



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 20, 2018

Karin Madsen, Resident Agent
Andalex Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Update Location Map, Andalex Resources, Inc., Centennial Mine, C/007/0019,
Task #5767

Dear Ms. Madsen:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application.

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

Sincerely,

Daron R. Haddock ^{FOR}
Coal Program Manager

DRH/sqs

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Technical Analysis and Findings
Utah Coal Regulatory Program

PID: C0070019
TaskID: 5767
Mine Name: CENTENNIAL MINE
Title: UPDATE LOCATION MAP

Operation Plan

Maps Facilities

Analysis:

The application does not meet the requirements of R645-301-526 and R645-301-412.140, because the Permittee must confirm that retention of the compressor station is necessary for the for the post mining land use and the compatibility of retaining the compressor station with landowner and gas lessee plans. The amendment must include correspondence with Liberty Pioneer to confirm their guardianship and reclamation of the compressor station and gathering lines, in accordance with Section 2.3 of Attach. 1-1, App. X.

The revision of Plate 1-6 in Appendix X removes the compressor station from the permit area. According to permit documents, this compressor station was installed adjacent to degas well #9 by Oso, Liberty Pioneer's predecessor (p. 1-2, App. X). The compressor station and gathering lines are held in Oso's (Liberty Pioneer's) name (App X, Attachment 1-1, Sec. 1.4.) The operation of the gathering system is not under the control of Andalex (App. X, Attachment 1-1, Sec. 6.1). All costs of operating the gathering system are Oso's (Liberty Pioneer's) obligation (App. X, Attachment 1-1, Sec. 6.2).

The amendment must provide an acreage figure for the total area being removed from the permit. Plate 6 must show the roads to degas wells 5A, 6, 11, 12, 4, 8, 8A and 17, all of which are shown on Figure 1-1 in App. X. (version dated March 2014) and all of which are to be reclaimed. Changes made to Plate 6 should also be shown on Figure 1-1 in Appendix X. The amendment must confirm that retention of the compressor station is necessary for the for the post mining land use and is compatible with landowner and gas lessee's plans. The amendment must include correspondence with Liberty Pioneer to confirm their guardianship and reclamation of the compressor station and gathering lines, in accordance with Section 2.3 of Attach. 1-1, App. X.

Deficiencies Details:

The application does not meet the R645-301-526 and R645-301-412.140 information requirements. The following deficiencies must be addressed prior to final approval:

R645-301-526, The amendment must provide an acreage figure for the total area being removed from the permit. Plate 6 must show the roads to degas wells 5A, 6, 11, 12, 4, 8, 8A and 17, all of which are shown on Figure 1-1 in App. X. (version dated March 2014) and all of which are to be reclaimed. Changes made to Plate 6 should also be shown on Figure 1-1 in Appendix X.

R645-301-412.140, The amendment must confirm that retention of the compressor station is necessary for the for the post mining land use and is compatible with landowner and gas lessee's plans. The amendment must include correspondence with Liberty Pioneer to confirm their guardianship and reclamation of the compressor station and gathering lines, in accordance with Section 2.3 of Attach. 1-1, App. X.