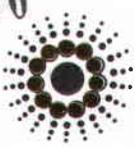


0020



ANDALEX
RESOURCES, INC

P.O. BOX 902
PRICE, UTAH 84501
PHONE (435) 637-5385
FAX (435) 637-8860

December 10, 2004

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Jaeger
C/007/0033
Task ID# 1911

Re: Response to TA, MRP Rewrite. Wildcat Loadout, C/007/033, Task ID# 1911

Dear Pam:

Per your request, Andalex Resources, Inc. has addressed the deficiencies outlined in the above referenced TA. A checklist for the location and response for each deficiency is also attached.

Sincerely,

Michael W. Glasson
Manager of Operations

cc: Dan Guy
File

File in: C/007/0033 2004 Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date: 12/10/04 For additional information

RECEIVED

DEC 16 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Andalex Resources, Inc.

Mine: Wildcat Loadout

Permit Number: C/007/0033

Title: _____

Description, Include reason for application and timing required to implement:

R645 Rewrite, Answers to T.A.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: Required Update to R645 regulations
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Michael W. Glasson
Print Name

Michael W. Glasson Sr. Geol. 12/16/04
Sign Name, Position, Date

Subscribed and sworn to before me this 16th day of December, 2004

Joelle Burns
Notary Public



My commission Expires: April 04, 2005
Attest: State of Utah) ss:
County of Salt Lake

For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="font-size: 1.2em; font-weight: bold; color: red;">RECEIVED</div> <div style="font-size: 1.2em; font-weight: bold; color: red;">DEC 16 2004</div> <div style="font-size: 0.8em; font-weight: bold; color: red;">DIV. OF OIL, GAS & MINING</div>
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SUMMARY OF DEFICIENCIES

The Technical analysis of the proposed permit changes cannot be completed at this time. Additional information is requested of the permittee to address deficiencies in the proposal. A summary of deficiencies is provided below. Additional comments and concerns may also be found within the analysis and findings made in this Draft Technical Analysis. Upon finalization of this review, any deficiencies will be evaluated for compliance with the regulatory requirements. Such deficiencies may be conditioned to the requirements of the permit issued by the division, result in denial of the proposed permit changes, or may result in other executive or enforcement action and deemed necessary by the Division at that time to achieve compliance with the Utah Coal Regulatory Program. Accordingly, the permittee must address those deficiencies as found within this Draft Technical Analysis and provide the following, prior to approval, in accordance with the requirements of:

Regulations

R645-301-322; -333, -358.100, The Permittee must provide water consumption values for all operations including dust control.

Provided on p. 3-12.

R645-301-353.120, Omit the following species from the interim and final seed mixes: crested wheatgrass, Russian wildrye, forage kochia, alfalfa, and yellow sweetclover as well as reduce seed rate of whitestem rabbitbrush. The Permittee must present the seed mix lists in table format, which include botanical and common names, pure live seed per foot, pure live seed per acre, total pure live seed per foot, total pure live seed per acre.

Page 2-23 - Revised Seed Mixes.

R645-301-411.144, Relocate any archeological survey reports to the confidential file. Copies of the correspondence letters (Appendix B) with SHPO should accompany the reports.

Since the letters are approvals/clearances, they were left in Appendix B. (See new Index for Appendix B.)

R645-302-263 and 645-301-422, (1) The application must account for the existing acreage of storage piles on site in the narrative and if the acreage is in exceedence of the Item 15 of the Air Quality Approval Order, the application must include correspondence with the Executive Secretary of the Utah Air Quality Board concerning the acreage of the site dedicated to storage piles. (2) Plate 1 shows greater than 0.21 miles of haul road and this is in violation of general condition #11 of the Air Quality Approval Order, the application must include correspondence with the Executive Secretary of the Utah Air Quality Board concerning the mileage of haul roads.

Addressed on p. 4-8 and letter on Appendix B.

R645-302-263 and R645-301- 727, *The information in UMC 7873.17 Alternative Water Supply Information needs to be included in the reformatted MRP under section 727.*

Addressed under R645-301-727, p.21.

R645-302-263 and R645-301-112.220, The MRP identifies the Mr. Glasson as the Resident Agent for the Centennial Mines, but not the Wildcat Loadout (C/007/033) in Section R645- 301-112.200 page 1-5.

Changes on p. 1-5.

R645-302-263 and R645-301-112.300, (1) According to correspondence in the Division files, Alexander Harold Samuel Mitchell Green assumed the position of Director on January 11, 2002 and he should be included in the list of persons controlling the Applicant, Section 2, page 1-6. (2) Changes to the principal shareholders of Andalex Resources, Inc. listed under R645- 301-112.300 and R645-301-112.320 is necessary as detailed in correspondence on file with the Division dated August 26, 2002 and December 18, 2003 wherein ownership of Andalex Resources, Inc is through multiple parent companies. (3) Ownership and control information must include officers and directors of all parent companies. (4) The list of affiliated companies should be updated as necessary. i.e. Andalex Resources, Inc Cimarron Division, Andalex Resources, Inc Little Creek Division, AMCA Coal Leasing Inc., and West Ken Coal Corp.

