

CHAPTER 2

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

CHAPTER 2

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## 2.1 SCOPE

The purpose of this chapter is to introduce Genwal Coal Co., Inc. and its officers and to provide documentation for the right to establish a coal mine in Crandall Canyon, remove coal and conduct business in Utah. Support information has been placed in the Appendix of this chapter.

## 2.2 IDENTIFICATION OF INTERESTS

Name, address and telephone number of applicant:

Genwal Coal Company, Inc.  
Box 330  
Honaker, Virginia 24260  
Telephone (703) 873-6526

Local Address:

Genwal Coal Company  
P.O. Box 1201  
Huntington, Utah 84528  
Telephone (801) 637-7383

Legal owner of areas to be affected by surface operations and facilities:

United States Government  
Administered by the United States Department of Agriculture, Forest Service, Intermountain Region  
Manti-LaSal National Forest  
599 West River Drive  
Price, Utah 84501

Beaver Creek Coal Company  
1109 South Carbon Avenue  
Price, UT 84501

Legal owner of coal to be mined:

United States Government  
Administered by the United States Department of Interior, Bureau of Land Management  
Moab District  
P.O. Box AB  
Price, UT 84501

Holders of record of any leasehold interest in areas to be affected by surface operations or facilities:

Lessee:

Genwal Coal Company, Inc.

Lessor:

Beaver Creek Coal Company  
1109 South Carbon Avenue  
Price, Utah 84501

Holders of record of any leasehold interest in the coal to be mined.

Lease, SL-062648, issued to John F. Sanders, Fairview, Utah on January 3, 1942, and readjusted January 3, 1962. John F. Sanders died in 1976, and this lease states that the coal lease was then owned by his heirs as recorded on July 9, 1979, in Emery County as follows:

Venna May Sanders, wife  
Deon J. Sanders, son  
Alice Maurine Beck, daughter  
Robert DeReese Sanders, son  
John Frank Sanders, son  
Dorthea Garlick, daughter

The lease has now been assigned to Genwal Coal Company Inc. by the heirs, and BLM has approved the assignment and documents Genwal Coal Company, Inc. as the current leaseholder. Document indicating BLM approval is included as Item II-1 at the end of this chapter.

Lease U- 54762 - issued to Genwal Coal Company, December 1, 1986.

Purchasers of record under real estate contract of areas to be affected by surface operations or facilities and/or coal to be mined:

None

Operator: Same as applicant.

Resident agent of applicant:

Mr. Charles H. Gent, Jr., Vice President  
Genwal Coal Company, Inc.  
P.O. Box 1201  
Huntington, Utah 84528  
Telephone (801) 637-9813

Genwal Coal Company, Inc., applicant, is a privately owned corporation, chartered in the State of Virginia and registered to do business in the State of Utah.

Names and addresses of officers:

President - Mr. C. H. Gent  
Box 330  
Honaker, Virginia 24260

Vice President - Mr. Charles H. Gent, Jr.  
P.O. Box 1201  
Huntington, Utah 84528

Vice President - Mr. Robert A. Gent  
P. O. Box 1201  
Huntington, Utah 84528

Secretary - Ms. Nola White  
Box 330  
Honaker, Virginia 24260

Name and address of any person who is a principal shareholder of the applicant:

Mr. C. H. Gent  
Box 330  
Honaker, Virginia 24260

Mr. Charles H. Gent, Jr.  
P. O. 1201  
Huntington, Utah 84528

Mr. Robert A. Gent  
P.O. Box 1201  
Huntington, Utah 84528

Owners of contiguous areas both surface and underground:

See Plates 2-1 and 2-2.

Genwal Coal Company acquired the Federal Coal Lease U54762 containing 256.49 acres more or less as more specifically described:

T15S, R7E, S31, SE1/4SE1/4  
T15S, R7E, S32, S/12SW1/4, SW1/4SE1/4  
T16S, R7E, S5, Lots 2, 3 and 8

Name of mine:

Crandall Canyon Mine  
MSHA ID# - 42-01715

### 2.3 COMPLIANCE INFORMATION

Applicant, nor any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has not had a Federal or State mining permit suspended or revoked in the last five years. Nor have they forfeited a mining bond or similar security deposited in lieu of a bond.

A complete list of all the violations received by the applicant to date, can be found in the Appendix Item 2-2.

### 2.4 RIGHT OF ENTRY AND OPERATION INFORMATION

Applicant bases its legal right to enter and begin underground mining activities in the permit area upon the following documents:

Federal Coal Lease U-54762 issued to Genwal December 1, 1986.

Assignment of Federal lease SL-062648 from heirs of John F. Sanders to applicant.

BLM approval of assignment to applicant from heirs of John F. Sanders. Copy of this approval is included with this application as Item 2-1, found at the end of this chapter.

June 2, 1981, at 3:00 p.m. in Huntington, Utah at the Senior Citizens Center. An officer of Genwal Coal Company, Inc. was present at the hearing. The public dealt with the proposed mining activities of the Crandall Canyon Mine within 100 feet of a public road (Forest Service development). The USFS has issued a Special Use Permit for the Crandall Canyon Mine and accepts that the operation will occur within 100 feet of the Forest Service Development road.

