



State of Utah

Department of
Natural ResourcesMICHAEL R. STYLER
Executive DirectorDivision of
Oil, Gas & MiningJOHN R. BAZA
Division DirectorJON M. HUNTSMAN, JR.
GovernorGARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

OGM	Priscilla Burton	Environmental Scientist III
OGM	Pete Hess	Environmental Scientist III
Company	David Shaver	Manager
Company	Scott Dimick	Superintendent

Inspection Report

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, November 28, 2007
Start Date/Time:	11/28/2007 1:00:00 PM
End Date/Time:	11/29/2007 12:00:00 PM
Last Inspection:	Tuesday, October 09, 2007

Inspector: Pete Hess, Environmental Scientist IIIWeather: Mostly sunny; highs in mid-thirties.InspectionID Report Number: 1482Accepted by: dhaddock *JK*

12/5/2007

Permittee: **ANDALEX RESOURCES INC TOWER DIVISION**Operator: **ANDALEX RESOURCES INC TOWER DIVISION**Site: **WILDCAT LOADOUT**Address: **6750 AIRPORT RD, PO BOX 902 PRICE UT 84501**County: **CARBON**Permit Type: **PERMANENT COAL PROGRAM**Permit Status: **ACTIVE**

Current Acreages

100.00	Total Permitted
63.70	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
 State
 County
 Fee
 Other

Types of Operations

- Underground
 Surface
 Loadout
 Processing
 Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Surface water data for the sites six UPDES outfalls and the four monitoring locations along Wildcat Wash are uploaded into the permanent Division data base through August 2007. The Permittee is current relative to the Special Condition included as Attachment A of the current State permit.

The Permittee submitted a response to the Division Order issued in 2004 relative to "Design Drawing and Specification" on June 15, 2007. This document contained commitments and engineering / design modifications to the Wildcat disturbed area to tentatively address the Division Order, and also contained information and changes to the mine plan to permit an expansion of the coal stockpile area. Task ID #2808 was withdrawn from the review process in October 2007, after coal flow and budget issues were encountered. The Division has instructed the Permittee to address the requirements of the Division Order with a new, revised plan by December 21, 2007. Division representatives met with Mr. Shaver on November 28 to establish minimum requirements / commitments which are felt to address needed dust control measures at this site. Those commitments will be submitted in a revised plan / permit amendment for Division review.

Inspector's Signature: _____

Date Thursday, November 29, 2007

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Permittee intends to submit a two phase proposal to address the concerns aired in the 2004 Division Order; Phase I commitments will address the measures needed to minimize fugitive dust issues on a minimum cash expenditure. Phase II will encompass a major cash expenditure which will permit the expansion of the coal storage area as well as an equipment storage area on the west side of the tracks. The Permittee is concerned about addressing the Division Order, but is uncertain as to when cash flow will be released for the coal storage expansion project.

3. Topsoil

The cleanup of coal fines on the due East of the major coal stockpile area, particularly slopes draining to pond "B" and due East, will entail the removal of up to two feet of coal fines. Pinyon trees on the small ridge will be spared as they provide a wind break. Coal clean up and topsoil recovery will be conducted around the trees. A six inch layer of topsoil (beneath the coal fines) will either be stored as cover material on an impounding embankment for the proposed pond "G" (on top of sub-soil) with any recovered excess being hauled to storage on topsoil pile "B" or "E" (to be determined) which are located west of the tracks north of sediment pond "F". Construction of new pond "G" will collect fines carried by water and contain them in the disturbed area. Topsoil stripped area will be added to the disturbed area boundary and will be seeded to control sediment.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

All of the sites six sediment impoundments were observed as dry. The Permittee conducted the third quarter of 2007 impoundment inspections for ponds A-F, the depression area, and the dual cell permanent impoundment on August 20, 2007. All were noted as being stable. The August 20 inspection was conducted after repairs were completed to the under-road spillways connecting the upper cell with the lower cell (permanent impoundment) and the SW inlet half round at pond "E". Both of these received damage from an event on August 6, 2007 which exceeded the 10 year 24 hour design storm.

4.d Hydrologic Balance: Water Monitoring

A review of the surface water monitoring information which has been uploaded into the permanent database revealed that all four monitoring locations for Wildcat Wash (WCW-1 through WCW-4) were reported as no flow. UPDES outfalls 001A through 006A for the six pond outlets were reported as having no flow during the September 2007 monitoring period.

4.e Hydrologic Balance: Effluent Limitations

The Utah Division of Water Quality renewed the Permittee's UPDES permit for the current number of treatment facilities (six) on October 5, 2007.

7. Coal Mine Waste, Refuse Piles, Impoundments

The active lift of the refuse disposal facility has received several new piles of waste. The piles were void of noncoal waste. The 100 year six hour drainage ditch which parallels the toe of the west side of the disposal facility was capable of functioning as designed.

9. Protection of Fish, Wildlife and Related Environmental Issues

A single watering of the facilities surface at Wildcat loadout requires 2, 4,000 gal water trucks (one for the east and one for the west side of the railroad tracks). Depending on the weather (heat and wind) the water trucks may circle the site a dozen times a day. The water is culinary water taken from a site near the Carbon County Fairgrounds.

16.a Roads: Construction, Maintenance, Surfacing

The Division Order Phase I response will include surfacing and/or scraping to re-expose the constructed rock base of the PR-5 road which circles the main stockpile. The road base will then be treated with MgCl and routinely watered.

20. Air Quality Permit

The operational haul roads were well wet down to control fugitive dust. Trucks accessing the various loading areas were observing the 5 mile per hour speed limit.

21. Bonding and Insurance

The current general liability insurance for the Wildcat site remains in effect until June 1, 2008. The Division has determined that the current bond amount is inadequate; that it must be increased to a minimum amount of \$1,144,000. This was determined by the mid-term permit review bond analysis. Task ID #2691 was initiated in November 2006.