



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:	Thursday, March 8, 2018
Start Date/Time:	3/8/2018 9:00:00 AM
End Date/Time:	3/8/2018 10:30:00 AM
Last Inspection:	Thursday, January 25, 2018

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

Inspector: Priscilla Burton,
 Weather: sun 40 F
 InspectionID Report Number: 6094
 Accepted by:DHADDOCK
 3/12/2018

Permitee: **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:

We reviewed the paperwork and observed conditions at the idle site. The site was dry. The lowest sediment pond E contained a small amount of frozen water.

Plate 8 for diversions, primary roads and topsoil stockpiles.

Inspector's Signature: Priscilla Burton Priscilla Burton
 2018.03.13 10:43:10 -06'00'
 Priscilla Burton,
 Inspector ID Number: 37

Date Thursday, March 8, 2018



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 type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operationsffff	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Utah 5-year mining permit reissued 1/4/2017. There is one special condition: to report water monitoring data using the electronic database.

Task 5557 was approved 12/28/2017. It provided Liberty Pioneer contact information in Appendix X and a revised figure 1-1 of the degas well locations.

Task 5601 was approved 2/13/2018. It changed the resident agent to Karin Madsen, provided revised lease area and disturbed area maps and made revisions to Appendix 1 (Part 1 Ownership & Control).

NOV 21197 was abated 11/27/2017 and terminated 12/4/2017.

2. Signs and Markers

Contact information is on a sign just before the mine entrance.

3. Topsoil

Five topsoil pile locations and 1 vegetated slope (topsoil substitute shown on Plate #6) were observed.

4.a Hydrologic Balance: Diversions

All diversions within the undisturbed and disturbed area were dry. Disturbed diversion DD3 on the East side of PR-1 is covered by snow and ice.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond quarterly inspections were last completed 12-27-2017 at which time no instability was noted. First quarter 2018 inspections have not been completed yet. Repair of the erosion on the inside of B-Cell #3 and B-Cell #4 is scheduled for this spring.

4.d Hydrologic Balance: Water Monitoring

Water monitoring conducted in the 4th quarter of 2017 has been uploaded to the database. Only Well #1 was accessible at that time. First quarter 2018 monitoring has not yet been conducted.

4.e Hydrologic Balance: Effluent Limitations

UPDES permit UTG040008 expires August, 31, 2018. The General permit authorizes four discharge points to Deadman Canyon ephemeral stream: 001 = Sed Pond B; 002 = Pinnacle Mine water discharge; 003 = Sed Pond E; 004 = Left Fork mine water discharge. All four points have had no discharge since 2008 when the underground pumps to UPDES point 002 (Pinnacle Mine water discharge) was shut down.

The above information corrects inaccuracies in the August 22, 2017 and May 23, 2017 reports of the UPDES 001 discharge location.

5. Explosives

No explosives are stored in the magazines at the upper end of the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

Temporary placement of sediment pond clean out material is on the Aberdeen mine coal storage yard and as backfill against the two Apex portal stoppings. This material will be sampled prior to final placement against the highwall (Section 513-400, p. 5-117).

9. Protection of Fish, Wildlife and Related Environmental Issues

A flock of an unidentified small, black song bird was flitting about (possibly junkos).

14. Subsidence Control

The 2016 Annual report includes subsidence monitoring conducted in 2016.

16.a Roads: Construction, Maintenance, Surfacing

Carbon County road #199 runs through the property and is a paved primary road (PR-1, MRP p. 5-112). Other than paved truck loop (PR 4 and administrative office access (PR 6), roads are gravel surfaced.

16.b Roads: Drainage Controls

Ditches were dry.

17. Other Transportation Facilities

The 2012 SPCC plan was briefly reviewed. The plan was certified by Professional Engineers working for Compliance Management International (North Wales, PA). The plan describes 2, 1,000 gal diesel tanks inside a covered dike and 1, 300 gal. gas tank inside a steel containment. Within the maintenance building, the plan describes 1, 350 gal waste oil container and 1, 350 gal antifreeze container. Should a spill of fuel take place, a containment boom will be deployed before the sediment pond outfall.

18. Support Facilities, Utility Installations

The maintenance shop is in use. One employee works at the shop.

20. Air Quality Permit

Air Quality permit DAQE-997-96 was issued in 2003. Communication from DAQ to Mike Glasson in 2008 indicates that DAW is aware of the mine's idle status.

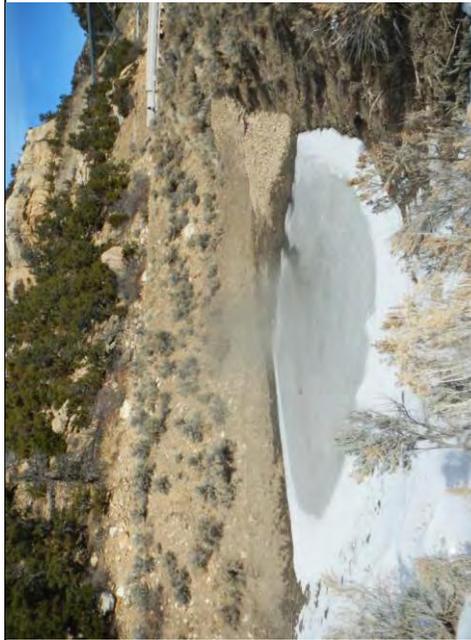
21. Bonding and Insurance

Surety bonds and Letter of Credit in the total amount of \$1,520,000. Liability insurance policy expires June 1, 2018. Division of Oil Gas & Mining is the Certificate Holder.

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22. Other

The site is used primarily for storage of mining equipment. An inventory is maintained at the West Ridge office.

Photo Attachment	Centennial Inspection March 8, 2018
 <p>PHOTO 1 Material storage below Apex Mine</p>	 <p>PHOTO 2 Material storage below Pinnacle Mine</p>
 <p>PHOTO 3 Pinnacle Mine office and storage</p>	 <p>PHOTO 4 Sediment Pond E and UPDES discharge point 003</p>