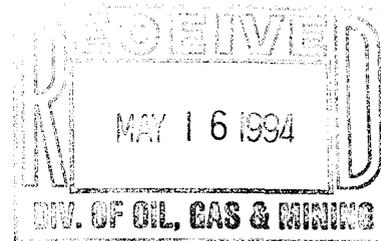




ANDALEX
RESOURCES, INC.
Tower Division

P.O. BOX 902
PRICE, UTAH 84501
PHONE (801) 637-5385
TELECOPIER (801) 637-8860



May 12, 1994

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

ACT/007/033-94C
#2 B

Attn: Pamela Grubaugh-Littig
Permit Supervisor

Re: ACT 007/033, Expansion

Dear Ms. Littig:

Enclosed please find information pertaining to the above referenced action which was requested by Mr. Jesse Kelley of your staff.

Please call me with any questions.

Sincerely,

Michael W. Glasson
Senior Geologist

mwg/rr

#3
ACT/007/033

FINDINGS

FIVE-YEAR RENEWAL

Andalex Resources Inc.

Wildcat Loadout Facility

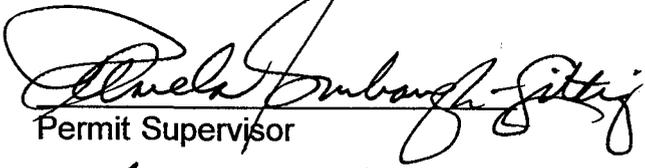
ACT/007/033

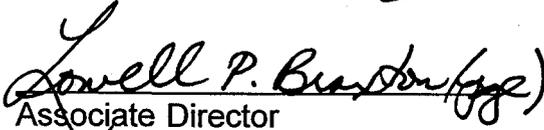
Carbon County, Utah

May 5, 1994

1. Application for a permit renewal was made on January 5, 1994 (R645-303-233.100).
2. The terms and conditions of the existing permit are being satisfactorily met (R645-303-233.110).
3. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program (R645-303.233.120).
4. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit area (R645-303-233.130).
5. The permittee has provided evidence of having liability insurance (R645-303-233.140)(Federal Insurance Co. #3710-25-94, per occurrence).
6. The permittee has provided evidence that a performance bond is in effect for the operation and will continue in full force and effect for the proposed period of renewal (R645-303-233.150)(Surety Bond issued by Continental Casualty Co. #400776222 in the amount of \$813,795).
7. For the most recent permit term, permit changes ordered by the Division and Notices of Violation requiring a permit change have been incorporated into the permit.

8. The schedule for completion of Division-Ordered permit changes and notices of violation in progress at the time of this renewal is attached as Table I.


Permit Supervisor


Associate Director


Director

Table I

Wildcat Loadout Facility

ACT/007/033

Violation #N94-34-1-3 was issued March 28, 1994 with an abatement date of April 22, 1994. Part 3 of 3 was terminated on April 13, 1994. The abatement plans for parts 2 of 3 and 3 of 3 were submitted on April 21, 1994 and are currently under review. Review will be completed May 25, 1994.



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 5, 1994

TO: File

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: AVS System Recommendation - Permit Renewal, Wildcat
Loadout Facility, Andalex Resources, Inc., ACT/007/033,
Folder #3, Carbon County

The AVS system was queried on May 5, 1994 for Andalex Resources, Inc. for the permit renewal for the Wildcat Loadout Facility. The system recommendation for this query was "Issue", see attached.



DATE: 05 MAY 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 15:31:19

STATE: UT APPNO: ACT007033 SEQNO: 0 PAGE: 1
APPLICANT'S ENTITY ID: 123355
APPLICANT'S NAME : ANDALEX RESOURCES INC / TOWER DIVISION

SYSTEM RECOMMENDATION IS BASED ON ENTITY OFT

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*****
*
* SYSTEM RECOMMENDATION : ISSUE *
* PREVIOUS SYSTEM RECOMMENDATION: ISSUE(940505) *
* OSMRE RECOMMENDATION : ISSUE(940505) *
*
*****

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F2/PROCEED F3/QUIT F4/MAIN F6/REPORT F9/VIEW VIOL F10/VIEW OFT

± usgs A

#

DATE: 05 MAY 94

APPLICANT VIOLATOR SYSTEM
AVS RECOMMENDATION MAINTENANCE

TIME: 15:30:59

=====

APPLICATION NUMBER: ACT007033

STATE: UT

SEQNO: 0

SYSTEM: ISSUE
REASON:

DATE(YMMMDD): 940505

OSMRE: ISSUE
REASON:
REASON:

DATE(YMMMDD): 940505

FIELD OFFICE
COMMENT:
COMMENT:

DATE(YMMMDD):

SRA:
REASON:
REASON:

DATE(YMMMDD):

=====

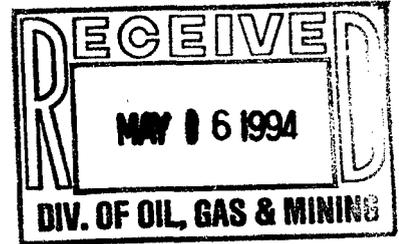
PLEASE ENTER INFORMATION - PRESS F2 TO VALIDATE
F2/PROCEED F3/QUIT F5/SAVE

FEDERAL

PERMIT
ACT/007/033

May 5, 1994

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



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

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

for the Wildcat Loadout Facility. Andalex Resources, Inc. is the leasee of Bureau of Land Management Rights of Way (ROW) No. U48027 and U52810. A surety bond is filed with the Division in the amount of \$813,795, payable to the State of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining, Reclamation and Enforcement (OSMRE). The Division 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 in:

Township 13 South, Range 9 East, Section 33, SLB & M

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 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 **COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 **PERMIT TERM** - This permit expires on May 5, 1999.

Sec. 5 **ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written approval of the Division Director. 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 R645-303-300.

Sec. 6 **RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), 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, R645-400-220, 30 CFR 842.13 and R645-400-110;

(b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by a private person.

Sec. 7 **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 approved plan and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 **ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature 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. 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 the Division 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 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. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 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. 14 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. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas with the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 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 the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.

The above conditions (Sec. 1-17) 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 the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division 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: 

Date: 5/9/94

ACT/007/033
Permit
May 5, 1994
Page 5

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

PERMITTEE



Authorized Representative of
the Permittee

5/12/94

Date