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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 14th, 2018

Roger Bankert, Minerals Support Supervisor
Bureau of Land Management
440 West 200 South, Suite 500
Salt Lake City, Utah 84101-1345

Subject: Centennial Mine- Gob Vent Hole Right of Entry, Andalex Resources, Inc., C/007/0019

Dear Mr. Bankert:

As you and your staff are aware, Andalex Resources, Inc. (the Permittee) installed numerous gob gas vent hole sites (GVH) atop the Centennial Mine during active mining operations. The GVH sites were constructed in order to remove accumulations of methane gas from the underground mine workings during active longwall operations. Although the Permittee has successfully completed the final reclamation for a handful of these GVH sites, many have yet to be fully reclaimed.

Per the State of Utah R645 rules, the Division of Oil, Gas and Mining (the Division) has been working with and encouraging the Permittee to complete the final reclamation of the GVH sites where underground mining activity has been completed. Currently, there are eight GVH sites (GVH Sites- #3, #4, #5A, #6, #7, #7A, #11 and #13) which have not been fully reclaimed. These GVH sites are located above areas of Federal Coal Leases U-79975 and U-066060 that have been relinquished by the Permittee. The Permittee asserts that the final reclamation of these GVH sites would be premature as they may be needed in order to facilitate future coal mining activity. Currently, the Permittee's primary recoverable coal reserves are located west and south of the relinquished areas in the Mathis Fee Area as well as in Federal Coal Leases U-066060 and U-69600.

It is the Division's contention that Andalex Resources, Inc. gave up its right to access the coal and gob areas of the mine through the relinquishment of the leases and must therefore reclaim the GVH sites and wells. The Permittee maintains right of entry agreements with the private surface owners where the aforementioned GVH sites are located for purposes of maintenance and completion of final reclamation. It is more recently that the Permittee has made the assertion against fully reclaiming the GVH sites in order to facilitate future coal mining.



Page 2

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The Division is seeking clarification from the Bureau of Land Management (BLM) on whether the Permittee must maintain an active Federal Coal Lease in order to facilitate the use of the GVH sites that have not been fully reclaimed and are located in areas of Federal Coal Lease relinquishment (i.e. areas located in relinquished areas of U-79975 and U-066060). Put another way, does the Permittee have a right to access the coal resource via the GVH sites in areas of Federal Coal Lease relinquishment? Your assistance in providing clarification on this question would be greatly appreciated.

If you have any questions, please call me at (801) 538-5325.

Sincerely,



Daron R. Haddock
Coal Program Manager