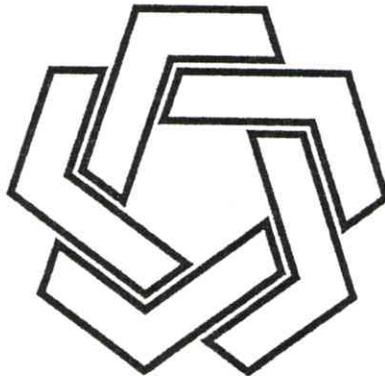


STATE DECISION PACKAGE

Wildcat Loadout Facility Andalex Resources, Inc. PERMIT



STATE OF UTAH

Department of Natural Resources

Division of Oil, Gas & Mining

MAY 5, 1989

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0011 Date 050589
In CI 0070033 McComing
or additional information

PRC/007/033-87A
15



ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELEX 381 530 ANDALEX PRIC

RECEIVED

AUG 17 1987

DIVISION OF OIL
GAS & MINING

August 13, 1987

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

FILE COPY

Attention: Mr. Jim Fricke

Re: Wildcat Loadout Sediment Ponds

Dear Mr. Fricke;

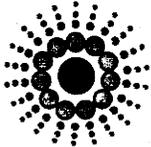
The following steps are being taken in an effort to:

- (1) modify our pond inspection procedures from weekly to quarterly
- (2) get the hydrology portion of our permit application off the ground.

First, all pond inlets will be riprapped with a suitable material in a size category of 4-6" and dry grouted, or half culverts will be placed in the inlets to eliminate erosion. All of the pond inlets have been repaired and now will be protected.

Second, a sample has been obtained of the carbonaceous rock currently being rejected off our lump conveyor belt. It will be tested for toxicity and acid forming characteristics as well as for hardness. There is no doubt that this material is less susceptible to breakdown or erosion than the native material in the area. Once a determination has been made regarding the chemistry of the rock we will choose a suitable storage location for the duration of the project. Probably it will be located on the west side of the Railroad track.

Finally, the sedimentation ponds, A-F are being surveyed to determine as-built volumes. The watersheds for these six ponds will then be estimated to demonstrate the ponds are adequate to protect the hydrologic system in the event of a 10 year - 24 hour event.



ANDALEX
RESOURCES, INC.
Tower Division

Mr. Jim Fricke
Department of Natural Resources
Division of Oil, Gas and Mining
August 13, 1987
Page 2

Please do not hesitate to call should any questions
come up.

Thank you.

Sincerely,

Michael W. Glasson
Senior Geologist

MWG/aig

ACT/007/033- 87A
15



ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELEX 381 530 ANDALEX PRIC

September 17, 1987

RECEIVED

SEP. 21 1987

DIVISION OF OIL
GAS & MINING

FILE COPY

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Attention: D. Wayne Hedberg

Dear Mr. Hedberg:

Pursuant to your September 10, 1987 letter regarding Sediment Pond inspection frequency, Andalex Resources has opted for the time being not to use the carbonaceous rock material for rip rap at pond inlets. Rather, all the pond inlets have been equipped with half culverts, 24" in diameter with inlet arpons attached. The inlet culverts then discharge onto 42" conveyor belt which runs to the botton of the ponds. This work was completed on 9/11/87.

Should Andalex in the future desire to use the rock material for rip rap, we will provide evidence that it meets specifications of 817.72 (b)(1)(4). Hopefully on the basis of this letter you can now approve our change request .

Thank you.

Sincerely,

Michael W. Glasson
Senior Geologist
Western Operations

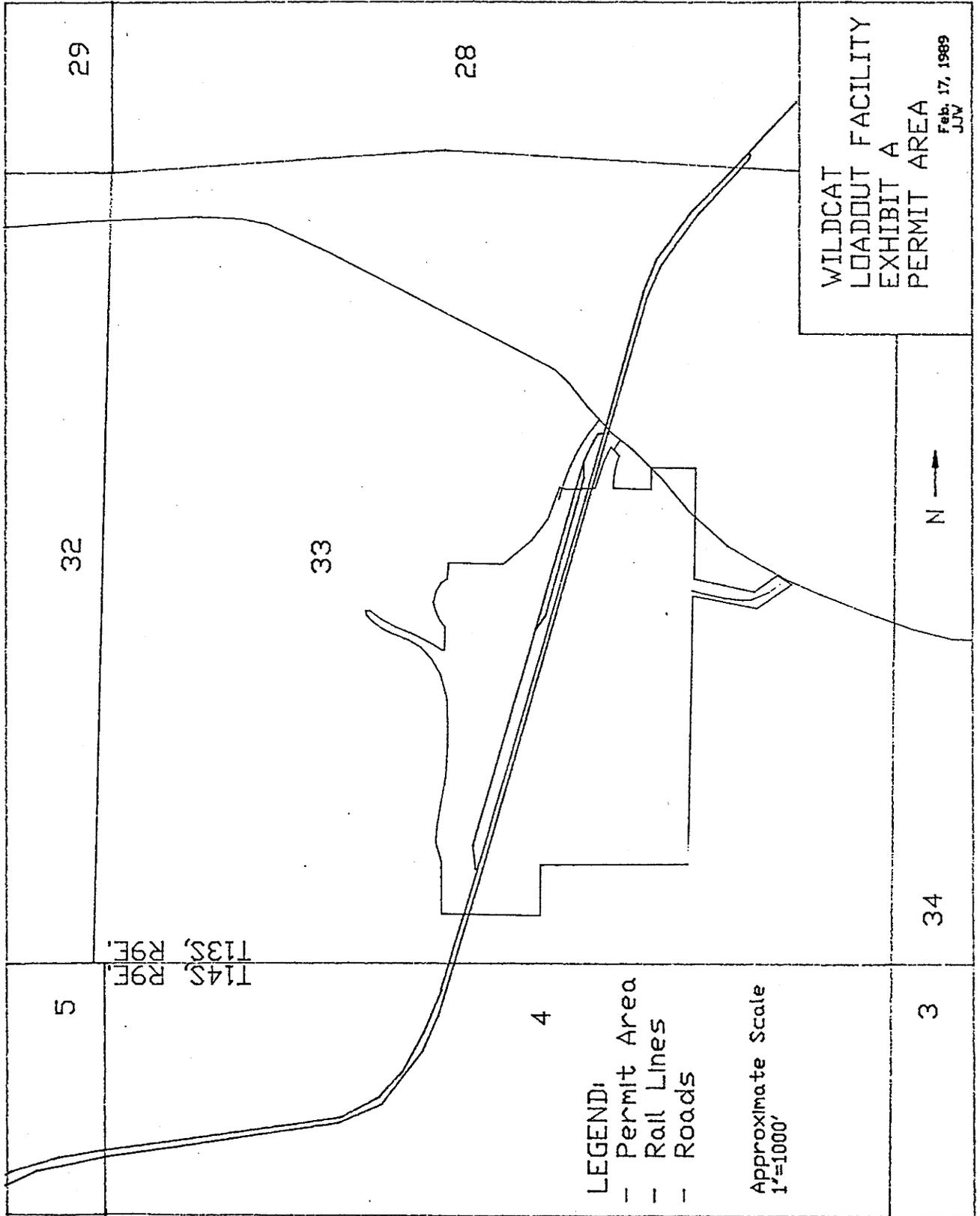
cc: Jim Fricke, Salt Lake DOGM
Bill Malencik, Price DOGM

UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT AND
TECHNICAL ANALYSIS

Andalex Resources Inc.
Wildcat Loadout Facility
ACT/007/033
Carbon County, Utah
May 5, 1989

CONTENTS

- * Administrative Overview
- * Location Map
- * Permitting Chronology
- * Mine Plan Information Form
- * Findings
- * State Permit With Stipulations
- * Technical Analysis
- * Cumulative Hydrologic Impact Assessment (CHIA)
- * Letters of Concurrence
 - Division of State History, February 8 and November 28, 1988
 - Division of Wildlife Resources, March 28 and December 12, 1988
 - Resource Development and Coordinating Committee
December 28, 1988
 - U.S. Fish and Wildlife Service, February 3, 1988
 - Bureau of Land Management, February 29, 1988 and
February 21, 1989
 - Memo from Joe Helfrich (510[c]), May 5, 1989
 - Division of Water Rights, February 23, 1988
 - Southeastern Utah Association of Local Governments,
November 29, 1988
- * Affidavit of Publication



ADMINISTRATIVE OVERVIEW
ANDALEX RESOURCES, INC.
WILDCAT LOADOUT FACILITY
ACT/007/033

Carbon County, Utah
May 5, 1989

BACKGROUND

The Wildcat Loadout Facility, operated by Andalex Resources, Inc., initiated operations in April 1985. The site is located three miles west of U.S. Highway 6, on the Consumers Road near the town of Helper in Carbon County, Utah. Prior to the opening of the Wildcat Loadout Facility, a portion of the present permit area was previously utilized as a coal loadout by other entities.

The permit area comprises approximately 100 acres, of which 12.5 acres is under a right of way agreement between the Utah Railway and the Bureau of Land Management (BLM). The remaining acreage (approx. 87.5 acres) is BLM land utilized under Right of Way agreements U-48027, and U-52810. The facility crushes, screens, and sorts coal hauled from the Centennial Mine, also operated by Andalex Resources, Inc. This facility is designed to handle 1.5 million tons of coal annually.

Division jurisdiction over the Wildcat Loadout Facility was established by programmatic changes finalized in January 1986. Prior to that time, the Division had no jurisdiction over this type of facility. A Division letter dated October 30, 1986 notified the operator that a formal permit application would be required. Andalex Resources, Inc. submitted the permit application package for the Wildcat Loadout Facility on December 31, 1987.

RECOMMENDATION FOR APPROVAL

There were no major issues identified in the permit review or public comment period for this application. Due to its pre-disturbed status as well as its location, minimal environmental impact is expected. The operation and reclamation plan and facilities are in accord with Utah's requirements under 40-10 and UMC regulations.

It is recommended that the Permit Application Package be approved with the stipulations noted in the permit.

AT47/4

CHRONOLOGY
ANDALEX RESOURCES INCORPORATED
WILDCAT LOADOUT FACILITY
ACT/007/033

Carbon County, Utah
May 5, 1989

- December 31, 1987 Initial Permit Application Package (PAP) received by the Division.
- February 19, 1988 Division Initial Completeness Review routed to Andalex.
- May 16, 1988 Andalex responds to Completeness items from Division ICR.
- June 30, 1988 Second Division Completeness Review routed to Andalex.
- August 15, 1988 Andalex responds to Second Completeness Review.
- September 30, 1988 Third Division Completeness Review routed to Andalex.
- October 14, 1988 Andalex responds to Third Completeness Review.
- November 15, 1988 Division identifies remaining technical deficiencies.
- November 21, 1988 Application determined complete. Division issues Determination of Completeness. Notification letters to interested and affected agencies.
- December 16, 1988 Andalex responds to Technical Deficiency items.
- March 1, 1989 Andalex posts bond. Andalex initiates public notice for four consecutive weeks.
- April 30, 1989 Public comment period concludes with no adverse comments received.
- May 5, 1989 Division makes necessary findings. Permit issued.

djh
AT47/6

MINE PLAN INFORMATION

Mine Name Wildcat Loadout Facility State ID: ACT/007/033

Operator Andalex Resources, Inc. County: Carbon

Controlled By Andalex Resources, Inc.

Contact Person(s) Michael Glasson Position: Sr. Geologist

Telephone: (801) 637-5385

New/Existing Existing Mining Method n/a

BLM - Rights-of-way U-48027 and U-52810
 Legal Description(s) U-48027:

Township 13 South, Range 9 East, Section 33, SLBM

E1/2 SW1/4 NE1/4, SW1/4 SW1/4 NE1/4, N1/2 NW1/4 NE1/4 SE1/4,
 NW1/4 SE1/4, NE1/4 SW1/4, NE1/4 SE1/4 SW1/4, N1/2 SE1/4 SE1/4
 SW1/4, SW1/4 SE1/4 SE1/4 SW1/4, N1/2 SW1/4 SE1/4, NW1/4 SW1/4
 SW1/4 SE1/4

State Lease No.(s) n/a

Legal Description(s) _____

Other Leases (identify) None

Legal Descriptions _____

Ownership Data: For _____

Surface Resources (acres)	Existing Permit Area	Proposed Permit Area	Total Life of Mine Area
Federal	_____	91	91
State	_____	_____	_____
Private	_____	_____	_____
Other	_____	_____	_____
TOTAL	_____	91	91

Coal Ownership (Acres)

Federal	_____	n/a	_____
State	_____	n/a	_____
Private	_____	n/a	_____
Other	_____	n/a	_____
TOTAL	_____	n/a	_____

	<u>*Total Reserves</u>	<u>Total Recoverable Reserves</u>
Federal	n/a	
State	n/a	
Private	n/a	
Other	n/a	
TOTAL	n/a	

Coal Resource Data

Recoverable Reserve Data

	<u>* Name</u>	<u>Thickness</u>	<u>Depth</u>
Seam	n/a		
Seam			

*Mine Life 30 + years
 Average Annual Production n/a Percent Recovery n/a
 Date Projected Annual Rate Reached n/a
 Date Production Begins n/a Date Production Ends n/a
 Reserves Recoverable by: (1) Surface Mining 0
 (2) Underground Mining _____
 Reserves Lost Through Management Decision _____
 Coal Market _____

<u>Modifications That Have Been Approved:</u>	<u>Date</u>

FINDINGS

Andalex Resources Incorporated
Wildcat Loadout Facility
ACT/007/033
Carbon County, Utah

1. The plan and the permit application are accurate and complete and all requirements of the Surface Mining Control and Reclamation Act (the "Act"), and the approved Utah State Program have been complied with (UMC 786.19[a]).
2. The applicant proposes acceptable practices for the reclamation of disturbed lands (PAP Chapter 4). These practices have been shown to be effective in the short-term; there are no long-term reclamation records utilizing native species in the western United States. Nevertheless, the regulatory authority has determined that reclamation, as required by the Act, can be feasibly accomplished under the Permit Application Package (PAP) (UMC 786.19[b]) (see Technical Analysis (TA) Section UMC 817.111-.117).
3. The assessment of the probable cumulative impacts of all anticipated coal mining and reclamation activities in the general area on the hydrologic balance has been made by the regulatory authority. The Operation and Reclamation Plan proposed under the application has been designed to prevent damage to the hydrologic balance in the permit area (UMC 786.19[c] and UCA 40-10-11[2][c]). (See Wildcat Loadout Facility Cumulative Hydrologic Impact Analysis [CHIA].)
4. The proposed lands to be included within the permit area are:
 - a. not included within an area designated unsuitable for underground coal mining operations;
 - b. not within an area under study for designated lands unsuitable for underground coal mining operations;
 - c. not on any lands subject to the prohibitions or limitations of 30 CFR 761.11[a] (national parks, etc.), 761.11[f] (public buildings, etc.) and 761.11[g] (cemeteries);

Findings

- d. within 100 feet of a public road; however, the road was used as a coal haul road by the applicant prior to August 3, 1977, and is therefore subject to a valid existing right (UMC 761.11);
 - e. not within 300 feet of any occupied dwelling (UMC 786.19[d]).
5. The regulatory authority's issuance of a permit is in compliance with the National Historic Preservation Act and implementing regulations (36 CFR 800) (UMC 786.19[e]). (See attached letter from State Historic Preservation Officer [SHPO] dated February 8, 1988.)
 6. The applicant has the legal right to enter and complete mining and reclamation activities in the permit area through BLM rights of way (UMC 786.19[f]).
 7. A 510(c) report has been run on the Applicant Violator System (AVS), which shows that: prior violations of applicable laws and regulations have been corrected; Andalex Resources, Inc. is not delinquent in payment of fees for the Abandoned Mine Reclamation Fund; and the applicant does not control and has not controlled mining operations with a demonstrated pattern of wilfull violations of the Act of such nature, duration, and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Act (UMC 786.19[g], [h] [i] ; {OSMRE Relatedness Report, re-verified May 5, 1989}).
 8. Coal preparation and reclamation operations to be performed under the permit will not be inconsistent with other operations anticipated to be performed in areas adjacent to the proposed permit area (UMC 786.19[j]).
 9. A detailed analysis of the proposed bond has been made. The bond estimate is \$813,795.00. The Division has made appropriate adjustments to reflect costs which would be incurred by the state, if it was required to contract the final reclamation activities for the mine site. The bond was posted on March 1, 1989, and made payable to OSMRE and the Division of Oil, Gas and Mining (UMC 786.19[k]).
 10. The applicant has satisfied the requirements for alluvial valley floors and prime farmlands (UMC 786.19[l]). (See TA Section UMC 785.19 and 828.00.)