(1) Page 1-6

(2) Page 1-7

(3) Page 1-7

(4) Page 1-7

R645-302-263 and R645-301-112.400, Legal and financial information provided in the application must include any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. i.e Centennial Mine; Genwal Resources, Inc. (Crandall Canyon Mine); and West Ridge Resources, Inc. (Westridge Mine).

Page 1-8.

R645-302-263 and R645-301-113.300, The application must include a listing of all violations received within the last three years prior to the date of this application (April 8, 2004) by Andalex Resources, Inc. Tower Division and any unabated violations or cessation orders written to affiliated companies or alternatively, the Permittee may state in the application that there have been no violations incurred by Andalex Resources, Inc. Tower Division and no unabated violations or cessation orders to affiliated companies during the three years preceding the date of the current application (April 8, 2004).

Included in Appendix B.

R645-302-263 and R645-301-114, The sub-lease agreement between AMCA Coal Leasing, Inc. and Andalex Resources, Inc., described in the MRP narrative Section 2, pg 1-12 must include the date of execution of the document and the complete names of the parties to the sub-lease or alternatively, the document could be included in Appendix B.

Page 1-13, Sub-Lease Agreement no longer applicable - reference to AMCA removed.

R645-302-263 and R645-301-121.100 and R645-301-724.400, Thirty year old climatological information should be replaced with current information that can be downloaded from the internet using the following web sites <http://climate.usu.edu/UCCinstructions.html> or <http://www.wrcc.dri.edu/summary> .

Pages 7-10 thru 7-15.

R645-302-263 and R645-301-121.120, (1) Update the correct number of plates in the table of contents. (2) Address the formatting issues outlined in the bulleted list found in the analysis section above (3) The Acid and Toxic Forming Materials Section R645-301-731.300 should refer the reader to sampling information found on page 7-4 under R645-301-711.100 and the information found in Section R645-301-528.300, rather than R645-301-512.240. (4) An updated Table of Contents for Appendix B would be helpful for electronic review and hard copy. (5) Please correct the statement on page 2-9 indicating that the new test plots are located adjacent to topsoil pile F to read that the 1994 test plots were established on topsoil pile B adjacent to topsoil pile E (according to Plate 1). (6) Accurately state the location of the Reclamation Cost and Bonding information (page 2-20). (7) Date of topsoil salvage (1988?), as well as date of topsoil pile F test plot construction and seeding (1993?), should be indicated in the narrative under R645-301-231.400. (8) Clarification is requested in the narrative under R645-301-231.400 as to whether the seed mix for use on test plots given on page 2-23 of the MRP as revised September 17, 1993, was used on the topsoil pile F testplots or whether the seed was a mix of grass and shrubs as described on page 2-4 of the MRP was used as Mr. Collins indicated in his 1997 evaluation of the plots. (9) Section R645-301-212, pp2-6 and 2- 21 incorrectly identify Appendix D, rather than Appendix N, as the location of spoil plot information. (10) Please specify in Section R645-301-240 the purpose of designating slopes greater than 10% through staking (page 2-21). I.e. Will this show where drill seeding ends and hydroseeding begins?

- | | | | |
|-----------------------|----------------|-------------------|----------------|
| (1) Table of Contents | (4) Appendix B | (7) pp. 2-1, 2-9 | (10) page 2-21 |
| (2) See List | (5) page 2-9 | (8) page 2-6 | |
| (3) page 7-25 | (6) page 2-20 | (9) pp. 2-6, 2-21 | |

R645-302-263 and R645-301-121.200, There is no Figure III-2, which should show the location of the Garley Canyon Spring, no Figure VII-1 to show the general stratigraphy, and no Figure VII-3, which should show temperature information. Figures showing details of diversion design, the culvert nomograph, pond outlet protection, emergency spillways, ditch configurations, and riprap sizing are not in the reformatted MRP. The Permittee needs to include all figures and tables in the reformatted MRP. Because numbering of figures and tables in the new format is different from that in the existing MRP, figures need to be clearly numbered and identified.

Figure III-2 is now Figure VII-2 (page 7-51).

Note: All figures were included with the hard copy, but some were not on the computer.

