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State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Inspection Report

Representatives Present During the Inspection:	
Company	David Shaver Manager
Company	Scott Dimick Superintendent
OGM	Pete Hess Environmental Scientist III

Permit Number:	C0070033
Inspection Type:	COMPLETE
Inspection Date:	Monday, February 25, 2008
Start Date/Time:	2/25/2008 10:10:00 AM
End Date/Time:	2/25/2008 12:30:00 PM
Last Inspection:	Friday, January 18, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Overcast, flurries; temperature in thirties F.

InspectionID Report Number: 1563

Accepted by: dhaddock
3/6/2008

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:

The disturbed area and the permit area generally remain snow covered, although melting of the snowpack is occurring. Flow was not visible in Wildcat Wash this day. The Permittee is current relative to the required quarterly submittal of surface water monitoring information. The Division Order relative to design specifications and drawings remains pending. A response by the Permittee is anticipated by February 28, 2008.

Inspector's Signature:

Date Wednesday, February 27, 2008

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 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input 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 type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Permittee intends to submit the response to the Division Order DO-04 on February 28, 2008. The current State permit issued by the Division remains in effect through May 5, 2009.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

All six of the sites sediment ponds have snow covered in slopes with frozen bottoms. The permanent impoundment remained snow covered. The depression area was observed as flooded, and the Permittee was pumping into pond "C" this day. There were no visible signs of instability or other compliance issues. Mr. Shaver conducted the first quarter of 2008 impoundment inspections for the site on January 14, 2008. The Permittee has two maintenance items scheduled for Spring; 1) the inlet culvert on the SE corner of pond "C", and 2) the open channel spillway on pond "F".

4.d Hydrologic Balance: Water Monitoring

Wildcat Wash remains snow covered just east of the railroad tracks; flow was not audible. A review of the fourth quarter 2007 surface water monitoring field notes showed a no flow situation in Wildcat Wash at monitoring points WCW-1, 2, 3 and WCW-4 (monitoring date of November 12, 2007).

4.e Hydrologic Balance: Effluent Limitations

The Permittee submitted an application for renewal of the sites UPDES permit to the Utah Division of Water Quality on November 13, 2007. A review of the discharge monitoring reports for the six permitted outfalls for the months of November and December revealed that none of the point sources discharged. Due to the amounts of snow received during the winter of 2007-2008, it is possible that several of the sites ponds could discharge this spring.

7. Coal Mine Waste, Refuse Piles, Impoundments

The coal waste disposal area remains snow covered. Mr. Shaver conducted the first quarter 2008 waste rock pile inspection on January 15. There were no safety hazards noted, although it was noted that the area is under 12 plus inches of snow. There are a few piles of material on the active lift which had not been leveled, however, this is not an issue. There was no visible wood or trash on the active lift. Mr. David Hibbs, Utah registered professional engineer, certified Mr. Shaver's inspection report on January 15, 2008.

16.b Roads: Drainage Controls

Temperatures have been above freezing during the day for the past week. Several of the road drainage controls are now blocked with frozen melt water. However, the road surfaces remain stable.

19. AVS Check

The Permittee recently submitted an amendment to the Division to update the ownership and control information for the West Ridge Mine (Task ID #2920) and the Crandall Canyon Mine (Task ID #2919); the submitted changes reflect senior management updates within the Intermountain Power Agency. Review / approval of the submitted changes are pending.

20. Air Quality Permit

The Utah Division of Air Quality notified the Permittee on January 30, 2008 that it was not necessary to submit an emissions inventory (DAQP-003-08) for the Wildcat Loadout for 2007.

21. Bonding and Insurance

The current general liability insurance coverage for the Wildcat site remains in effect through June 1, 2008. The last reclamation bond update for the site was conducted in December 2007. The posted bond amount is \$1,144,000.00.