Findings

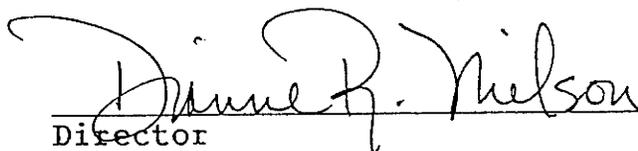
11. The proposed postmining land-use of the permit area has been approved by the regulatory authority (UMC 786.19[m]). (See TA, Section UMC 817.133.)
12. The regulatory authority has made all specific approvals required by the Act, the Cooperative Agreement and the Federal Lands Program (UMC 786.19[n]).
13. The proposed operation will not affect the continued existence of any threatened or endangered species or result in the destruction or adverse modification of their critical habitats (UMC 786.19[o]). (See TA UMC 817.97)
14. All procedures for public participation required by the Act, and the approved Utah State Program have been compiled with (UMC 786.11-.15).
15. The applicant proposes to use existing structures in connection with the proposed underground coal mining activities. These structures meet the performance standards of the Act and subchapter K and pose no significant harm to the environment or public health or safety (UMC 786.21) (see TA Section UMC 817.181).



Permit Supervisor



Associate Director, Mining



Director

FEDERAL

Permit Number ACT/007/033, May 5, 1989

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

This permit, ACT/007/033, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Andalex Resources Incorporated
P. O. Box 902
Price, Utah 84501
(801) 637-5385

for the Wildcat Loadout Facility. Andalex Resources Inc. is the lessee of Bureau of Land Management Rights of Way (ROW) No. U-48027 and U-52810. A performance bond is filed with the DOGM in the amount of \$813,795.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA - The permittee is authorized to conduct underground coal mining activities on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Wildcat Loadout Facility, situated in the state of Utah, Carbon County, and located:

Township 13 South, Range 9 East, Section 33, SLBM

E1/2 SW1/4 NE1/4, SW1/4 SW1/4 NE1/4, N1/2 NW1/4 NE1/4
SE1/4, NW1/4 SE1/4, NE1/4 SW1/4, NE1/4 SE1/4 SW1/4, N1/2
SE1/4 SE1/4 SW1/4, SW1/4 SE1/4 SE1/4 SW1/4, N1/2 SW1/4
SE1/4, NW1/4 SW1/4 SW1/4 SE1/4.

This legal description is for the permit area (as shown on Attachment B) of the Wildcat Loadout Facility. The permittee is authorized to conduct underground coal mining activities and related surface activities on the foregoing described property subject to the conditions of the Bureau of Land Management rights-of-way and all other applicable conditions, laws and regulations.

- Sec. 3 PERMIT TERM - This permit becomes effective on May 5, 1989 and expires on May 5, 1994.
- Sec. 4 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and UMC 788.17-.19.
- Sec. 5 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- A. have the rights of entry provided for in 30 CFR 840.12, UMC 840.12, 30 CFR 842.13 and UMC 842.13; and
 - B. be accompanied by private persons for the purpose of conducting an inspection in accordance with UMC 842.12 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.
- Sec. 6 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.
- Sec. 7 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- A. accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- B. immediate implementation of measures necessary to comply; and
- C. warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 8 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 9 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- A. in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- B. utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 10 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 11 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 12 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

- Sec. 13 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 14 APPEALS - The permittee shall have the right to appeal as provided for under UMC 787.
- Sec. 15 SPECIAL CONDITIONS - In addition to the general obligations and/or requirements set out in the Bureau of Land Management rights-of-way and this permit, the permittee shall comply with the special conditions appended hereto as Attachment A.

The above conditions (Secs. 1-15) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By:

James R. Nielson

Date:

5-5-89

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Samuel Quigley

Authorized Representative of
the Permittee

Date:

May 12, 1989

APPROVED AS TO FORM:

By:

Al Barber
Assistant Attorney General

Date:

May 5, 1989

AT47/12-16

ANDALEX RESOURCES, INC
WILDCAT LOADOUT FACILITY
STIPULATIONS
ACT/007/033
May 5, 1989

Stipulation UMC 817.22-(1)-(HS)

The applicant shall submit by May 31, 1989, for inclusion in the PAP, seed bed preparation and planting methods as well as vegetation monitoring methods and success standards for the revegetation test plots. The submission shall include a commitment to complete seeding of revegetation test plots by November 1, 1989.

Stipulation UMC 817.23-(1)-(HS)

The applicant shall submit by May 31, 1989 a plan to include seed bed preparation and planting methods as well as vegetation monitoring methods and success standards for the topsoil stockpiles. This plan must include a commitment to complete seeding of the topsoil stockpile.

Stipulation UMC 817.46-(1)-(PGL)

The applicant shall complete construction of Pond E according to the specifications contained in the PAP by July 14, 1989.

Stipulation UMC 817.48-(1)-(HS)

The applicant shall submit, by May 31, 1989, for inclusion in the PAP, an adequate plan to include burial methods and specific timetables for acid- and/or toxic-forming material disposal.

Stipulation UMC 817.97-(1)-(BAS)

By May 31, 1989, the applicant must revise page 146 to state that Andalex Resources, Inc. commits to enhancement of 15 acres of critical-valued mule deer winter range, per Option No. 1 of the plan included as an addendum to Appendix E.

The applicant must commit to completion of enhancement work to the satisfaction of the BLM no later than December 1, 1989.



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangert
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

July 25, 1989

Mr. Michael W. Glasson
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

Dear Mr. Glasson:

Re: Approval of Responses to Stipulations UMC 817.22-(1)-(HS),
UMC 817.23-(1)-(HS), UMC 817.48-(1)-(HS) and UMC
817.97-(1)-(BS), Andalex Resources, Inc., Wildcat
Loadout Facility, ACT/007/033, Folder #2, Carbon County, Utah

This letter will inform you that the above-identified stipulation responses were approved on July 25, 1989.

Sincerely,

Richard V. Smith

Richard V. Smith
Permit Supervisor

cl
cc: H. Sauer
B. Stettler
BT40/41



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 3, 1989

Mr. Michael Glasson
Senior Geologist
Andalex Resources, Inc.
P. O. Box 902
Price, Utah 84501

Dear Mr. Glasson:

Re: Approval of Response to Stipulation UMC 817.46-(1)-(PGL),
Andalex Resources, Inc., Wildcat Loadout Facility, ACT/007/033,
Folder #3, Carbon County, Utah

This letter will inform you that the above-identified stipulation response was approved on November 3, 1989.

Sincerely,

A handwritten signature in cursive script that reads "Richard V. Smith".

Richard V. Smith
Permit Supervisor

djh

cc: P. Grubaugh-Littig, DOGM
AT64/104

WILDCAT LOADOUT FACILITY
TECHNICAL ANALYSIS
ACT/007/033

Andalex Resources Inc.
Carbon County, Utah
May 5, 1989

UMC 785.19 Underground Coal Mining Activities on Areas or Adjacent
to Areas Including Alluvial Valley Floors in the Arid or
Semi-Arid Areas of Utah - (RVS)

Existing Environment and Applicant's Proposal

The Wildcat Loadout Facility is located on the Masuk member of the Upper Cretaceous Mancos Shale (page 26). A field inspection of the permit and adjacent area by technical staff identified limited unconsolidated streamlaid deposits occurring within small ephemeral drainages. Moreover, there was no evidence of flood irrigation or subirrigation. Lack of surface water or shallow ground water precludes the potential for developing flood irrigation.

Compliance

Sufficient information about unconsolidated streamlaid deposits and irrigation are available for the Division to determine, as required by UMC 785.19(c)(2), that no alluvial valley floors exist within or in close proximity to the proposed permit area.

The applicant is in compliance with this section.

Stipulations

None.

UMC 800 Bonding - (PGL)

Wildcat Loadout Facility

Bonding

PHASE I:

Structural Removal	\$ 286,000
Coal Pile Cleanup	16,000
Recontouring and Regrading	78,000
Compaction and Scarification	4,000
Topsoil Redistribution	130,705
Revegetation	17,000
Monitoring	<u>8,100</u>

Subtotal \$539,805

PHASE II:

Recontouring	\$ 17,000
Monitoring	<u>2,700</u>
Subtotal	\$ 19,700
Foreman Supervising Activities	<u>\$100,800</u>
	\$660,305
10% Contingency	<u>\$ 66,030</u>
Total	\$726,335 (1988 dollars)

Escalated at 2.3%

1989	\$743,041
1990	\$760,131
1991	\$777,614
1992	\$795,499
1993	\$813,795 ←

The amount of \$813,795 was posted by the applicant on March 1, 1989 in the form of an Irrevocable Letter of Credit (#55412-IC) at the Pittsburgh National Bank.

UMC 817.11 Signs and Markers - (WM)

Existing Environment and Applicant's Proposal

Entrance signs of uniform design with pertinent identification information are in place at access points to the Wildcat Loadout Facility. Topsoil and perimeter markers are in place and will be maintained until bond release occurs (page 65, PAP).

Compliance

Applicant has placed identification signs at primary and secondary road entrances. Perimeter markers have been placed around the perimeter of the disturbed area. Signs have been placed on all topsoil piles and sediment ponds.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.13-.15 Casing and Sealing of Exposed Underground
Openings - (WM)

Appendix C of the PAP notes eight shallow boreholes were completed for a soil foundation study in 1982. Page 87 of the PAP indicates all holes have been sealed with cement from top to bottom.

Compliance

Applicant indicates all eight drill test holes have been sealed with cement (page 87, Appendix C). No other underground openings exist at this facility.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.22 Topsoil: Removal - (HS)

Existing Environment and Applicant's Proposal

Prior to leasing of the Wildcat Loadout Facility area by the applicant, coal loading activities occurred on a portion of the permit area west of Utah Railway's railroad tracks (page 3). The surface area disturbed by these operations was determined to be 37.19 acres. Topsoil was not salvaged from this 37.19 acres because activities began prior to Division jurisdiction on October 30, 1986. The applicant proposes to use existing fill material on site as a plant growth medium (page 76).

Topsoil was separately removed and segregated prior to construction of a new Wildcat Loadout Facility (page 52) from approximately 20 acres located east of the railroad tracks and not including the small area exemption (page 77). Scrapers removed six inches of topsoil from the surface. Removed topsoil was placed in five separate stockpiles within the permit area (Plate I).

Soil mapping unit descriptions and a map of the permit area are given in Appendix D and shown on Plate I, respectively. Chemical and physical analyses of the stockpiled soils occur in Appendix D.

Compliance

The initiation of coal loading and processing activities by the applicant occurred prior to Division jurisdiction on October 30, 1986. Chemical and physical analyses of the topsoil material were not performed prior to topsoil removal but have since taken place (Appendix D). Profile descriptions and chemical and physical data indicate no characteristics that would jeopardize reclamation success within the salvaged material.

Mass balance calculations indicate a topsoil deficiency for final reclamation. Stockpiled topsoil on site amounts to 419,823 ft³ (page 78). Topsoil required to redistribute six inches of topsoil across 55 acres equals 1,197,900 ft³, leaving a deficiency equalling 778,077 ft³ (page 83). Thus, the applicant has committed to identifying and testing for suitable substitute material either off the permit area or possibly within the permit area, if a suitable growth medium can be identified (page 76).

The applicant proposes to use existing fill material as a plant growth medium and has identified four locations within the permit area (Plate I) as sites for revegetation test plots.

The Division will determine, based on the physical and chemical characteristics of the substitute material and the results of revegetation efforts, whether existing fill material will be suitable topsoil material.

The applicant will be in compliance with this section when the following stipulation is met.

Stipulation UMC 817.22-(1)-(HS)

The applicant shall submit by May 31, 1989, for inclusion in the PAP, seed bed preparation and planting methods as well as vegetation monitoring methods and success standards for the revegetation test plots. The submission shall include a commitment to complete seeding of revegetation test plots by November 1, 1989.

UMC 817.23 Topsoil: Storage - (HS)

Existing Environment and Applicant's Proposal

Topsoil was removed from approximately 20 acres and placed in five separate storage areas that are located in the small area exemption (SAE) portion of the permit area (Plate I). Topsoil was not removed from the SAE area. Reseeding has already occurred. The as-built survey of the five stockpiles is shown on Plate 13.

The applicant has protected topsoil stockpiles against wind and water erosion by reseeding the surface of the piles and placing an impermeable earthen berm around the piles. If over a period of time these berms become backfilled with soil as a result of minor erosion, the applicant will remove the material and place it back on the pile to maintain the berm protection at all times (page 77).

Substitute topsoil sites (Revegetation Test Plots, Plate I), once identified, will be protected from wind and water erosion with vegetation cover (page 77).

Compliance

Removed topsoil has been placed within the permit area. Immediate redistribution of topsoil is not practical because essential facilities will remain operational through the life of the facility. The applicant has committed to promptly reclaiming disturbed areas when no longer needed for operations (page 67).

The area where topsoil has been stored (Small Area Exemption, Plate I) is relatively flat (Hernandez Family, 3 to 8 percent slope, Appendix D). The surrounding terrain does not pose any imminent danger for slope failure. Topsoil stockpiles A and E will not be moved prior to final reclamation activities. Topsoil stockpiles B, C, and D are accumulating wind-borne coal fines from the main coal storage pile. The applicant has proposed measures to alleviate this concern (see Technical Analysis UMC 817.95).

The species composition of the topsoil stockpiles presently consists of a low percentage (approximately 5 to 10 percent) of desirable species Indian ricegrass (Oryzopsis hymenoides) and wheatgrass (Agropyron spp.) and a high percentage (approximately 90 to 95 percent) of undesirable species, Kochia (Kochia scoparia), Russian thistle (Salsola kali), etc. The aforementioned undesirable species are not on Utah's Noxious Species List; however, they do constitute contaminants which may potentially lessen the capability of the stored topsoil to support adequate vegetation when redistributed (i.e., weed seed source, competition for essential limiting nutrients, etc.). In addition, the unsuccessful revegetation may be the result of unsuitable topsoil or inappropriate seeding methods. Vegetation monitoring of stockpiles has been assessed by the Division (memo to Richard V. Smith, April 25, 1989) and additional seeding will be needed.

The applicant will be in compliance with this section when the following stipulation is met.

Stipulation UMC 817.23-(1)-(HS)

The applicant shall submit by May 31, 1989 a plan to include seed bed preparation and planting methods as well as vegetation monitoring methods and success standards for the topsoil stockpiles. This plan must include a commitment to complete seeding of the topsoil stockpile.

