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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Executive Director

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March 19, 2008

Dave Shaver, Manager
Andalex Resources, Inc.
P.O. Box 1077
Price, Utah 84501

Subject: Deficiencies for Modification Plan (Response to DO-04 and Midterm), Task ID #2938,
Andalex Resources Inc., Wildcat Loadout, C/007/0033

Dear Mr. Shaver:

In accordance with R645-303-221, the Division has completed the initial review of your Application for Permit Change for the Wildcat Loadout, which is titled Modification Plan (Response to DO-04 and Midterm). This Application for permit change has been found deficient and is being returned to you.

There are actually two separate permit changes involved in your application for permit change: a fairly simple response to deficiencies identified during the Division's midterm review and a more involved response to DO-04. These need to be resubmitted as separate applications.

For the Midterm Review, the Division has identified two remaining deficiencies that must be addressed satisfactorily before the Division can find that the requirements of the R645 Coal Mining Rules have been met. The deficiencies are described in an attachment to this letter. The deficiencies were identified by Wayne H. Western (801) 538-6263 and Jim Smith (801) 538-5262. You are encouraged to communicate directly with the Division while preparing Andalex' response. Please respond to these deficiencies as soon as possible, but no later than April 21, 2008 so that the Division can complete this midterm permit review.

Please resubmit the Response to the DO as a new, separate application for permit change.

Sincerely,

James D. Smith
Assistant Permit Supervisor

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Attachment

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Deficiency List
Task ID # 2938
Wildcat Loadout Midterm Review

R645-301-830.200, The Permittee must include the Division's reclamation cost estimate (which the Division has provided to the Permittee) in the MRP. [WHW]

R645-301-333, In the PHC, the Permittee must include water balance calculations as they pertain to the Colorado River endangered fish (the Permittee has included a summary of water use in the Biology section of the MRP). Total consumption in acre-feet must be determined. Any needed supporting information must be presented clearly in the MRP. A copy of the Division's draft "guideline" for the calculations is attached: the Permittee is encouraged to contact the Division biologist or hydrologists for assistance. If the Permittee chooses to develop their own calculating and recording procedures, they must be able to validate the use of these methods. [JDS]

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