R645-302-263 and R645-301-121.200, (1) The plan should indicate the year that soil was salvaged from the 20 acres of disturbance in the narrative of Section R645-301-212. **(2)** The narrative (R645-301-212, p 2-3) should account for the volume of all stockpiles currently in existence on site: A, B, E, & F, rather than accounting for stockpiles that previously existed on site (A, B, C, D, E). i.e. The narrative should indicate approximately 419,823 cubic ft of topsoil (15,549 CY) is stored in three stockpiles labeled A, B, & E and provide a volume for the soil in stockpile F.

(1) page 2-1

(2) page 2-3

R645-302-263 and R645-301-222 and R645-301-224, The Addendum to Appendix D, a soil survey conducted under the direction of Mr. James Nyenhuis for Mt. Nebo Scientific in March 2003, should be included in the application as it provides valuable information on soils within the permit area.

Hard copy included in Appendix D.

R645-302-263 and R645-301-231.400 and R645-301-521.165, Plate 13 is not adequate to confirm the volumes stored in the topsoil piles. Plate 13 should include cross sections of the piles and contours within 20 feet of the pile on all sides of each pile. Plate 13 must be prepared by or under the direction of and certified by a qualified, registered, professional engineer.

Plate 13

R645-302-263 and R645-301-231.400, The submittal should include a revision of plates for the topsoil stockpiles relocated in 1994, including as-built cross-sections of the topsoil piles.

Plate 13

R645-302-263 and R645-301-233.100, The plan indicates in Section 3, R645-301-224, p 2-8 that if the test plots were unsuccessful, Andalex would either develop more test plots or to pursue a BLM right of way for the purpose of obtaining substitute topsoil. Rather than go to the extreme of pursuing additional area for disturbance, the Division recommends that Andalex commits to a salvage depth of twenty-four inches in any future expansion plans, with another thirty inches of subsoil to be salvaged and stockpiled separately for use as substitute topsoil during final reclamation (based upon the soil survey conducted in March 2003, by Mr. Jim Nyenhuis).

Addressed on page 2-9. Soil salvage commitment will be included with stockpile expansion plan.

R645-302-263 and R645-301-233.200, The plan indicates on page 2-21 that the volumes represented by each location A-D will be added to the topsoil pile summary (found on page 2-3). This summation of area, depth of salvage and volume for each of the substitute topsoil locations denoted on Plate 1 must be included in the topsoil pile summary .

Page 2-9

Page 2-21

R645-302-263 and R645-301-521, Please explain the discrepancy between the information provided in the MRP Section 4, page 3-4 (56.1 acre disturbance) and Exhibit A Surface Disturbance of the 1989, 1994 and 2004 Permit which indicates 63.7 acres of disturbance within the bonded area and Section R645-301-240, page 2-22 which indicates that Plate 9 shows a seeded area of 66 acres.

Page 3-4
Page 2-22
Plates 1, 2, and 16

R645-302-263 and R645-301-711.100, The Permittee needs to update the last paragraph of section 711.100 - Surface Water Quality - which feebly addresses baseline water quality but it is so out-of-date as to be almost nonsense. The paragraph is taken verbatim from the current MRP, except the end, the statement on the monitoring plan, was replaced with "XX".

Page 7-7

R645-302-263 and R645-301-723, The Permittee needs to clarify the location of information on Sampling and Analysis: there is no Section R645-301-712.240 in the current or revised MRP. There is some water-monitoring information in section 512.240 – Impoundments, but no discussion of either the "Standard Methods for the Examination of Water and Wastewater" or the methodology in 40 CFR Parts 136 and 434.

Page 7-9

R645-302-263 and R645-301-724.400, Tables VII-3, VII- 4, and VII-6 need to be included in the reformatted MRP.

Tables are in the hard copy, but not on the computer.

R645-302-263 and R645-301-724.412, The Permittee needs to provide data on the direction and velocity of prevailing winds.

Tables VII-3, VII-4 (pp. 7-14, 7-15)

R645-302-263 and R645-301-724.413, The Permittee needs to include a figure equivalent to Figure III-3 in the current MRP, which shows temperature information.

See Table VII-1, p. 7-11.

R645-302-263 and R645-301-800, (1) The bond calculations presented in Section 6, beginning on page 5-143 must be updated to reflect the bond accepted by the Division in February 2004. i.e. Letter of Credit in the amount of \$651,000. (2) Permittee must include a copy of the Division's bond calculations in the MRP. (The Division will provide a copy of the calculations to the Permittee).

Page 5-134.
Appendix B.

R645-302-264.300 and R534-301-744, Figure V-2A in the new MRP has only the title Sediment Pond Outlet Protection at the top with no drawing or other information on the sheet: Figure IV-2A in the current MRP shows Sediment Pond Outlet Protection information. The Permittee needs to include the Sediment Pond Outlet Protection drawing in the MRP.

Page 5-45. Figure was not on computer version.