UMC 817.24 Topsoil: Redistribution - (HS)

Existing Environment and Applicant's Proposal

The applicant has committed to uniformly redistributing six inches of topsoil over the entire disturbed area (excluding the small area exemption) of approximately 55 acres (page 79). Prior to topsoil redistribution, the applicant will remove any coal remaining in the permit area. Coal will be disposed of onsite or moved to an approved offsite disposal area (page 69).

All disturbed areas will be backfilled and graded to the approximate original contour (page 78) with the exception of the natural drainage which previously intersected the Wildcat Loadout Facility. Fill material will be compacted and scarified to assure stability (page 71).

All final grading and placement of topsoil will be conducted parallel to contours (page 78). Redistribution of topsoil will be accomplished utilizing end dump trucks to pile material and graders to spread material to a uniform thickness.

Topsoil redistribution and seeding will be completed in the fall, following grading operations. Seedbed preparation will include disking and application of chemical fertilizers and organic mulch (page 73). Straw mulch will be mechanically crimped utilizing equipment such as a small cat dozer (page 84). Where hydroseeding and hydromulching occur, a tackifier will be added to both the seed and the mulch (page 84).

Compliance

The redistribution of topsoil to a uniform depth of six inches is adequate to support the postmining land use of livestock grazing and wildlife habitat.

Published Soil Conservation Service (SCS) soil survey (Carbon-Emery County) descriptions indicate predisturbance soil conditions of slightly altered parent material (C-horizon) overlaid with an A-horizon six to nine inches deep. The depth of redistributed topsoil closely parallels predisturbance conditions.

Scarification of regraded spoils and disking of redistributed topsoil should alleviate compaction caused by machinery traffic and ensure good overburden/soil contact, thereby preventing potential slippage and create a soil profile conducive to root penetration.

The Division considers compaction to be greater than 1.6/cc for the top 12 inches and excessively loosened soil/spoil to be less than 1.0g/cc for the top 12 inches. All soil redistribution and seedbed preparation activities should be carried out when the soil is dry. Working on wet soil results in excessively compacted soil.

Regraded spoils should be left in a roughened condition to provide micro-relief to reduce runoff and maintain available water supply to the revegetation.

Crimped straw mulch and tackifying agents should ensure adequate protection from wind and water erosion by raising the wind profile above the soil surface and acting as a barrier against raindrop impact.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.25 Topsoil: Nutrients and Soil Amendments - (HS)

Existing Environment and Applicant's Proposal

The applicant has committed to sample stored topsoil and proposed topsoil-substitute material prior to final reclamation to determine any deficiencies which would affect the growth of newly revegetated areas (page 83). Any deficiencies will be corrected by adding to the soil chemical fertilizers, organic mulch or any other substances recommended by the Division.

Proposed topsoil substitute material (Revegetation Test Plots, Plate I) has been analyzed. Based on these test results, the applicant has committed to submitting a Soil Amendment Plan (page 77).

Compliance

The applicant has committed to sampling stored topsoil and proposed substitute material to determine deficiencies or toxicities which may inhibit or prevent revegetation success.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.41 Hydrologic Balance: General Requirements - (PGL/RVS)

Existing Environment and Applicant's Proposal

Ground Water - (RVS)

The applicant provides information about aquifers and springs in Chapter III (pages 16-23), Appendix C and Appendix J of the PAP. Significant ground-water resources are inferred to occur within sandstone units occurring at depths that exceed 600 feet within the permit area. Eight boreholes were drilled within the permit area to depths ranging from 20 to 60 feet (page 21). No shallow ground-water resources were encountered during drilling. Boreholes No. 4 and No. 6 were retained and monitored weekly for a period of two months to detect ground-water infiltration. Both boreholes remained dry during the monitoring period and were subsequently abandoned (Appendix J).

The applicant conducted a field reconnaissance of the permit and adjacent area and identified one spring located approximately one-half mile southwest of the permit area (Figure III-2). The spring occurs at the contact between Quarternary alluvium and the Upper Cretaceous Masuk member.

Surface Water - (PGL)

The applicant provides information about the regional surface water hydrology on page 24 of the PAP. There are no principal surface water courses found within one-quarter mile of the permit area, and no perennial streams within one mile of the permit area. A small ephemeral drainage known as Garley Canyon runs south of the permit area and eventually drains into the Price River, approximately three and one-half miles southeast of the permit area. Runoff from the permit area flows into the Garley Canyon drainage and eventually into the Price River. The drainage pattern of the area is shown on Figure III-2 and on Plate 15.

The applicant proposed to minimize changes to the prevailing hydrologic balance in the permit area and adjacent areas through the use of a combination of structures. Flow within the disturbed area is diverted to sedimentation ponds by the use of ditches and culverts. Undisturbed drainage runoff is diverted around the site by existing channels as shown on Plate 2 and Plate 15.

The ditches and culverts are temporary structures and will be removed during final reclamation of the site. The existing channels for undisturbed drainages are permanent (page 108).

Compliance

Ground Water - (RVS)

The applicant has provided data that indicate ground-water resources are located at a depth beneath and adjacent to the permit area. Accordingly, potential impacts to ground-water resources from leaching or other activities related to the Wildcat Loadout Facility are herein determined to be practically non-existent.

The applicant is in compliance with this section.

Surface Water - (PGL)

The applicant's proposed plans for drainage control of the disturbed area and for the undisturbed diversion are adequate. The applicant's proposed plan for controlling runoff from the disturbed area meets the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.42 Hydrologic Balance: Water Quality, Standards and Effluent Limitations - (PGL)

Existing Environment and Applicant's Proposal

Disturbed area runoff will be routed to one of six sedimentation ponds located on the permit area. Design calculations for each pond are given on pages 88 through 107. Plate 2 shows four small areas which control sediment with silt fences, straw bales and berms.

NPDES Permit Number UT-0024147 was reissued to the applicant on November 24, 1986 (page 88).

Compliance

The treatment methods proposed for disturbed area runoff include sedimentation ponds, silt fences, straw bales and berms, as well as four alternative sediment control areas. These proposals meet the requirements of this section. The NPDES permit encompasses sediment pond discharge.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.43 Hydrologic Balance: Diversions and Conveyances of Overland Flow, Shallow Ground Water Flow, and Ephemeral Streams - (PGL)

Existing Environment and Applicant's Proposal

Discussion of the applicant's disturbed and undisturbed area drainage conveyance system, peak flow determinations and methodologies, sediment control, channel flow design, channel lining design, and culvert design is given on pages 108 through 136 of the PAP.

Compliance

The applicant has met all the requirements regarding peak flow methodologies and determinations for diversions as well as culvert sizing, inlet and outlet protection, riprap location, riprap type and location of these diversions.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.44 Hydrologic Balance: Stream Channel Diversions - (PGL)

Existing Environment and Applicant's Proposal

Ephemeral drainage in the permit area is diverted around the permit area in UD-1 (shown on Plate 15). Reclamation of this channel is shown on Plates 8 and 9, Final Reclamation Hydrology (Phase I) and Final Reclamation Contours and Revegetation.

Compliance

The current channel diversion and postmining drainage patterns for the permit area meet the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.45 Hydrologic Balance: Sediment Control Measures - (PGL)

Existing Environment and Applicant's Proposal

The applicant describes methodologies to control erosion on pages 124, 125, and 136. The applicant proposes to control erosion with straw bales, silt fences, and sedimentation ponds.

Placement of erosion protection devices is shown on Plate 2. The applicant committed to maintain these erosion controls throughout the life of the project (page 136).

Compliance

The applicant's proposals for sediment control measures for the disturbed area will result in minimizing to the extent possible additional contributions of sediment to stream flow or to runoff outside the permit area.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.46 Hydrologic Balance: Sedimentation Ponds - (PGL)

Existing Environment and Applicant's Proposal

There are six sedimentation ponds constructed at the Wildcat Loadout Facility. Pond locations are shown on Plate 2 with detailed designs on Plates 3 through 7. Additional design calculations are given on pages 89 through 105.

All ponds are constructed with embankment slopes and each is equipped with a principal and emergency spillway. Ponds are designed for a 10-year, 24-hour storm event, with the exception of Pond E which will be enlarged to contain the design event. (Note: The enlargement of Pond E will be under the direction of a qualified registered engineer.) Slopes of the dams are not steeper than 2h:1v inside and outside, with a total of the inslope and outslope not less than 5h:1v (page 90).

Appendix H, the professional engineer certification, attests that all ponds have been constructed in accordance with, and meet, the required performance standards of this section.

All sedimentation ponds will be reclaimed (page 89) and reclamation will be undertaken in two phases. Ponds B and E will be removed during Phase I, then Ponds A, C, D and F will be removed and reclaimed during Phase II.

Compliance

The design capacity for five of the six ponds is adequate. Pond E is currently inadequate and will be enlarged (page 89).

Embankment slopes of the ponds are adequate. Ponds will be inspected quarterly for safety and condition of the structure. All ponds have been certified and designed according to the design criteria required under this section.

The applicant will be in compliance when the following stipulation is met.

Stipulation UMC 817.46-(1)-(PGL)

The applicant shall complete construction of Pond E according to the specifications contained in the PAP by July 14, 1989.

UMC 817.47 Hydrologic Balance: Discharge Structures - (PGL)

Existing Environment and Applicant's Proposal

Plans for sediment pond outlet protection are given on page 121. Outlet protection includes a three-quarter-inch filter blanket to a depth of six inches, with nine inches minimum diameter riprap for a minimum of 15 feet downstream.

Compliance

The applicant's proposed discharge structures meet the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.48 Hydrologic Balance: Acid- and Toxic-Forming Materials - (HS)

Existing Environment and Applicant's Proposal

The applicant will conduct annual leachate analysis of coal and rejected materials stored onsite for the following parameters: pH, electrical conductivity, sodium adsorption ratio, selenium, boron, acid-base potential, percent organic carbon and saturation percent. If toxic- or acid-forming materials occur, a plan will be developed to ensure that drainage from these materials will not be detrimental to vegetation or adversely affect surface waters (page 23).

If it is determined through testing that coal processing waste material is acid- or toxic-forming, then disposal will consist of burial on the west side of the Wildcat Loadout Facility or haulage to another approved coal processing waste disposal area (page 141).

Compliance

The applicant has committed to identify and bury where necessary, coal processing waste and/or coal which may adversely affect vegetation or water supplies.

If toxic- or acid-forming material is determined to exist on site, the applicant has committed to develop a plan to ensure drainage from these materials will not be detrimental to surface water and vegetation. Impact to groundwater is not an issue due to the lack of any groundwater resources in the immediate area.

Preliminary analyses conducted by the Division of coal material, accumulated sediments within the sediment ponds, and the coal-soil interface of the storage pads (refer to December 29, 1988 memo from Henry Sauer to John Whitehead) indicates no acid-forming potential for the above material. Further sampling has been conducted by the applicant; results will be submitted to the Division when available from the lab.

The applicant will be in compliance with this section when the following stipulation is met.

Stipulation UMC 817.48-(1)-(HS)

The applicant shall submit, by May 31, 1989, for inclusion in the PAP, an adequate plan to include burial methods and specific timetables for acid- and/or toxic-forming material disposal.

UMC 817.49 Permanent Impoundments - (PGL)

Existing Environment and Applicant's Proposal

A permanent impoundment (shown on Plate 2) was built pre-law. The BLM has air photos on file dated July 3, 1974 (WPG 2:35:21) that verify the pre-law nature of this structure. This structure has not been used by the applicant, and therefore, is not required to be in the permit area. This section is not applicable.

UMC 817.52 Surface and Ground Water Monitoring - (PGL)

Existing Environment and Applicant's Proposal

The applicant describes water monitoring on pages 126 through 130 of the PAP.

Four surface water monitoring stations are established (Plate 15). These stations will be monitored according to the constituents and frequencies listed on Table IV-10 and 11, pages 128 through 130, respectively.

Monitoring results will be submitted to the Division quarterly, within 60 days following the end of the reporting quarter.

Shallow ground-water resources do not occur within and immediately adjacent to the permit area. Accordingly, a ground-water monitoring plan has not been developed.

Compliance

The applicant's plan for water monitoring meets the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.56 Hydrologic Balance: Postmining Rehabilitation of Sedimentation Ponds, Diversions, Impoundments, and Treatment Facilities - (PGL)

Existing Environment and Applicant's Proposal

The applicant describes the postmining rehabilitation of sedimentation ponds and diversions on pages 136 through 139. The six sedimentation ponds will be reclaimed and the diversions reconstructed.

Compliance

The sedimentation ponds and diversions will be rehabilitated and meet the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.57 Stream Buffer Zone: - (PGL)

Existing Environment and Applicant's Proposal

There are no perennial or intermittent streams within or adjacent to the proposed permit area. Therefore, this regulation is not applicable.

UMC 817.61-.68 Use of Explosives: General Requirements - (PGL)

No explosives are used at the Wildcat Loadout Facility. This section is not applicable.

UMC 817.71-.74 Disposal of Underground Development Waste and Excess Spoil: General Requirements - (PGL)

No underground development waste is disposed at the Wildcat Loadout Facility. This section is not applicable.

UMC 817.81-.88 Coal Processing Waste Banks - (PGL)

Existing Environment and Applicant's Proposal

During processing, a small amount of "boney" material and rock is recovered from the lump coal product (pages 140 and 141). This material is hauled to a designated site on the west side of the facility (located on Plate I). All coal processing waste piles are inspected at least quarterly for potential hazards and the reports are maintained at the site. Coal processing waste will be covered with four feet of non-combustible material.

Compliance

The applicant will convey the physically-processed coal material to a disposal area within the permit area. This material will be constructed, maintained, and reclaimed according to requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.89 Disposal of Non-Coal Wastes - (PGL)

Existing Environment and Applicant's Proposal

All combustibles are collected in trash containers and hauled to a local landfill (page 142).

Compliance

Non-coal wastes are stored in a controlled manner and disposed of as required.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.91-.93 Coal Processing Waste: Dams and Embankments: General Requirements - (PGL)

No coal processing waste dams and embankments are located at the Wildcat Loadout Facility. This section is not applicable.

UMC 817.95 Air Resource Protection - (WM)

Existing Environment and Applicant's Proposal

The Wildcat Loadout Facility received an approval order for air controls for coal crushing, storage, and loadout from the Division of Environmental Health on July 22, 1982. This order (copy included in Appendix B of the PAP) outlines the various control measures to be utilized to maintain acceptable air quality on and around the facility. In addition, the applicant commits to specific measures to minimize wind borne coal fines on page 151 of the PAP. These measures include:

1. Coal stacker positioning to minimize free fall of coal;
2. Conveyor water sprays; and
3. Placement of supplemental straw bale dikes to filter coal fines entrained in runoff.

Compliance

Applicant complies with this section by including three mitigating measures; i.e., (1) stacker positioning to minimize coal dropping distance, (2) conveyor coal water spraying, and (3) installing straw bales to catch water-carried coal fines.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.97 Protection of Fish, Wildlife, and Related Environmental Values - (BAS)

Existing Environment and Applicant's Proposal

Wildlife resource information is based on site-specific observations by the applicant, and includes reports from the Utah Division of Wildlife Resources (DWR) and Bureau of Land Management (BLM). Wildlife information is presented on pages 47 through 52 and in Appendix F. The Fish and Wildlife Plan is found on pages 142 through 146. Habitat enhancement work completed under an agreement with the BLM is described in Appendix E.

Compliance

Wildlife has adapted to the facility, evidenced by the permit area's colonization by prairie dogs, acceptance as nesting territory by great horned owls, and usage as a foraging area by mule deer (personal observation).

