



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:	Wednesday, March 20, 2019
Start Date/Time:	3/20/2019 11:00:00 AM
End Date/Time:	3/20/2019 1:00:00 PM
Last Inspection:	Monday, December 17, 2018

Representatives Present During the Inspection:	
OGM	Justin Eatchel
Company	Karin Madsen

Inspector: Justin Eatchel,

Weather: Sunny, Clear 41F

InspectionID Report Number: 6378

Accepted by:

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:

Met with Karin Madsen on Wednesday, March 20 for this complete inspection. The site had received a fair amount of snow in recent weeks, and most of the culverts and drainage ditches were buried. Aside from the accumulated snow, the site appeared stable.

Inspector's Signature:

Justin Eatchel

Date

Monday, March 25, 2019

Justin Eatchel,

Inspector ID Number: 73

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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>
19. AVS check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 mining permit was issued on January 4, 2017, and will expire on the same day in 2022. The permit is due for midterm permit review on July 4 of this year.

4.a Hydrologic Balance: Diversions

Most diversions are still covered by snow and ice, although a few south-facing diversions are beginning to emerge. One such diversion is where primary road PR-2 passes in front of the shop/warehouse for the Pinnacle Mine. There is an orphaned culvert that emerges where culvert CD-8 crosses beneath the road and continues south on the west side of PR-2. The orphaned culvert is only slightly visible as it is mostly covered by mud at this time. Plate 8 within the MRP does not account for this culvert, and Permittee had plans for Scamp Construction to remove it in late January. Unfortunately, Scamp was unable to remove the culvert at that time due to unforeseen difficulty, and plans to return are pending.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The most recent pond inspection was conducted on 10/25/2018, and was reviewed and signed by Tom Paluso, P.E. Most of the ponds on site were either frozen or dry throughout the first quarter. The culverts and sediment markers are still currently buried by snow.

4.c Hydrologic Balance: Other Sediment Control Measures

Fan Canyon was not accessible due to snow, therefore other sediment control measures could not be evaluated at this time.

4.e Hydrologic Balance: Effluent Limitations

UPDES discharge permit UTUG040000 was issued in August 2013 and expired in August 2018. Ms. Madsen indicated that she is working with the Utah DWQ regarding this issue. Currently the permits are in public notice, and the expired permits have been administratively extended and should be reissued in April 2019. All DMRs for January were dry, and there were no discharges recorded in the first quarter.

11. Contemporaneous Reclamation

Gob vent hole wells are currently inaccessible due to snow. Karin indicated that there has been recent communication with Boart Longyear concerning the sealing of the Gob Vent Holes, and will tentatively proceed with these plans this Spring pending financial approval from Genwal Corporate.

15. Cessation of Operations

The last Longwall panels were mined in 2008, and the Federal Lease UTU 79975 has been relinquished. The mine portals for the Apex, Pinnacle, and Aberdeen mines have all been sealed. The Permittee officially placed the mine into temporary cessation in April 2008.

16.a Roads: Construction, Maintenance, Surfacing

The roads have been plowed and are accessible all of the way up to the Apex Mine, but no further. Permittee plans to perform maintenance on the primary roads in the Spring once the snow clears and roads aren't so muddy.

19. AVS check

AVS check was conducted on 03/26/2019 and no issues were reported.

20. Air Quality Permit

The Air Quality Approval Order DAQE-997-96 was first issued in October 25, 1996 and modified on November 18, 2003 to relocate a 5-acre coal stockpile to the Apex Mine, and the crusher to the Aberdeen Mine.

21. Bonding and Insurance

A certificate of liability insurance (policy# PC304000M) was issued 6/1/2018 and will expire on 6/1/2019. The Insurer is Lloyd's Underwriters at London, and The Division is the certificate holder.

A surety bond in the amount of \$1,520,000 is held through Indemnity National Insurance Co., an A- rated insurance company. This bond covers 47.19 acres of surface disturbance. Approximately \$172,000 of the bond is earmarked for the full reclamation of the Gob Vent Holes that are located above the abandoned workings.

ATTACHMENT A – Centennial Mine Complete inspection, March 20, 2019



PHOTO 1 – GATED ENTRANCE

This gate is located on the primary road into the site.



PHOTO 2 – APEX MINE OFFICES

The snow had been cleared from the roads as far as the old Apex Offices.



PHOTO 3 – SEDIMENT POND C

Most drainages and ponds were still covered with a thick blanket of snow.



PHOTO 4 – ORPHANED CULVERT

The yellow arrow indicates the location of the orphaned culvert described in the inspection report.