R645-302-264.300 and R645-301-242, (1) The statement made in this section is contradicted by statements made in R645-301-242.300 and R645-301-212 (pg 2-6) indicating that topsoil will not be replaced in an Small Area Exemption on the east side of the permit area and on the embankments of the permanent impoundment on the west side of the permit area. (2) Plate 2 illustrates alternate sediment control areas (ASCA), three of which are on the east side of the permit area, therefore, further clarification of which ASCA's have "been regraded and revegetated" and will not receive topsoil is requested.

(1) page 2-25

(2) page 2-25

R645-302-264.300 and R645-301-242.200, In Section R645-301-242.200, the plan should indicate that no extraordinary compaction will be applied to the last few lifts so that a rooting zone of four feet is left relatively loose. This loose application of fill should eliminate the requirement for ripping (scarification) of the graded fill prior to topsoil placement (pg 2-19).

Page 2-19

R645-302-264.300 and R645-301-244.200, The Permittee should evaluate the replacement of discing/crimping/drill-seeding stabilization treatments described on pages 2-21 and 2-22 with gouging, a treatment that was successful in the topsoil testplots.

Page 2-21

R645-302-264.300 and R645-301-731.211, The Permittee needs to clarify the location of information on the ground-water monitoring plan. R645-301-731.211 refers to 512.240 as the location for the water-monitoring plan, but ground-water monitoring is actually discussed in R645-301-711.100 on page 7-4 (there is no ground-water monitoring).

Page 7-24

R645-302-264.300 and R645-301-731.311, (1) Include in the application the quantity of coal preparation waste stored on site in the coal preparation storage area and in fills. (2) Provide in Appendix D the refuse analyses referenced in Section 8 R645-301-711.100 Groundwater Monitoring page 7-4. (These analyses were included in the 1994 Annual Report.) (3) clarify whether the statement indicating there will be annual leachate sampling as well as an acid/base accounting analysis of the coal stored at the site is accurate (R645-301-711.100 page 7-5).

(1) page 5-8

(2) Appendix D

(3) page 7-5

R645-302-264.300 and R645-301-751, A copy of the NPDES permit is in Appendix K: this is not the current UPDES permit. A copy of the current permit needs to be added to this appendix.

Appendix K.

Bulleted List

Relocate the letter from NRCS from the back of Chapter 4 to an appendix and reference the new location in related sections (soils and vegetation).

It's in Chapter 3.

- 310-321-200 refers to Appendix I, which does not provide productivity values (see pg. 4 of Appendix I).

No Change. Appendix I.

- Pg. 3.10 refers incorrectly to "Chapter IV".

Page 3-10.

- Information in the Fish and Wildlife Plan is more appropriate for sections in Operations.

No Change.

- Fish and Wildlife Source Data information is apparently missing from Chapter 3 (referenced on pg. 3.4).

No Change.

- 301-313 refers to 301-240, which does not address regulation 301-313.

Page 3-12.

- 301-322.300 refers to Appendix F, which does not provide correspondence with the USFWS who oversees TES species. (UDWR is not the regulating agency.)

Page 3-13.

- Appendix F does not address section 301-342.210.

Page 3-24.

- Pest management information belongs in the 301-357.320 series.

Page 3-20.

- Most discussions on success standards belong at least in the 301-356 series.

Page 3-27.

- Equation on page 3.25 is misleading – $(dx)^2$ belongs in the equation.

Page 3-27.

•301-356.100 through 301-356.200 should reference page 3.25.

Page 3-27.

•301-240 and 301-331 do not directly address 301-356.120, 301-356.200, and 301-356.210.

Page 3-28.

•301-240 does not address or directly address the following:

- o 301-356.230 series.
- o 301-357.311 and 301-357.312.
- o 301-357.340 series.
- o 301-357.360 series.

301-240 is the approved reclamation plan.

•Briefly, address why husbandry practices and bonding are not applicable for this application (301-357.300 through 301-357.310).

Not Requested, page 3-29.

•No response for 301-357.310.

Page 3-29.

•Information related to 301-357.350 is in 301-240.

Page 3-31.

•Direct quotes from the Utah Coal Regulations do not substitute for addressing the following sections. Provide brief reasons how the Permittee plans to address related requirements (such as provided for 301-354).

- o 301-353.120: Exactly where are non-natives necessary?
- o 301-353.130: Which area - the reference area?
- o 301-353.140: The rates must be in plants per square foot to determineadequate stabilization. Modify the units for final see mix table.
- o 301-353.210: Species Y are great for the proposed PMLU of....

Page 3-26.

- o301-353.220: Are some cool and warm season species?
- o 301-353.240: Some of the selected species may not be

Page 3-27.

301-232 refers to a map/aerial photo in Appendix F, which is missing.

Page 3-13.