No threatened and endangered species or their habitats occur within or near the permit area. Golden eagles as well as wintering bald eagles have been observed in the Gordon Creek drainage, where road kills are scavenged on Consumers Road. Potential perches and nesting habitat are present along the cliff face, several miles to the north. Power poles under the applicant's control are raptor safe.

Wildlife impact mitigation commitments (pages 143-146) are sufficient to offset habitat losses and other man/wildlife conflicts. No natural riparian habitat or wetlands occur, although sedimentation ponds have more recently provided a water source for wildlife.

The final reclamation seed mix (page 85) was developed by Division staff in cooperation with BLM range conservationists. Species were selected based on native occurrence and known nutritional and cover values for wildlife and livestock.

The Wildcat Loadout Facility occurs within critical-valued mule deer winter range. Mitigation of potential impacts to wintering big game has been a concern for state and federal agencies. The applicant was directed to perform habitat enhancement under a lease agreement with the BLM (Appendix E).

The applicant will be in compliance with this section when the following stipulation is met.

Stipulation UMC 817.97-(1)-(BAS)

By May 31, 1989, the applicant must revise page 146 to state that Andalex Resources, Inc. commits to enhancement of 15 acres of critical-valued mule deer winter range, per Option No. 1 of the plan included as an addendum to Appendix E.

The applicant must commit to completion of enhancement work to the satisfaction of the BLM no later than December 1, 1989.

UMC 817.99 Slides and Other Damage - (PGL)

Existing Environment and Applicant's Proposal

The permit area is gently sloping and/or flat, and there is a low potential for slides (page 79). The applicant committed to notify the Division at any time a slide occurs which may have a potential adverse effect on public property, health, safety, or the environment (page 80).

Compliance

The applicant's commitment meets the requirements of this section.

Stipulations

None.

UMC 817.100 Contemporaneous Reclamation - (BAS/WM)

Existing Environment and Applicant's Proposal

The applicant has committed to revegetate, as soon as practicable, all disturbed areas which are no longer required for operations (page 67).

Compliance

No further surface disturbance is anticipated. Little interim revegetation will be undertaken, except when warranted for topsoil stabilization and erosion control. Final reclamation will commence immediately after cessation of operations (page 67).

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.101 Backfilling and Grading - (PGL)

Existing Environment and Applicant's Proposal

The Wildcat Loadout Facility site will be backfilled and graded to approximate the original contour (flat or gently sloping) as shown on Plates 9 and 10. Areas to be regraded include the loadout site, stockpile sites and roads. Grading will be conducted to minimize erosion and provide a stable surface for placement of topsoil (pages 77 and 78).

Compliance

The applicant will backfill and grade to closely resemble the general surface configuration of surrounding terrain, i.e., flat or gently sloping.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.106 Regrading and Stabilizing Rills and Gullies - (PGL)

Existing Environment and Applicant's Proposal

The applicant commits to stabilize rills and gullies deeper than nine inches in areas that have been regraded or topsoiled by filling, grading, or otherwise stabilizing (page 80). Other rills and gullies will also be stabilized.

Compliance

The applicant's commitment meets the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.111 Revegetation: General Requirements - (BAS)

Existing Environment and Applicant's Proposal

Following completion of topsoiling and seedbed preparation (page 79), seed may either be sown with a rangeland drill or broadcast by hydroseeding (page 84). The seed mix and rate of application are found on page 85. Grass seed will be applied at a rate of 40.9 pure live seed (PLS)/ft², forbs at 23.2 PLS/ft², and shrubs at 27.6 PLS/ft². Fertilizer will be incorporated into the soil, if nutritional deficiencies are identified (page 83). Mulch will be applied at a rate of one ton per acre and will be tackified or mechanically crimped (page 84).

Compliance

Revegetation methods and timetables are expected to achieve a permanent and diverse vegetative cover and recovery of predisturbance productivity.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.112 Revegetation: Use of Introduced Species - (BAS)

Existing Environment and Applicant's Proposal

Yellow sweetclover (Melilotus officinalis) and alfalfa (Medicago sativa) are proposed for use in the final revegetation seed mix (page 85). With the exception of these two species, the seed mix consists entirely of native plants.

Compliance

Yellow sweetclover is considered valuable as a fast-growing, non-permanent, nitrogen-fixing soil stabilizer. Alfalfa was added at the request of the BLM for its high forage value and nitrogen-fixing characteristics. In a non-irrigated situation and under browsing pressure, alfalfa is not expected to outcompete native forbs in the seed mix.

Stipulations

None.

UMC 817.113 Revegetation: Timing - (BAS)

Existing Environment and Applicant's Proposal

Following regrading and topsoil distribution, seeding will commence as soon as practicable (pages 80 through 81). The months of October and November were selected as being most favorable for planting conditions (page 81).

Compliance

The applicant's proposal of fall seeding meets the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.114 Revegetation: Mulching and Other Soil Stabilizing Practices - (BAS)

Existing Environment and Applicant's Proposal

The applicant has opted to choose from two types of mulch, each tailored to a specific planting method. Where planting is done by a rangeland drill, seeded areas will be covered with one ton of mechanically anchored straw mulch (page 84). Following hydroseeding, wood fiber hydromulch and tackifier will be applied at a rate of one ton/acre.

Compliance

Both mulch options, rates of application, and methods of anchoring are acceptable techniques to meet the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.116 Revegetation: Standards for Success - (BAS)

Existing Environment and Applicant's Proposal

A single reference area has been established to represent the predisturbance vegetation type (Plate 1). Reference area sampling data (Appendix I) will be used as the revegetation success standard. Final reclamation monitoring will include qualitative and quantitative sampling at regular intervals (page 82). Revegetated areas which fail to stabilize soils will be reseeded until the desired cover is achieved (page 86).

Compliance

Bond liability will continue for not less than ten years. The groundcover standard is 70 percent of reference area cover with 90 percent statistical confidence. Productivity shall be 90 percent of reference area production at 90 percent statistical confidence. Woody plant stocking level will be 90 percent with 80 percent statistical confidence. Monitoring during the bond liability period will be sufficient to document progress toward realization of reclamation objectives.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.117 Revegetation: Tree and Shrub Stocking for Forest Land - (BAS)

Existing Environment and Applicant's Proposal

All land within the permit area is federally owned and managed by BLM (page 6) except the Utah Railway siding and right-of-way. No trees are included in the seed mix as sagebrush grassland was the predisturbance condition. The applicant proposes to apply shrub seed at a rate of 27.6 PLS/ft² (page 85).

Compliance

The rate of shrub seed application augmented by shrub invasion from surrounding areas is expected to equal or exceed 90 percent of predisturbance stocking levels.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.121-.126 Subsidence Control - (RVS)

No underground coal mining operations will occur at this site. This section is not applicable.

UMC 817.131 Cessation of Operations - Temporary - (WM)

Existing Environment and Applicant's Proposal

The applicant discusses cessation of operations on both a permanent and temporary basis on page 64 of the PAP.

Compliance

The applicant has committed to submit to the Division a notice to cease operations in accordance with UMC 817.131.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.133 Postmining Land Use - (BAS)

Existing Environment and Applicant's Proposal

Land uses are described on page 55. These include wildlife habitat, recreation, and rangeland. Postmining land use will remain the same (pages 56-57).

Compliance

The operation and reclamation plans (Chapter 4) are compatible with both current and future land uses. Reclamation will promote a higher level of use than existed prior to development.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.150-.156 Roads: Class I - (PGL)

Existing Environment and Applicant's Proposal

Class I haul roads within the permit area consist of the truck loops and access road. These roads are paved or gravel-based (distinguished on Plate I) and will be reclaimed during Phase I of reclamation (page 134).

Compliance

These roads have been certified by a registered professional engineer as meeting the Class I haul road regulations. They will be maintained and reclaimed as required by this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.160-.166 Roads: Class II - (PGL)

Existing Environment and Applicant's Proposal

Several gravel roads are used to interconnect facilities at the Wildcat Loadout Facility. All road embankments are placed on flat areas and, therefore, roads and grades are not excessive. These roads are surfaced with gravel and will be maintained and reclaimed (pages 148 and 149).

Compliance

The Class II roads are flat or gently-sloping and surfaced with gravel. The applicant commits to adequately maintain and reclaim these roads as required by this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.180 Other Transportation Facilities - (PGL)

Existing Environment and Applicant's Proposal

The Utah Railroad siding bisects the permit area (Plate I and page 149). This siding is part of a lease agreement with the BLM and a private lease agreement between the Utah Railway and the applicant (signed November 1981). In addition, a reclaim conveyor is present on this site (page 60). A description of how these transportation facilities will be maintained and reclaimed is on pages 149 and 150.

Compliance

The rail siding was operating before the Wildcat Loadout Facility began operating during April 1985. The siding and conveyor system were designed to prevent additional damage to fish, wildlife and environmental values. These facilities will be adequately maintained and reclaimed according to the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 817.181 Support Facilities and Utility Installations - (PGL)

Existing Environment and Applicant's Proposal

Power lines and a substation are located within the permit area (page 61). The coal loading facility includes the loadout structure, reclaim conveyor, storage pile, radial stacker, crusher building, truck dump, office building, and tanks (pages 60 through 63).

Compliance

These facilities were built to prevent degradation to fish, wildlife and environmental values. These facilities will be maintained and reclaimed according to the requirements of this section.

The applicant is in compliance with this section.

Stipulations

None.

UMC 828 Prime Farmland Investigation - (HS)

Existing Environment and Applicant's Proposal

An April 27, 1988 letter from the state soils scientist indicates there are no lands identified as prime farmland within or adjacent to the proposed permit area.

Compliance

On the basis of a soil survey and field review of the lands within the permit area, there are no soil map units that have been designated prime farmland by the U.S.D.A. Soil Conservation Service.

The applicant is in compliance with this section.

Stipulations

None.

djh
AT47/17-42

CUMULATIVE HYDROLOGIC IMPACT ASSESSMENT
WILDCAT LOADOUT FACILITY
PRO/007/033

Andalex Resources, Inc.
Carbon County, Utah
May 5, 1989

I. INTRODUCTION

The purpose of this report is to provide a Cumulative Hydrologic Impact Assessment (CHIA) for Andalex Resources, Incorporated's (Andalex Resources) Wildcat Loadout Facility, located in Carbon County, Utah. The assessment encompasses the probable cumulative impacts of all anticipated coal mining in the general area on the hydrologic balance and whether the operations proposed under the application have been designed to prevent damage to the hydrologic balance outside the proposed permit area. This report complies with federal legislation passed under the Surface Mining Control and Reclamation Act (SMCRA) and subsequent Utah and federal regulatory programs under UMC 786.19(c) and 30 CFR 784.14(f), respectively.

Andalex Resources' Wildcat Loadout Facility is located along the western margin of Castle Valley approximately six miles northwest of Price, Utah (Figure 1).

II. CUMULATIVE IMPACT AREA (CIA)

Figure 2 delineates the CIA for the Wildcat Loadout Facility. The CIA includes Section 33 and the E1/2 of Section 32, Township 13 South, Range 9 East. The CIA encompasses 960 acres.

III. SCOPE OF MINING

Andalex Resources operates the Wildcat Loadout which is the coal storage and loading facility for the Andalex Centennial Mine, a mine 22 miles from the loadout. This unit train loadout is designed to load and crush about 1.5 million tons annually.

The permit area encompasses about 60 disturbed acres for the stockpiling and reclaim system as well as the unit train loading area.

All of the surface structures and coal will be removed and the entire area reclaimed.

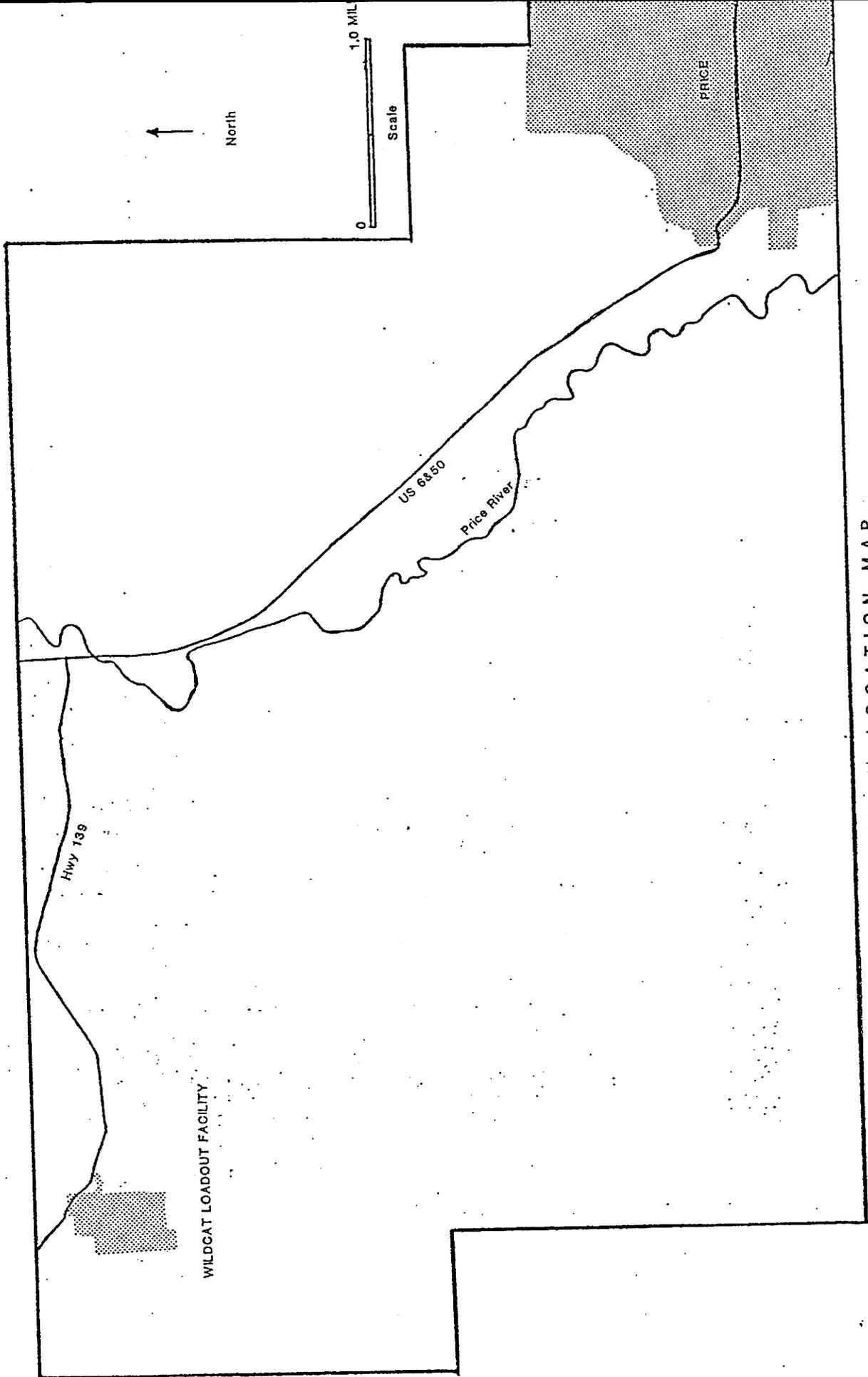
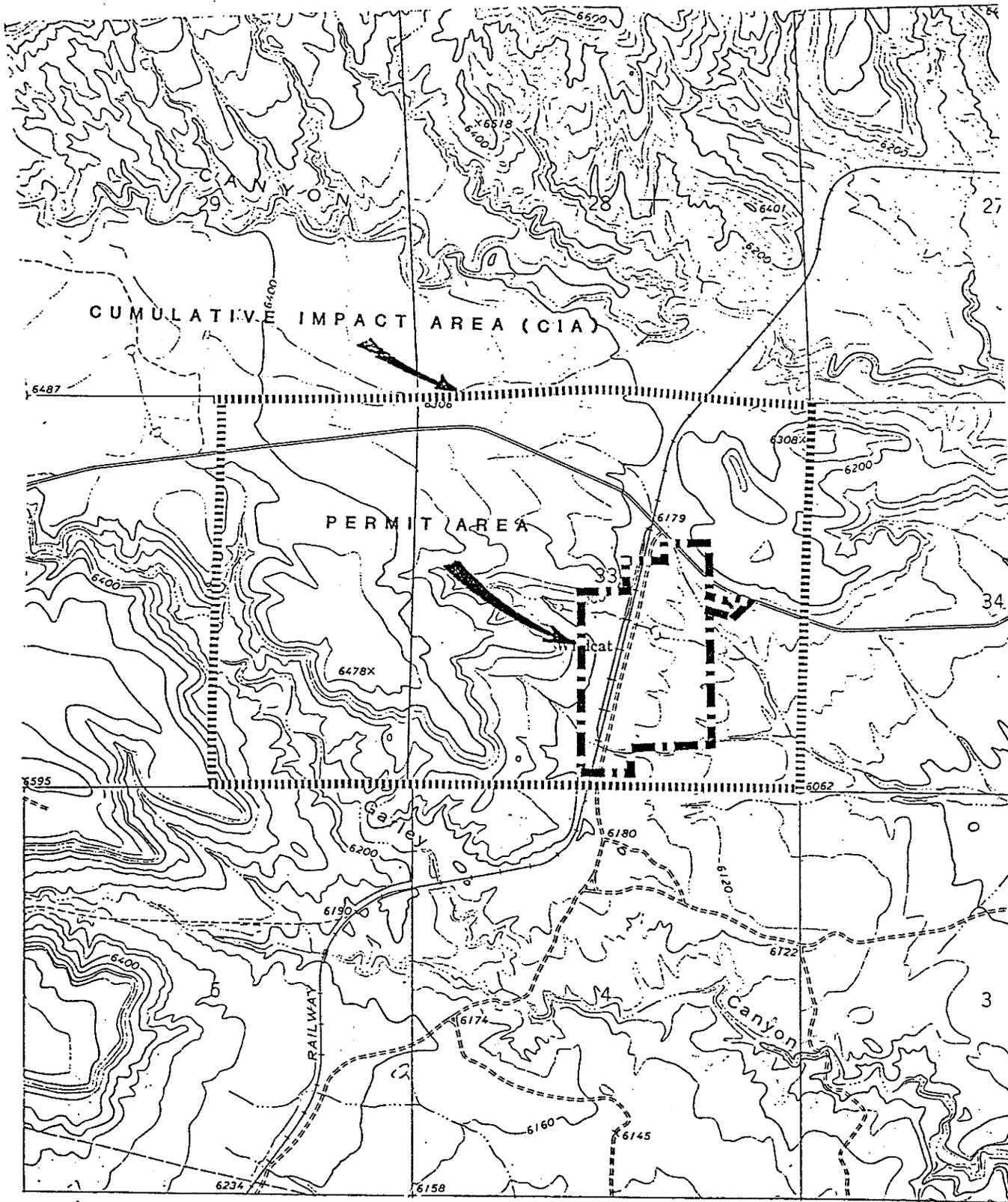