With the approval to mine the Tract 1 lease area, a variance to operate within the 100 foot buffer zone of Crandall Creek as determined from Plate 3-1 was granted. No other documentation of this approval exists.

The surface facility area and permit area is not within 300 feet from any occupied dwelling and is not subject to the prohibitions or limitations of the UMC 761.11 (a), (e), (f), (g) or 761.12 (e).

## 2.5 RELATIONSHIP TO AREAS DESIGNATED UNSUITABLE FOR MINING

All available information concludes that the proposed permit area is not within an area designated as suitable for underground mining activities under UMC 764 or 30 CFR Part 765 or 769, refer to Item II-7. The map required to be maintained by the regulatory authority under 764.25(b), does not indicate this permit area as unsuitable for underground mining. The regulatory authority has also stated that this area is not under study for designation in an administrative proceeding initiated under part 764 or 765. The permit area is located in the Wasatch Plateau as described in the following publication, "Known Recoverable Coal Resource Area", as indicated in the San Rafael Planning Area Management Framework Plan, published in July 1979, by the United States Department of Interior, Bureau of Land Management. Pages 43 and 44 of that publication, copies of which are included with this application and found at the end of this chapter as Item II-6, indicate that none of the acreage in the KRCRA was determined to be unsuitable for underground mining. In addition, the Land Management Plan, Ferron-Price Planning Unit, MANTI-LASAL National Forest, published in May 1979, by the United States Department of Agriculture, Forest Service, Intermountain Region, the Forest Service has stated that this proposed permit area, which is included in the Section A3 mineable coal area of this publication, will not be considered unsuitable for leasing or mining. Page 149 of this document is included with this application as Item II-7 at the end of this chapter.

The applicant was notified of a public hearing scheduled for June 2, 1981, at 3:00 p.m. in Huntington, Utah, at the Senior Citizens Center. An officer of Genwal Coal Company, Inc. was present at the hearing. The public hearing dealt with the proposed mining activities of the Crandall Canyon Mine within 100 feet of a public road (Forest Service development). The USFS has issued a Special Use Permit for the Crandall Canyon Mine and accepts that the operation will occur within 100 feet of the Forest Service Development road.

The surface facility area and permit area is not within 300 feet from any occupied dwelling and is not subject to the prohibitions or limitations of UMC 761.11 (a), (e), (f), (g) or 761.12 (e).

## 2.6 PERMIT TERM

The applicant requests a permit term of five years from the date of approval, however mining activities will continue longer

than five years if the coal becomes available.

The starting and termination dates in one year increments is shown on Plate 3-3. The horizontal extent of the underground mine workings is also shown. Genwal will commit to comply with UMC 817.131-132 during times of temporary and permanent cessation of operations, further discussion may be found in Section 3.5.3.1.

## 2.7 PERSONAL INJURY AND PROPERTY DAMAGE INSURANCE

This application contains a certificate of liability insurance as Item 2-8 found at the end of this chapter.

## 2.8 PROPOSED PERFORMANCE BOND

This application contains a copy of the performance bond to the USGS as Item 2-9 found at the end of this chapter.

Applicant proposes the type of bonding to be instituted for the mine life and reclamation monitoring period to be the entire performance bond for the entire permit term (i.e., five years plus a ten year liability period) dependent upon reclamation success beginning at the time of the last augmented seeding, pursuant to UMC 805.13(b).

The form of performance bond that will be submitted to the regulatory authority pursuant to UMC 806.11(a) will be a surety bond (MR Form 5) as sent by Utah Division of Oil, Gas and Mining.

The applicant has posted a bond for the area that is to be disturbed within the permit area as outlined on Plate 3-1 and the three topsoil storage areas as shown on Plate 3-8.

The three topsoil stockpile area as shown on plate 3-8 will be included in the disturbed and permit areas, and reclaimed in the approved method.

## 2.9 OTHER LICENSES AND PERMITS

This application contains a complete list of ALL other licenses and permits currently held by the applicant. The list also contains all permit required to conduct the proposed underground mining activities at the Crandall Canyon Mine. The list of permits may be found in the Chapter 2 appendix as Item 2-10. A copy of NPDES Permit UT-0024368 can be found in Item 3-8.

The operator has a small surface coal mine at the following mailing address:

Big Horn Coal Co.  
P.O. Box 330  
Honaker, VA

2.10 LOCATION OF PUBLIC OFFICES FOR FILING OF APPLICATION

The applicant has filed complete copies of this application with the following agencies:

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

Emery County Courthouse  
Castle Dale, Utah 84513

2.11 NEWSPAPER ADVERTISEMENT

A copy of the newspaper advertisement of the application and proof of publication of the advertisement was filed with the regulatory authority within four weeks after the last date of publication required under UMC 786.11(a) and can be found as ITEM 2-11 within the Appendix.