
5A	P, 2014		x			x	
6	P, 2014		x	x	x	x	x
7	P, 2014		x	x	x	x	x
7A	P, 2014		x	x		x	
8	P, 2014		x	x	x	x	x
8A	P, 2014	x	x	x	x	x	x
9	P, 2014		x	x	x	x	x
0, never disturbed							
11	P, 2014		x	x	x	x	x
12	F, 2014						
13	P, 2014	x					x
14	F, 2014	X					
15	P, 2014	x					x
16	P, 2014						x
17	P, 2014						x