FIGURE 1. LOCATION MAP.



NORTH

FIGURE 2. CUMULATIVE IMPACT AREA (CIA).

IV. STUDY AREA

A. Geology

The Wildcat Loadout Facility is located on the Masuk Member of the Mancos Shale. The Masuk Member is a dark-gray marine shale with thin, discontinuous layers of gray limestone and sandstone that is from 600 to 800 feet thick in the Castle Valley area (Danielson, et al., 1981). The Masuk Member generally acts as an aquaclude, however, it may sporatically yield water to springs locally.

Rocks in the study area strike generally north and dip one to two degrees to the west. No faults have been identified in the study area.

B. Topography and Precipitation

Topography ranges from approximately 6,000 feet to over 6,450 feet.

Average annual precipitation is 10 to 12 inches. The CIA may be classified as semiarid.

C. Vegetation

Dominant vegetation types around the loadout facility are pinyon/juniper and sagebrush/grassland. In general, vegetation varies from the desert saltbush community at lower elevations to Douglas Fir and aspen communities at higher elevations. Between elevation extremes occur other vegetation communities.

These include mountain brush, pinyon-juniper, and pinyon-juniper/sagebrush. The primary non-mining land use is livestock grazing and wildlife habitat.

V. HYDROLOGIC RESOURCES

A. Ground Water

No springs occur within the CIA. One spring, located approximately 1,400 feet south of the CIA in Garley Canyon, discharges at a rate of three gallons per minute at the contact between Quarternary alluvium and the Upper Cretaceous Masuk member.

Two boreholes, drilled to a total depth of 60 feet, were utilized to investigate ground-water resources within the permit area. Neither borehole encountered water during the drilling program and subsequent monitoring did not identify infiltrated ground water.

The only potentially significant ground-water resource within the CIA apparently occurs beneath the Masuk member at a depth exceeding 600 feet.

B. Surface Water

The Wildcat Loadout is located in the lower Gordon Creek drainage basin. No perennial or intermittent streams exist within the CIA. The North Fork of Gordon Creek and the Price River, perennial streams, occur within one-and-one-half miles and three-and-a-half miles respectively of the CIA. All streams in the CIA are ephemeral (Figure 2).

Disturbed area runoff is controlled by sedimentation facilities. Undisturbed area runoff is diverted away from the loadout. All sediment ponds are regulated by NPDES permit, and are designed to prevent additional contributions of sediment to the hydrologic balance.

VI. POTENTIAL HYDROLOGIC IMPACTS

A. Ground Water

No shallow ground-water resources were identified within the CIA. Although a ground-water resource may occur at depth beneath CIA, potential impacts to this resource from surface leaching associated with the Wildcat Loadout Facility are herein determined to be practically non-existent.

B. Surface Water

Leachate and acid- and toxic-forming material analysis has been performed on all materials stored on-site. Results of the analyses indicate that no potential impacts will occur to the surface waters in the CIA.

A surface water monitoring plan has been proposed for the loadout facility. Two ephemeral drainages above the site and two below will be monitored quarterly for parameters outlined in the Division's Water Monitoring Guidelines.

The combination of surface water monitoring, NPDES monitoring, and annual leachate analysis will enable determination of any potential impacts to the hydrologic balance.

VII. SUMMARY

The operational designs proposed for the Wildcat Loadout Facility are herein determined to be consistent with preventing damage to the hydrologic balance outside the permit area.

REFERENCES

Andalex Resources Incorporated, Mining and Reclamation Plan,
August 15, 1988, Wildcat Loadout Facility, Carbon County, Utah

Danielson, T. W., Re Millard, M. D., and Fuller, R. H., 1981,
Hydrology of the Coal-Resource Areas in the Upper Huntington and
Cottonwood Creeks, Central Utah: U. S. Geological Survey, Water
Resources Invest., Open-File Report 81-539, 85p.

UMC 800 Bonding - (PGL)

Wildcat Loadout Facility

Bonding

PHASE I:

Structural Removal	\$ 286,000	
Coal Pile Cleanup	16,000	
Recontouring and Regrading	78,000	
Compaction and Scarification	4,000	
Topsoil Redistribution	130,705	
Revegetation	17,000	
Monitoring	<u>8,100</u>	
Subtotal		\$539,805

PHASE II:

Recontouring	\$ 17,000	
Monitoring	<u>2,700</u>	
Subtotal		\$ 19,700

Foreman Supervising Activities	<u>\$100,800</u>	
		\$660,305
10% Contingency		<u>\$ 66,030</u>
Total		\$726,335
		(1988 dollars)

Escalated at 2.3%

1989	\$743,041	
1990	\$760,131	
1991	\$777,614	
1992	\$795,499	
1993	\$813,795	←

The amount of \$813,795 was posted by the applicant on March 1, 1989 in the form of an Irrevocable Letter of Credit (#55412-IC) at the Pittsburg National Bank.

AT47/51

LETTERS
OF
CONCURRENCE



State of Utah

Division of State History
(Utah State Historical Society)
Department of Community and Economic Development

Norman H. Bangerter
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182

for 100/001/033
#2
cc. J. Whitehead

RECEIVED
FEB 16 1988

DIVISION OF
OIL, GAS & MINING

February 8, 1988

John J. Whitehead
Permit Supervisor/
Reclamation Hydrologist
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Initial Completeness Review, Andalex Resources, Wildcat Loadout,
PRO/007/033, Folder #2, Carbon County, Utah

In Reply Please Refer to Case No. K842

Dear Mr. Whitehead:

The Utah State Historic Preservation Office has received for consideration the above referenced project. We understand that a cultural resource survey occurred in the project area on November 6, 1981 (Appendix E) and that no cultural resources located within the project area by this survey. We can therefore concur that there are no known cultural resources eligible for the National Register of Historic Places existing within the project area. It is our understanding of federal regulation 36 CFR 800 that when the lead agency and SHPO are in concurrence that there are no known cultural resources, that the 106 process has been completed.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. If you have questions or need additional assistance, please contact David L. Schirer at (801) 533-7039, or 533-6017.

Sincerely,

A. Kent Powell
Deputy State Historic
Preservation Officer

DLS:jrc:K842/5150V OR/NP



State of Utah

Division of State History
(Utah State Historical Society)
Department of Community and Economic Development

Norman H. Bangert
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
801-533-5755

cc: J. Whitehead

RECEIVED
DEC 05 1988

November 28, 1988

DIVISION
OIL, GAS & MINING

Mr. Lowell P. Braxton
Mineral Resource Development and
Reclamation Program
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Determination of Completeness, Anadalex Resources, Inc., Wildcat Loadout,
PRO/007/033, Folder #2, ^{#3?} Carbon County, Utah

In Reply Please Refer to Case No. K842

Dear Mr. Braxton:

The Utah State Historic Preservation Office has received notification of determination of completeness for the above referenced project. Our office has no additional comments on this project.

The above is provided on request as outlined by 36 CFR 800 or Utah Code, Title 63-18-37. The Utah SHPO makes no regulatory requirement in this matter. If you have questions or need additional assistance, please contact us at (801) 533-7039 or 533-6017.

Sincerely,

Diana Christensen
Regulation Assistance Coordinator

DC:0157j/K842 OR



STATE OF UTAH
NATURAL RESOURCES
Wildlife Resources

1596 West North Temple • Salt Lake City, UT 84116-3154 • 801-533-9333

cl L. Bangerter
File # 007/083
Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
William H. Geer, Division Director

March 28, 1988

Dr. Dianne R. Nielson, Director
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED
MAR 30 1988

DIVISION OF
OIL, GAS & MINING

Attention: John Whitehead

Dear Dianne:

The Division has evaluated Andalex Resources' permit application package for a Mining and Reclamation Plan (MRP) at the Wildcat loadout. The following comments are provided for your information.

The MRP from a wildlife perspective is accurate and well prepared. The entire 115 acre lease area is being utilized and therefore represents a loss of critical valued deer and elk winter range. Appendix F identified a 13 acre mitigation (vegetation enhancement) project that has since been completed. This was compensation for the 12.5 acres leased by Andalex to Utah Rail and developed under BLM Right-of-Way Permit No. U-52810 and temporary Use Permit U-48027. As a result, mitigation to offset loss of 100 acres critical valued by game winter range needs to be planned and accomplished.

Thank you for an opportunity to review and provide comment.

Sincerely,

William H. Geer
William H. Geer
Director

cc: USFWS (SLC)
BLM (Price)



STATE OF UTAH
NATURAL RESOURCES
Wildlife Resources

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
William H. Geer, Division Director

Southeastern Region • 455 West Railroad Avenue • Price, UT 84501-2829 • 801-637-3310

RECEIVED
DEC 15 1988

December 12, 1988

DIVISION OF
OIL, GAS & MINING

Mr Brent Stettler
Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Brent:

In regards to mitigation for deer winter range losses that is being required of Andalex Resources at their Wildcat Loadout, the following is offered for your information.

Andalex's takeover of the loadout area resulted in 24 acres of new disturbance within the permit boundary. Another 12 acres of new disturbance resulted from facility development involving the BLM right-of-way (Permit No. U-52810) and their BLM material borrow area (Temporary Use Permit No. U-48027). These disturbances totaled 36 acres for which 21 acres of partial mitigation was completed in 1984. Currently, 15 acres of mitigation is still needed.

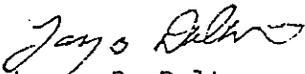
BLM and DWR have been in consultation with the company concerning this issue. Two alternatives have been selected either of which, if accomplished by the company, would satisfy the mitigation requirement: (1) A rangeland treatment on BLM land to create 15 acres of browse interseeding through use of BLM's brushland plow and rangeland drill is satisfactory. The preferred site is a chained area proximal and immediately west of the loadout facility. It would result in replacement of the lost forage from facility development. (2) Installation of a 2,100 gallon guzzler on BLM land in S 1/2 Sec. 6, T 14 S, R 9 E, Carbon County, Utah, SLBM is also satisfactory. Such a guzzler should have a heavy duty top and an exterior trough. The guzzler would hold big game in an area with surplus forage that is not currently utilized due to a lack of water.

Brent Stettler
Page 2
December 12, 1988

Brent, the Company will need to negotiate preparation on an environmental assessment report for either of these projects with BLM's Price River Resource Area office.

Thank you for an opportunity to provide comment.

Sincerely,



Larry B. Dalton
Resource Analyst

LBD/dd

cc: Darrell Nish, DWR
Mike Glasson, Andalex Res.
Dave Mills, BLM



State of Utah
OFFICE OF PLANNING AND BUDGET

Norman H. Bangerter
Governor

Dale C. Hatch, C.P.A., J.D.
Director

Michael E. Christensen, Ph.D.
Deputy Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027

cc. J. Whitehead

RECEIVED
JAN 05 1989

DIVISION OF
OIL, GAS & MINING

December 28, 1988

Mr. John Whitehead
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

SUBJECT: Andalex Resources, Inc. - Wildcat Loadout Facility - Permit
State Application Identifier #UT881125-010

Dear Mr. Whitehead:

The Resource Development Coordinating Committee of the State of Utah has reviewed this proposed action. We have received no comments from potentially affected state agencies, but note that the Utah Division of State History has commented directly to you under separate cover.

The Committee appreciates the opportunity of reviewing this proposal. Please address any other questions regarding this correspondence to Carolyn Wright (801) 538-1535.

Sincerely,

Michael E. Christensen

Michael E. Christensen
State Planning Coordinator

MEC/jw



United States Department of the Interior

FISH AND WILDLIFE SERVICE
FISH AND WILDLIFE ENHANCEMENT
UTAH STATE OFFICE
2078 ADMINISTRATION BUILDING
1745 WEST 1700 SOUTH
SALT LAKE CITY, UTAH 84104-5110

ORV [unclear]
TAKE PRIDE IN AMERICA

IN REPLY REFER TO:

(FWE)

February 3, 1988

RECEIVED
FEB 08 1988

DIVISION OF
OIL, GAS & MINING

Diane Nielson, Director
Division of Oil, Gas and Mining
3 Triad Center Suite 350
Salt Lake City, Utah 84180

Dear Ms. Nielson:

We have examined the permit application package submitted by Andalex Resources for the Wildcat Loadout, PRO/007/033, Carbon County, Utah provided by your letter of January 15, 1988.

This loadout facility is situated in an area of sensitive wildlife concern, however the majority of detrimental impacts to the ecosystem have already occurred through prior development. With the company's adherence to listed stipulations and the implementation of the wildlife enhancement plan, our concerns for wildlife resources are adequately addressed. The Fish and Wildlife Service suggests that this permit application package is complete from a fish and wildlife resource perspective.

Sincerely,

Robert A. Ruesink

Robert G. Ruesink
State Supervisor



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
P.O. Box 970
Moab, Utah 84532

3100
2890/U-48027
(U-066)

FEB 29 1988

Dr. Diane Nielson, Director
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED
MAR 02 1988

DIVISION OF
OIL, GAS & MINING

Re: Initial Completeness Review, Andalex Resources, Wildcat Loadout, PR0/007/033, Folder #2, Carbon County, Utah

Dear Dr. Nielson:

We have reviewed the Andalex Resources permit application package for the Wildcat loadout facility and offer the following comments:

In Chapter II (C.), under right-of-entry and operation information, it states that the right-of-way is 115 acres more or less. Our records indicate that the right-of-way is 92.35 acres in area. In Chapter VIII, the applicant has included a copy of the original right-of-way grant (U-48027) and one amendment. A number of amendments have occurred that have added and deleted acreage in this right-of-way. These amendments are legal documents that should be included in this permit application.

After reviewing Chapter VIII, Appendix F, Wildlife Enhancement Project, we would like to clarify one point. This particular enhancement project was completed for the by-pass road and a minor, temporary-use area. There has been no enhancement work completed to compensate for the loss in critical deer winter habitat in the loadout facility area. Andalex Resources was very cooperative in completing the project noted; however, additional mitigation efforts may be requested to compensate for losses in critical deer winter habitat as a result of this project. We will be consulting with the Utah Division of Wildlife Resources in the near future regarding this matter and you should expect a reply from them.

If you have any additional questions, please feel free to contact Mark Mackiewicz in our Price office at (801) 637-4584.

Sincerely yours,

Kenneth V. Rhee

District Manager

ACTING

*orig memo file
C. L. Brayton*



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Moab District
P.O. Box 970
Moab, Utah 84532

2890
UTU-48027
(U-066)

File # 007/033
-c Rick Smith

Mr. John Whitehead
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RECEIVED FEB 21 1989
FEB 23 1989

DIVISION OF
OIL, GAS & MINING

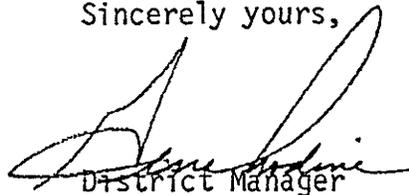
Dear Mr. Whitehead:

We have reviewed Andalex Resources' Wildcat Loadout (PRO/007/033) permit application package. Our major concerns about the package were addressed in our letter of February 29, 1988.

We have worked with the Utah Division of Wildlife Resources and Andalex to develop a wildlife mitigation plan for the project. Enclosed is a copy of the final mitigation plan. If the plan is incorporated in the approved permit and the company submits the missing right-of-way documents, we recommend that the permit be approved.

If you have any questions, please feel free to contact Mark Mackiewicz in our Price Office at (801) 637-4584.

Sincerely yours,


District Manager

Enclosure:
Wildlife Mitigation Plan



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

May 5, 1989

TO: Richard V. Smith

FROM: Joseph C. Helfrich *JCH*

RE: Compliance Review for Section 510(c) Finding, Andalex Resources, Inc.,
Wildcat Loadout, PRO/007/033, Carbon County, Utah

As of the writing of this letter, there are no NOV's or CO's which are not corrected or in the process of being corrected. Any NOV's or CO's that are outstanding are in the process of administrative or judicial review. There are no finalized Civil Penalties which are outstanding and overdue in the name of Andalex Resources, Inc.

Finally, they do not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

jb
MN47/27



Norman H. Bangertter

Governor

Doe C. Hansen

Executive Director

Robert L. Morgan

State Engineer

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

1636 West North Temple, Suite 220
Salt Lake City, Utah 84116-3156
801-538-7240

February 23, 1988

John J. Whitehead
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center
Suite 350
SLC, UT 84180-1203

Re: Andalex Resources, Wildcat Loadout, PRO/007/033, Folder #2,
Carbon County

Dear Mr. Whitehead:

We have reviewed the permit application package for the above-referenced project. It seems that water rights for the project are in order and the applicant needs only to submit proof of appropriation to finalize their water right. We note that sedimentation ponds have been constructed for the project and that sedimentation pond E is to be altered. As a matter of policy, we do not approve dams or embankments which are constructed prior to our review and approval of plans and specifications for the dam. We will retain the permit application package for our records. Since these structures are small and pose little or no threat to life or property, we do not object to their continued use for sedimentation purposes. However, we request that a Form R-69 "Application to Construct a Dam Impounding less than 20 acre-feet" be filed with our office prior to constructing future water retention embankments. We have enclosed two copies of our Form R-69.

Thank you for your efforts in this matter. If you have further questions or comments, please feel free to contact John Mann of our Dam Safety Section.

Sincerely,

Robert L. Morgan, P.E.
State Engineer

RLM:RBH:jrm

Enclosures (2)

cc: Mark Page, Price Area Engineer
John Mann, Dam Safety

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JACOBS
Chairman
WILLIAM D. HOWELL
Executive Director

P. O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # _____)

Other (indicate) _____ SAI Number _____

Applicant (Address, Phone Number):

Division of Oil, Gas and Mining
344 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Federal Funds:

Requested: _____

Title:

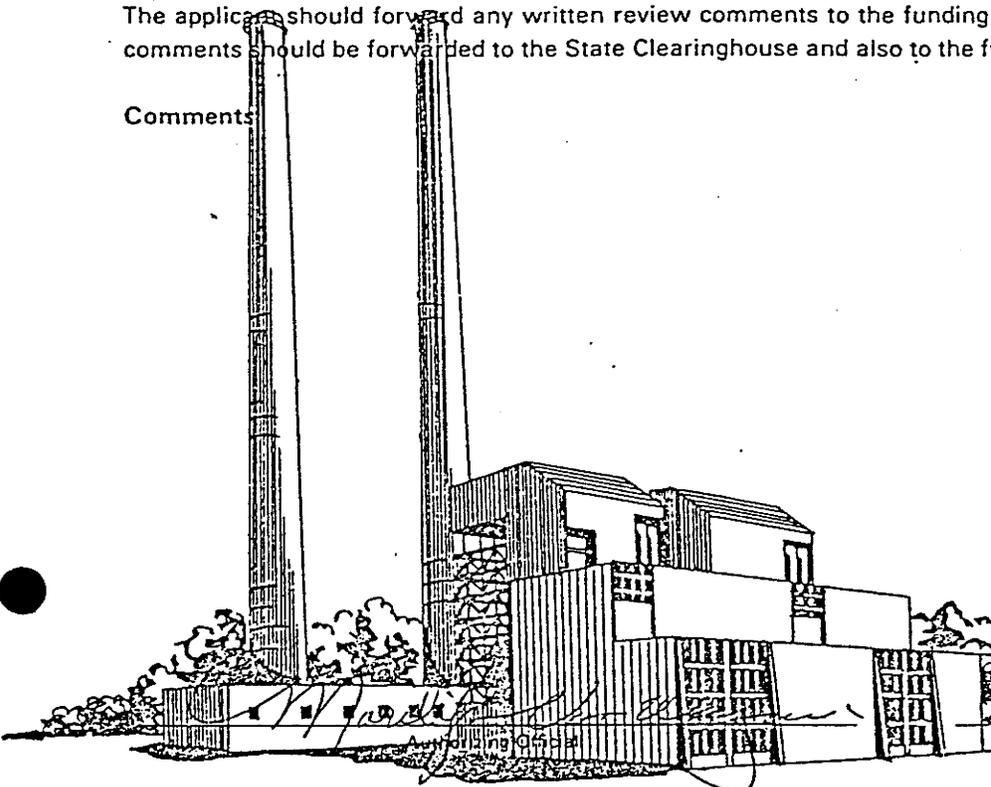
007-033

ANDALEX RESOURCES, INC. - WILDCAT LOADOUT FACILITY

- No comment
- See comments below
- No action taken because of insufficient information
- Please send your formal application to us for review. Your attendance is requested

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments



11-29-88

Date

AFFIDAVIT OF PUBLICATION

STATE OF UTAH
County of Carbon, } ss.

Dan Stockburger, on oath, say that I am the General Manager of the The Sun-Advocate, a weekly newspaper of general circulation, published at Price, State and County of Carbon, and that a certain notice, a true copy of which is attached, was published in the full issue of such newspaper for Four (4) consecutive issues, and that the first publication was on the 9th day of March, 1989, and that the last publication of such notice was in the issue of such newspaper dated the 30th day of March, 1989.

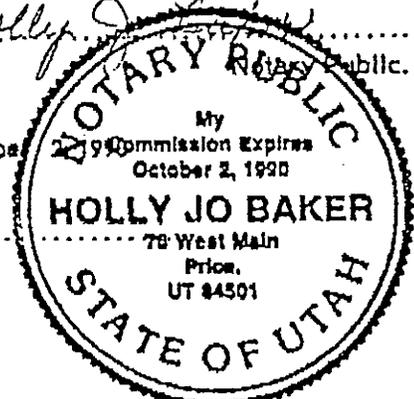
9th day of March, 1989

30th day of March, 1989

[Signature]
Subscribed and sworn to before me this 30th day of March, 1989.

[Signature]

Commission expires October 2, 1990
Publication fee, \$ 96.00



NOTICE OF PERMIT APPLICATION PRO 007/038

Notice is hereby given that a COMPLETE RECLAMATION PERMIT has been submitted to the Division of Oil, Gas, and Mining for the operation of a coal crushing and loading facility. The name of the existing operation is the Andalex Resources Wildcat Loadout and the person representing the company is Samuel C. Quigley, P.O. Box 902, Price, Utah 84501.

The Wildcat Preparation Plant permit area is located within a BLM Right-of-Way described as follows:
Township 13 South, Range 9 East, SLM.
Section 33: Parts of:

- E1/2SW1/4NE1/4
- SW1/4SW1/4NE1/4
- N1/2NW1/4NE1/4SE1/4
- NW1/4SE1/4
- NE1/4SW1/4
- NE1/4SE1/4SW1/4
- N1/2SE1/4SE1/4SW1/4
- SW1/4SE1/4SE1/4SW1/4
- N1/2SW1/4SE1/4
- NW1/4SW1/4SW1/4SE1/4

A copy of the Coal Preparation and Loadout Reclamation Permit submitted by Andalex Resources is available for public inspection at the office of the Division of Oil, Gas, and Mining, Price, Utah. Any person aggrieved by this Coal Preparation and Loadout Reclamation Plan is requested to submit written comments, objections, or requests for informal conferences on said applications within thirty (30) days from the last date of this publication to the Division of Oil, Gas, and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203 and to the Office of Surface Mining, Reclamation and Enforcement, Brook Towers, 1020 15th Street, Denver, Colorado 80202, setting forth factual reasons for his (her) complaint as to why this plan should not be approved.

Published in the Sun Advocate March 9, 16, 23 and 30, 1989.



United States Department of the Interior

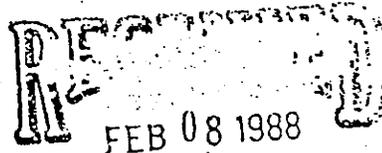
FISH AND WILDLIFE SERVICE
FISH AND WILDLIFE ENHANCEMENT
UTAH STATE OFFICE
2078 ADMINISTRATION BUILDING
1745 WEST 1700 SOUTH
SALT LAKE CITY, UTAH 84104-5110



IN REPLY REFER TO:

(FWE)

February 3, 1988



DIVISION OF
OIL, GAS & MINING

Diane Nielson, Director
Division of Oil, Gas and Mining
3 Triad Center Suite 350
Salt Lake City, Utah 84180

Dear Ms. Nielson:

We have examined the permit application package submitted by Andalex Resources for the Wildcat Loadout, PRO/007/033, Carbon County, Utah provided by your letter of January 15, 1988.

This loadout facility is situated in an area of sensitive wildlife concern, however the majority of detrimental impacts to the ecosystem have already occurred through prior development. With the company's adherence to listed stipulations and the implementation of the wildlife enhancement plan, our concerns for wildlife resources are adequately addressed. The Fish and Wildlife Service suggests that this permit application package is complete from a fish and wildlife resource perspective.

Sincerely,

Robert G. Ruesink
State Supervisor



United States Department of the Interior

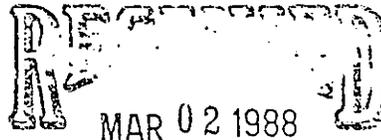
BUREAU OF LAND MANAGEMENT

Moab District
P.O. Box 970
Moab, Utah 84532

3100
2890/U-48027
(U-066)

FEB 29 1988

Dr. Diane Nielson, Director
Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



DIVISION OF
OIL, GAS & MINING

Re: Initial Completeness Review, Andalex Resources, Wildcat Loadout,
PRO/007/033, Folder #2, Carbon County, Utah

Dear Dr. Nielson:

We have reviewed the Andalex Resources permit application package for the Wildcat loadout facility and offer the following comments:

In Chapter II (C.), under right-of-entry and operation information, it states that the right-of-way is 115 acres more or less. Our records indicate that the right-of-way is 92.35 acres in area. In Chapter VIII, the applicant has included a copy of the original right-of-way grant (U-48027) and one amendment. A number of amendments have occurred that have added and deleted acreage in this right-of-way. These amendments are legal documents that should be included in this permit application.

After reviewing Chapter VIII, Appendix F, Wildlife Enhancement Project, we would like to clarify one point. This particular enhancement project was completed for the by-pass road and a minor, temporary-use area. There has been no enhancement work completed to compensate for the loss in critical deer winter habitat in the loadout facility area. Andalex Resources was very cooperative in completing the project noted; however, additional mitigation efforts may be requested to compensate for losses in critical deer winter habitat as a result of this project. We will be consulting with the Utah Division of Wildlife Resources in the near future regarding this matter and you should expect a reply from them.

If you have any additional questions, please feel free to contact Mark Mackiewicz in our Price office at (801) 637-4584.

Sincerely yours,

District Manager

ACTING

orig memo file
CL Brayton

Mine file # 007/033
C Rick Smith



United States Department of the Interior

2890
UTU-48027
(U-066)

BUREAU OF LAND MANAGEMENT

Moab District
P.O. Box 970
Moab, Utah 84532

RECEIVED FEB 21 1989
FEB 23 1989

Mr. John Whitehead
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

DIVISION OF
OIL, GAS & MINING

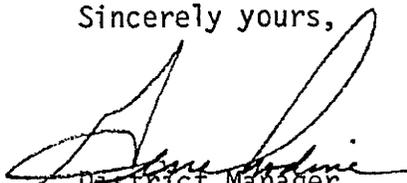
Dear Mr. Whitehead:

We have reviewed Andalex Resources' Wildcat Loadout (PRO/007/033) permit application package. Our major concerns about the package were addressed in our letter of February 29, 1988.

We have worked with the Utah Division of Wildlife Resources and Andalex to develop a wildlife mitigation plan for the project. Enclosed is a copy of the final mitigation plan. If the plan is incorporated in the approved permit and the company submits the missing right-of-way documents, we recommend that the permit be approved.

If you have any questions, please feel free to contact Mark Mackiewicz in our Price Office at (801) 637-4584.

Sincerely yours,


District Manager

Enclosure:
Wildlife Mitigation Plan



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

May 5, 1989

TO: Richard V. Smith
FROM: Joseph C. Helfrich *JCH*
RE: Compliance Review for Section 510(c) Finding, Andalex Resources, Inc.,
Wildcat Loadout, PRO/007/033, Carbon County, Utah

As of the writing of this letter, there are no NOV's or CO's which are not corrected or in the process of being corrected. Any NOV's or CO's that are outstanding are in the process of administrative or judicial review. There are no finalized Civil Penalties which are outstanding and overdue in the name of Andalex Resources, Inc.

Finally, they do not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

jb
MN47/27



Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Robert L. Morgan
State Engineer

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

1636 West North Temple, Suite 220
Salt Lake City, Utah 84116-3156
801-538-7240

February 23, 1988

John J. Whitehead
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center
Suite 350
SLC, UT 84180-1203

Re: Andalex Resources, Wildcat Loadout, PRO/007/033, Folder #2,
Carbon County

Dear Mr. Whitehead:

We have reviewed the permit application package for the above-referenced project. It seems that water rights for the project are in order and the applicant needs only to submit proof of appropriation to finalize their water right. We note that sedimentation ponds have been constructed for the project and that sediment pond E is to be altered. As a matter of policy, we do not approve dams or embankments which are constructed prior to our review and approval of plans and specifications for the dam. We will retain the permit application package for our records. Since these structures are small and pose little or no threat to life or property, we do not object to their continued use for sedimentation purposes. However, we request that a Form R-69 "Application to Construct a Dam Impounding less than 20 acre-feet" be filed with our office prior to constructing future water retention embankments. We have enclosed two copies of our Form R-69.

Thank you for your efforts in this matter. If you have further questions or comments, please feel free to contact John Mann of our Dam Safety Section.

Sincerely,

Robert L. Morgan, P.E.
State Engineer

RLM:RBH:jrm

Enclosures (2)

cc: Mark Page, Price Area Engineer
John Mann, Dam Safety

SOUTHEASTERN UTAH ASSOCIATION OF LOCAL GOVERNMENTS

HAROLD JACOBS
Chairman
WILLIAM D. HOWELL
Executive Director

P. O. Drawer A1 • Price, Utah 84501 • Telephone 637-5444

AREAWIDE CLEARINGHOUSE A-95 REVIEW

NOI ___ Preapp ___ App ___ State Plan ___ State Action X Subdivision ___ (ASP # _____)

Other (indicate) _____ SAI Number _____

Applicant (Address, Phone Number):

Division of Oil, Gas and Mining
344 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Federal Funds:

Requested: _____

Title:

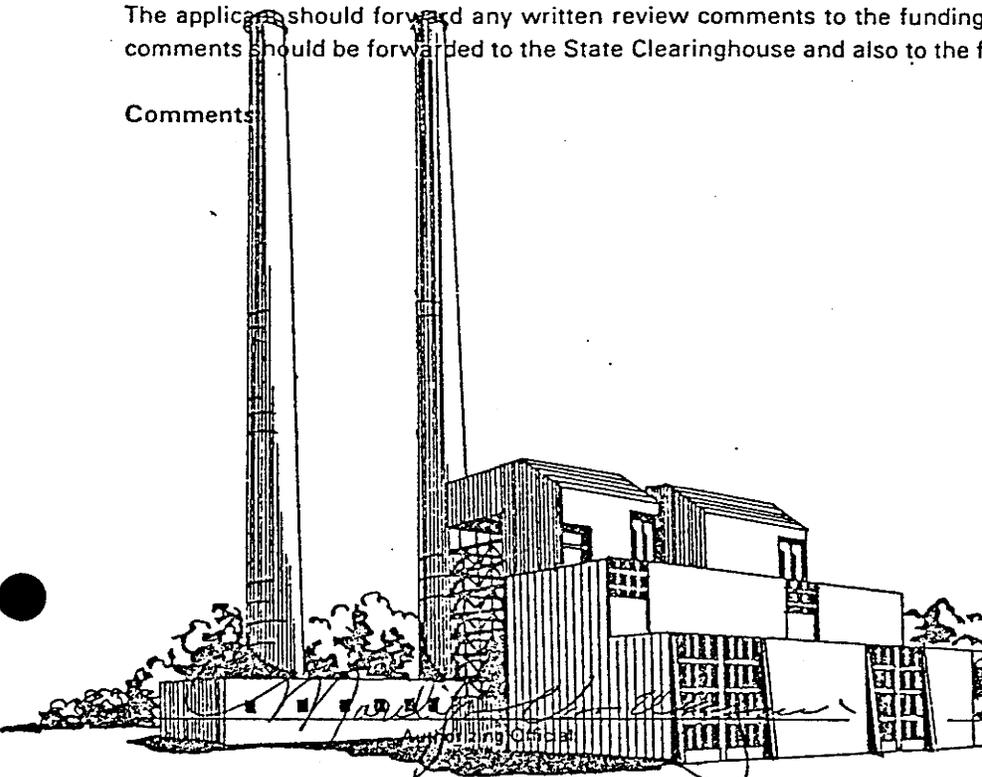
007-033

ANDALEX RESOURCES, INC. - WILDCAT LOADOUT FACILITY

- No comment
- See comments below
- No action taken because of insufficient information
- Please send your formal application to us for review. Your attendance is requested

The applicant should forward any written review comments to the funding agency. Any written response to those comments should be forwarded to the State Clearinghouse and also to the funding agency.

Comments:



11-29-88

Date

AFFIDAVIT OF PUBLICATION

STATE OF UTAH
County of Carbon,

ss.

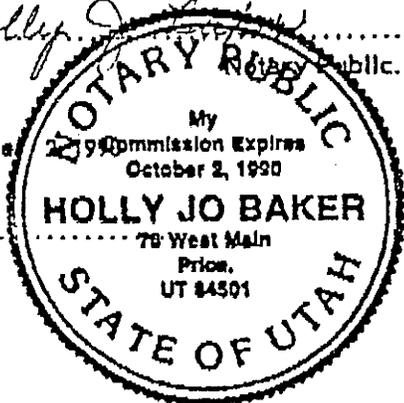
Dan Stockburger, on oath, say that I am the General Manager of the The Sun-Advocate, a weekly newspaper of general circulation, published at Price, State and County Resald, and that a certain notice, a true copy of which is attached, was published in the full issue of such newspaper for Four (4) consecutive issues, and that the first publication was on the 9th day of March, 1989 and that the last publication of such notice was in the issue of such newspaper dated the 30th day of March, 1989.

Subscribed and sworn to before me this 30th day of March, 1989.

Holly Jo Baker
Notary Public

Commission expires October 2, 1990

Publication fee, \$...96.00



NOTICE OF PERMIT APPLICATION PRO 007/03S

Notice is hereby given that a COMPLETE RECLAMATION PERMIT has been submitted to the Division of Oil, Gas, and Mining for the operation of a coal crushing and loading facility. The name of the existing operation is the Andalex Resources Wildcat Loadout and the person representing the company is Samuel C. Quigley, P.O. Box 902, Price, Utah 84501.

The Wildcat Preparation Plant permit area is located within a BLM Right-of-Way described as follows:

Township 13 South, Range 9 East, SLM.
Section 33: Parts of:

E1/2SW1/4NE1/4
SW1/4SW1/4NE1/4
N1/2NW1/4NE1/4SE1/4
NW1/4SE1/4
NE1/4SW1/4
NE1/4SE1/4SW1/4
N1/2SE1/4SE1/4SW1/4
SW1/4SE1/4SE1/4SW1/4
N1/2SW1/4SE1/4
NW1/4SW1/4SW1/4SE1/4

A copy of the Coal Preparation and Loadout Reclamation Permit submitted by Andalex Resources is available for public inspection at the office of the Division of Oil, Gas, and Mining, Price, Utah. Any person aggrieved by this Coal Preparation and Loadout Reclamation Plan is requested to submit written comments, objections, or requests for informal conferences on said applications within thirty (30) days from the last date of this publication to the Division of Oil, Gas, and Mining, 355 West North Temple, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203 and to the Office of Surface Mining, Reclamation and Enforcement, Brook Towers, 1020 15th Street, Denver, Colorado 80202, setting forth factual reasons for his (her) complaint as to why this plan should not be approved.

Published in the Sun Advocate March 9, 16, 23 and 30, 1989.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

COAL RECLAMATION AGREEMENT

--oo00oo--

For the purposes of this RECLAMATION AGREEMENT, the terms below are defined as follows:

"PERMIT" (Mine Permit No.) PRO 007/033 (County) Carbon

"MINE" (Name of Mine) Wildcat Loadout

"OPERATOR" (Company or Name) Andalex Resources, Inc.
(Address) P.O. Box 902
Price, Utah 84501

"OPERATOR'S REGISTERED AGENT" (Name) C.T. Corporation, Inc.
(Address) 175 South Main
(Phone) Salt Lake City, Utah 84111

"COMPANY OFFICERS": Robert Anderson, Jr.
Bruce Justin Ferriell

"BOND TYPE" (Form of Bond) Collateral, Irrevocable Letter of Credit
"BOND" (Bond Amount-Dollars) \$813,795.00
(Year-Dollars) 1993

INSTITUTION
POLICY OR ACCOUNT NUMBER Pittsburg National Bank, #55412-IC

"LIABILITY INSURANCE" (Exp.) Permit Life, plus renewals and reclamation
(Insurance Company) Old Republic Insurance Company

"STATE": Utah (Department of Natural Resources)
"DIVISION": Division of Oil, Gas and Mining
"DIVISION DIRECTOR" Dianne R. Nielson

EXHIBITS:

		Revision Dates	
"SURFACE DISTURBANCE"	Exhibit "A"	<u>2-24-89</u>	<u> </u>
"BONDING AGREEMENT"	Exhibit "B"	<u>2-24-89</u>	<u> </u>
"LIABILITY INSURANCE"	Exhibit "C"	<u>7-01-87</u>	<u> </u>
"STIPULATION TO CHANGE BOND"	Exhibit "D"	<u>N/A</u>	<u> </u>

RECLAMATION AGREEMENT

This RECLAMATION AGREEMENT (hereinafter referred to as "Agreement") is entered into by the Operator.

WHEREAS, on MAY 5 , 19 89, the Division approved the Permit Application Package, hereinafter "PAP", submitted by Andalex Resources, Inc. , hereinafter "Operator"; and

WHEREAS, prior to issuance of a permit to conduct mining and reclamation operations on the property described in the PAP, hereinafter "Property", the Operator is obligated by Title 40-10-1, et seq., Utah Code Annotated (1953, as amended), hereinafter "Act", to file with the Division a bond ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act, and the State of Utah Division of Oil, Gas and Mining Rules pertaining to Coal Mining and Reclamation Activities, hereinafter "Rules"; and

WHEREAS, the Operator is ready and willing to file the bond in the amount and in a form acceptable to the Division and to perform all obligations imposed by the Division relating to the reclamation of the Property; and

WHEREAS, the Division is ready and willing to issue the subject a mining and reclamation permit upon acceptance and approval of the bond.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. The provisions of the Act and the Rules are incorporated by reference herein and hereby made a part of this Agreement. Provisions of the Act or Rules shall supercede conflicting provisions of this Agreement.

RECLAMATION AGREEMENT

2. The Operator shall provide a legal description of the property including the number of acres approved by the Division to be disturbed by surface mining and reclamation operations during the permit period. The description is attached as Exhibit "A", and is incorporated by reference and shall be referred to as the "Surface Disturbance".
3. The Operator shall provide a bond to the Division in the form and amount acceptable to the Division ensuring the performance of the reclamation obligations in the manner and by the standards set forth in the PAP, the Act and the Rules. Said bond is attached as Exhibit "B" and is incorporated by reference.
4. The Operator shall maintain in full force and effect the public liability insurance policy submitted as part of the permit application. The Division shall be listed as an additional insured on said policy.
5. In the event that the Surface Disturbance is increased through expansion of the coal mining and reclamation operations or decreased through partial reclamation, the Division shall adjust the bond as appropriate.
6. The Operator does hereby jointly and severally agree to indemnify and hold harmless the State of Utah and the Division from any claim, demand, liability, cost, charge, or suit initiated by a third party as a result of the Operator or Operator's agent or employees failure to abide by the terms and conditions of the approved PAP and this Agreement.

RECLAMATION AGREEMENT

7. The terms and conditions of this Agreement are non-cancellable until such time as the Operator has satisfactorily, as determined by the Division, reclaimed the Surface Disturbance in accordance with the approved PAP, the Act, and the Rules. Notwithstanding the above, the Division may direct, or the Operator may request and the Division may approve, a modification to this Agreement.
8. The Operator may, at any time, submit a request to the Division to substitute the bonding method. The Division may approve the substitution if the bond meets the requirements of the Act and the Rules, but no bond shall be released until the Division has approved and accepted the replacement bond.
9. Any revision in the Surface Disturbance, the bond amount, the bond type, the liability insurance amount coverage, and/or the liability insurance company, or other revisions affecting the terms and conditions of this Agreement shall be submitted on the form entitled "Stipulation to Revise Reclamation Agreement" and shall be attached hereto as Exhibit "D".
10. This Agreement shall be governed and construed in accordance with the laws of the State. The Operator shall be liable for all costs required to comply with this agreement, including any attorney fees.
11. Any breach of the provisions of this Agreement, the Act, the Rules, or the PAP may, at the discretion of the Division, result in an order to cease coal mining and reclamation operations, revocation of the Operator's permit to conduct coal mining and reclamation operations and/or forfeiture of the bond.

RECLAMATION AGREEMENT

12. In the event of forfeiture, the Operator shall be liable for additional costs in excess of the bond amount which are required to comply with this Agreement. Any excess monies resulting from the forfeiture of the bond amount upon compliance with this contract shall be refunded to the appropriate party.
13. Each signatory below represents that he/she is authorized to execute this Agreement on behalf of the named party. Proof of such authorization is provided on a form acceptable to the Division and is attached hereto.

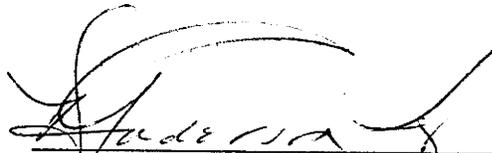
SO AGREED this 5 day of MAY, 19 89

STATE OF UTAH:

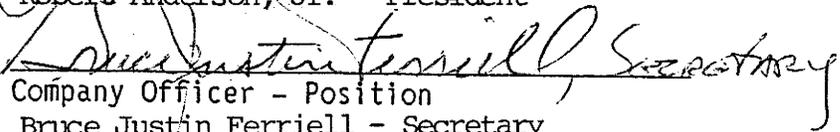


Dianne R. Nielson, Director
Division of Oil, Gas and Mining

OPERATOR:



Company Officer - Position
Robert Anderson, Jr. - President



Company Officer - Position
Bruce Justin Ferriell - Secretary

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

Exhibit "A" - SURFACE DISTURBANCE
August 1988

Permit Number PRO 007/033
Effective Date _____

SURFACE DISTURBANCE
--oo00oo--

In accordance with the RECLAMATION AGREEMENT, the OPERATOR intends to conduct coal mining and reclamation activities on or within the surface DISTURBANCE as described hereunder:

Total acres of SURFACE DISTURBANCE _____ 60 _____

Legal Description of SURFACE DISTURBANCE:

See attached map
T13S, R9E, Section 33.
"Bonded Area"

August 1988
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

Permit Number PRO 007/033
Expiration Date _____

(FEDERAL COAL)
COLLATERAL BOND
--oo00oo--

The OPERATOR has provided a(n) Letter of Credit
(FORM OF COLLATERAL) issued by Pittsburgh National Bank (INSTITUTION)
which names the DIVISION as Beneficiary. This collateral, attached as Exhibit
"B-1", is by this reference incorporated herein, and shall secure the
RECLAMATION AGREEMENT. This undersigned OPERATOR and INSTITUTION hereby
jointly and severally bind ourselves, our heirs, administrators, executors,
successors and assigns unto the State of Utah, Division of Oil, Gas and
Mining, and, the U.S. Department of Interior, Office of Surface Mining
Reclamation and Enforcement (OSMRE) in the penal sum of
(\$ 813,795.00) (COLLATERAL BOND AMOUNT) for the timely performance
of reclamation responsibilities of the SURFACE DISTURBANCE described in
Exhibit "A" of this RECLAMATION AGREEMENT.

Terms for release or adjustment of this COLLATERAL BOND are as written and
agreed to by the DIVISION and the OPERATOR in the RECLAMATION AGREEMENT to
which this COLLATERAL BOND has been attached as Exhibit "B".

If the COLLATERAL hereinabove describes real property, then this bond
shall be filed as a restrictive covenant, upon said property and shall run
with the land.

August 1988
Exhibit "B" - BONDING AGREEMENT
COLLATERAL BOND

So agreed this 5th day of May, 19 89.

FOR THE OPERATOR:

Andalex Resources, Inc.

Operator - (Company)

Robert Anderson, Jr.

Company Officer - Position
Robert Anderson, Jr. - President

Bruce Justin Ferriell Secretary

Company Officer - Position
Bruce Justin Ferriell - Secretary

FOR THE INSTITUTION:

Michael Papp

(Bank or Agency)

Asst. Vice President

Officer - Position

ACCEPTED BY THE STATE OF UTAH:

Dianne R. Nielson

Director, Division of Oil, Gas and Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the principal is a corporation, the Agreement shall be executed by its duly authorized officer.

The sole obligation of Institution will be to honor its commitment to the Division under the Institution's Letter of Credit No. 55412-IC dated 3-1-89.

PITTSBURGH NATIONAL BANK

SWIFT ADDRESS: PITTUS33
CABLE ADDRESS: FIRSTBANK PGH

INTERNATIONAL DIVISION
PITTSBURGH, PA 15265-0165

TELEX NUMBER: 866533
TELEX ANSWERBACK: FIRSTBANK PGH

DATE: MARCH 1, 1989
LETTER OF CREDIT NO. 55412-IC

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
AND U.S. INTERIOR OFFICE OF SURFACE MINING
STATE CAPITOL BUILDING
SALT LAKE CITY, UTAH 84114

GENTLEMEN:

WE HEREBY AUTHORIZE YOU JOINTLY TO DRAW ON PITTSBURGH NATIONAL BANK, PITTSBURGH, PA BY ORDER AND FOR THE ACCOUNT OF ANDALEX RESOURCES, INC. UP TO AN AGGREGATE AMOUNT OF US\$813,795.00 (EIGHT HUNDRED THIRTEEN THOUSAND SEVEN HUNDRED NINETY FIVE AND 00/100 UNITED STATES DOLLARS) WHICH IS AVAILABLE FOR PAYMENT AT OUR COUNTERS AGAINST YOUR DRAFT AT SIGHT DRAWN JOINTLY BY BOTH THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING AND U.S. INTERIOR OFFICE OF SURFACE MINING AND ACCOMPANIED BY A STATEMENT PURPORTEDLY SIGNED BY AN AUTHORIZED SIGNATURE OF BOTH THE STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND U.S. INTERIOR OFFICE OF SURFACE MINING READING AS FOLLOWS:

"WE CERTIFY THAT ANDALEX RESOURCES, INC. HAS FAILED TO CONDUCT APPROPRIATE RECLAMATION ACTIVITIES AND THAT THE STATE OF UTAH, DIVISION OF OIL, GAS AND MINING AND THE U.S. INTERIOR OFFICE OF SURFACE MINING WILL THEREFORE USE THE FUNDS AS NECESSARY TO COMPLETE THE RECLAMATION ACTIVITIES ON THE MINING PROPERTY LOCATED IN CARBON COUNTY, PRICE, UTAH."

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED FOR ADDITIONAL PERIODS OF UP TO ONE (1) YEAR FROM THE THEN RELEVANT EXPIRY DATE, UNLESS SIXTY (60) DAYS PRIOR TO THAT RELEVANT EXPIRY DATE, WE, PITTSBURGH NATIONAL BANK, NOTIFY YOU JOINTLY, AT THE ABOVE ADDRESS THAT WE ELECT NOT TO RENEW THIS LETTER OF CREDIT. UPON RECEIPT BY YOU OF SUCH NON RENEWAL NOTICE YOU MAY ELECT TO OBTAIN CASH COLLATERAL BY JOINTLY DRAWING YOUR ONE SIGHT DRAFT ON US FOR AN AMOUNT NOT TO EXCEED THE UNUSED BALANCE OF THIS LETTER OF CREDIT, OR TO LET THE LETTER OF CREDIT EXPIRE.

THIS LETTER OF CREDIT WILL EXPIRE AT OUR COUNTERS IN PITTSBURGH, PA ON MARCH 1, 1990.

DRAFTS DRAWN HEREUNDER MUST BEAR THE CLAUSE: "DRAWN UNDER PITTSBURGH NATIONAL BANK CREDIT NO. 55412-IC DATED MARCH 1, 1989".

WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT THAT SAME WILL BE DULY HONORED.

PITTSBURGH NATIONAL BANK AGREES TO INFORM YOU JOINTLY OF ANY EVENT WHICH WOULD JEOPARDIZE THE VALIDITY OF THEIR LETTER OF CREDIT, INCLUDING THE BANK'S ABILITY TO PAY PURSUANT TO THE TERMS HEREOF OR THE EXPIRATION OF THEIR LETTER OF CREDIT BY AGREEMENT BETWEEN ANDALEX RESOURCES, INC. AND PITTSBURGH NATIONAL BANK; AND THAT WE, PITTSBURGH NATIONAL BANK, SEND OUR NOTIFICATION TO YOU, JOINTLY, AT THE ABOVE-LISTED ADDRESS BY REGISTERED MAIL (RETURN RECEIPT REQUESTED) DATED NOT LESS THAN SIXTY (60) DAYS PRIOR TO EXPIRATION.

THIS LETTER OF CREDIT IS NOT TRANSFERABLE.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1983 REVISION) INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 400.

VERY TRULY YOURS,


AUTHORIZED SIGNATURE

PITTSBURGH NATIONAL BANK

SWIFT ADDRESS: PITTUS33

INTERNATIONAL DIVISION

TELEX NUMBER: 866533

CABLE ADDRESS: FIRSTBANK PGH

PITTSBURGH, PA 15265-0165

TELEX ANSWERBACK: FIRSTBANK PGH

SEPTEMBER 5, 1989
LETTER OF CREDIT NO. 55412-IC

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
AND U.S. INTERIOR OFFICE OF SURFACE MINING
STATE CAPITOL BUILDING
SALT LAKE CITY, UTAH 84114

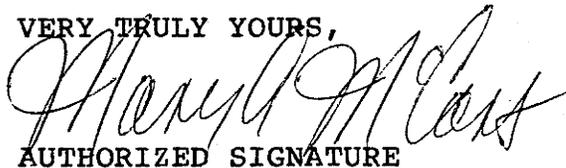
GENTLEMEN:

WE TODAY AMEND OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO.
55412-IC DATED MARCH 1, 1989 IN YOUR FAVOR FOR THE ACCOUNT OF
ANDALEX RESOURCES, INC. AS FOLLOWS:

-THIS LETTER OF CREDIT IS IRREVOCABLE.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

VERY TRULY YOURS,

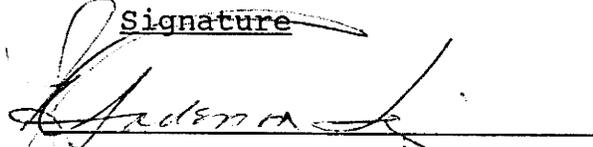


AUTHORIZED SIGNATURE

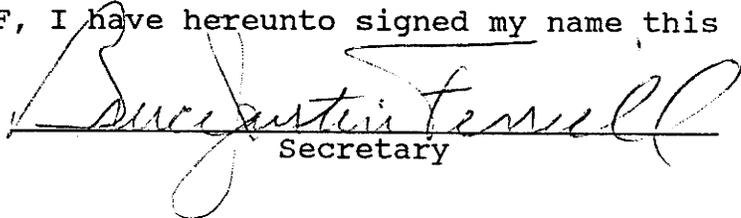
AFFIDAVITS OF QUALIFICATION

INCUMBENCY AND SIGNATURE CERTIFICATE

I, Bruce Justin Ferriell, Secretary of **ANDALEX RESOURCES, INC.**, a Delaware corporation, hereby certify that Robert Anderson, Jr. is the duly elected, qualified, and acting President of the Corporation, and that the signature set forth opposite his name is his signature:

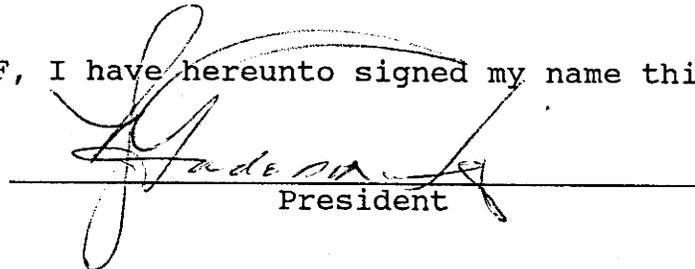
<u>Name</u>	<u>Office</u>	<u>Signature</u>
<u>Robert Anderson, Jr.</u>	President	

IN WITNESS WHEREOF, I have hereunto signed my name this 22nd day of February, 1989.


Secretary

I, Robert Anderson, Jr., President of **ANDALEX RESOURCES, INC.**, a Delaware corporation, hereby certify that Bruce Justin Ferriell is the duly elected, qualified, and acting Secretary of the Corporation and that the signature set forth above is his signature.

IN WITNESS WHEREOF, I have hereunto signed my name this 22nd day of February, 1989.


President

STATE OF KENTUCKY
COUNTY OF JEFFERSON

The foregoing **INCUMBENCY AND SIGNATURE CERTIFICATE** was acknowledged before me by Robert Anderson, Jr. and Bruce Justin Ferriell, respectively the President and Secretary of **ANDALEX RESOURCES, INC.**, by and on behalf of the Corporation this 22nd day of February, 1989.

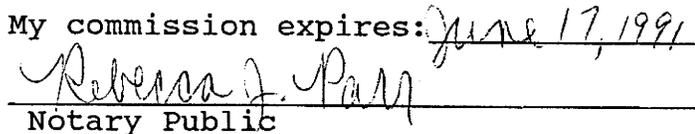
My commission expires: June 17, 1991

Notary Public

EXHIBIT "C"
LIABILITY INSURANCE

10 Wildcat -
Green Insp. file

Revised November, 1987.

CERTIFICATE OF LIABILITY INSURANCE

Issued to:
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
--oo00oo--

THIS IS TO CERTIFY THAT:

Old Republic Insurance Company
(Name of Insurance Company)

P. O. Box 789, Greensburg, PA 15601
(Home Office Address of Insurance Company)

HAS ISSUED TO:

Andalex Resources, Inc.
(Name of Permit Applicant)

Wildcat Loadout
(Mine Name)

PRO 007,033
(Permit Number)

CERTIFICATE OF INSURANCE:

ZY-51875
(Policy Number)

July 1, 1987
(Effective Date)

UNDER THE FOLLOWING TERMS AND CONDITIONS:

As Per UMC/SMC Part 800.60 Terms and Conditions for Liability Insurance;

- A. The Division shall require the applicant to submit as part of its permit application a certificate issued by an insurance company authorized to do business in the state of Utah certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operations for which the permit is sought. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons injured or property damaged as a result of the surface coal mining and reclamation operations, including the use of explosives and who are entitled to compensation under the applicable provisions of state law. Minimum insurance coverage for bodily injury and property damage shall be \$300,000 for each occurrence and \$500,000 aggregate.
- B. The policy shall be maintained in full force during the life of the permit or any renewal thereof, including the liability period necessary to complete all reclamation operations under this chapter.

C. The policy shall include a rider requiring that the insurer notify the Division whenever substantive changes are made in the policy including any termination or failure to renew.

IN ACCORDANCE WITH THE ABOVE TERMS AND CONDITIONS, and the Utah Code Annotated 40-10-1 et seq., the Insurance Company hereby attests to the fact that coverage for said Permit Applicant is in accordance with the requirements of the State of Utah and agrees to notify the Division of Oil, Gas and Mining in writing of any substantive change, including cancellation, failure to renew, or other material change. No change shall be effective until at least thirty (30) days after such notice is received by the Division.

UNDERWRITING AGENT:

Robert D. Lloyd
(Agent's Name)

(412) 834-5000
(Phone)

Old Republic Insurance Company
(Company Name)

P. O. Box 789
(Mailing Address)

Greensburg, PA 15601
(City, State, Zip Code)

The undersigned affirms that the above information is true and complete to the best of his or her knowledge and belief, and that he or she is an authorized representative of the above-named insurance company.

February 1, 1988 Robert D. Lloyd Asst. Vice-President
(Date, Signature and Title of Authorized Agent of Insurance Company)

Signed and sworn before me by Robert D. Lloyd
(Name)
this 1st day of February, 1988.

Kathy G. Murray
(Signature)

My Commission Expires: February 1, 1988
(Date)

(COAL)

CERTIFICATE OF LIABILITY INSURANCE
Issued to: State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining

THIS IS TO CERTIFY, That the Old Republic Insurance Company
(Name of Insurance Company)

of P. O. Box 789, Greensburg, PA 15601
(Home Office Address of Company)

has issued to Andalex Resources, Inc. (Wildcat Loadout) of
9300 Shelbyville Road, (Name of Permit Applicant)
Hurstbourne Place, Suite 9201
Louisville, Kentucky 40222 Policy No. ZY-51875
(Address of Permit Applicant)

effective from July 1, 19 87, and continuing until cancelled,
nonrenewed, or changed as provided herein, which policy provides personal
injury and property damage insurance covering the obligations imposed upon
such permit applicant with regard to Permit No. PRO 007/033 according
to provisions of the coal mining and reclamation program of Utah, (Utah Code
Annotated 40-10-1 et seq.), specifically Section UMC/SMC 806.14.

Underwriting Agent: Robert D. Lloyd

Company Name: Old Republic Insurance Company Phone: (412) 834-5000

Address: P. O. Box 789, Greensburg, PA 15601

The above-named insurance company agrees to notify the Division in writing
of any substantive change in the above coverage, including cancellation,
failure to renew, or other material damage. No change shall be effective
until at least thirty (30) days after such notice is received by the Division.

The undersigned affirms that the above information is true and complete to
the best of his or her knowledge and belief, and that he or she is an
authorized representative of the above-named insurance company.

February 1, 1988 Robert D. Lloyd Asst. Vice-President
(Date, Signature and Title of Authorized Representative of Insurance Company)

Signed and sworn to before me by Robert D. Lloyd this the 1st
day of February, 19 88.

Kathy G. Murray
(Notary)

My Commission Expires: KATHY G. MURRAY, Notary Public
Greensburg, Westmoreland County, Pa.
My Commission Expires March 11, 1989