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Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

June 22, 1993

Mr. R. Jay Marshall, Chief Engineer
Genwal Coal Company, Inc.
P. O. Box 1201
Huntington, Utah 84528

Dear Mr. Marshall:

Re: Approval, Blind Canyon Subsidence Amendment, Genwal Coal Company, Crandall Canyon Mine, ACT/015/032-93B, Folder #3, Emery County, Utah

The Division hereby approves the proposed amendment for a change in mining operations related to mining beneath the Blind Canyon drainage area. Information regarding this proposal was initially received on April 6, 1993. Upon initial review of that information, revised information regarding the proposal was submitted to the Division and received on June 9, 1993.

This amendment to the plan allows for the elimination of the buffer zone for mining beneath the Blind Canyon drainage. The operator has demonstrated through design that the potential for any material damage to the drainage area and the stream channel is minimal and that second mining of the area beneath the drainage enhances coal recovery within state trust lands while minimizing the potential for any material damage. The operator has further committed to conduct a detailed subsidence study of the drainage area, primarily the stream channel itself, to characterize and identify any changes to the stream channel if they should occur. This study is in anticipation of potential mining operations beneath several intermittent and perennial drainage systems on adjacent coal lease areas. Hopefully, information collected in this study will provide further assurance of the intent to minimize impact and material damage to such drainage systems in the future while allowing maximum coal recovery.

As part of the design study, a worst case scenario was developed to determine the amount of sediment that could potentially occur as a result of retreat mining. Genwal Coal Company and the Manti-La Sal Forest Service have reached an agreement to not only study and monitor any potential impacts from mining beneath the Blind Canyon Drainage, but also to have Genwal donate \$15,000 to the Manti-La Sal National Forest to fund the graveling of



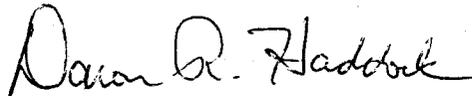
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area of the Nuck Woodward Canyon. This enhancement is considered pre-mitigation for any potential impacts as a result of sedimentation due to mining activity and satisfies the U.S.F.S.'s "Net Beneficial Impact Policy." Additionally, Genwal has committed to remediate any adverse effects of retreat mining.

In consideration of the above, Manti-La Sal National Forest has consented to allow second mining beneath State lands under the Utah Coal program. (Copy of Forest Service letter attached.)

If you have any questions or need additional information, please contact me or Randy Harden at your earliest convenience.

Sincerely,



Daron R. Haddock
Permit Supervisor

Enclosures
cc: R. Harden
GENAPPR.93B

FAX TRANSMITTAL



Urgent

To: Randy Hardin

From: Carter Reed

Subject: Blind Canyon Subsidence Plan, Crandall Canyon Mine

Number of Pages: 2

FAX Machine No.: 801-637-4940

Commercial Telephone No.: 801-637-2817

Date: 6/17/93

Time: 4:00 P.M.

Comments:
Will follow-up with a letter in the mail.

United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: June 17, 1993

Mr. Lowell Braxton
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

RE: Supplemental Information on Blind Canyon Subsidence Plan, Genwal Coal
Company, Grandall Canyon Mine, ACT/015/032-93B, Folder #32, Emery County,
Utah

Dear Mr. Braxton:

We reviewed the supplemental information submitted by Genwal Coal Company in
regard to their proposal to second mine and subside Blind Canyon Creek on State
Coal Lease ML-21569 at the Grandall Canyon Mine.

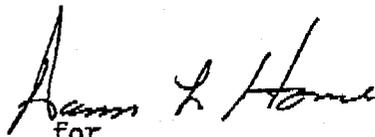
Genwal Coal Company has agreed to:

- (1) participate in and fund a detailed study to be completed by Dr. Roy
Sidle, Forest Service Intermountain Research Station, to monitor the
impacts of subsidence on the watershed and drainage,
- (2) fund enhancements that would offset projected increases in sediment in
Blind Canyon Creek due to subsidence and result in a net reduction of
sediment contributions to Huntington Creek, and
- (3) mitigate unanticipated impacts to Blind Canyon Creek and the fishery
in Huntington Creek on adjacent National Forest System lands.

In consideration of the above provisions of the Mining and Reclamation Plan and
Genwal Coal Company's commitment to complete them in good faith, we hereby
agree not to object to the proposal on State lands under the Utah Coal Mining
Regulatory Program.

If you have any questions, contact us at the Forest Supervisor's Office in Price, Utah.

Sincerely,



for

GEORGE A. MORRIS
Forest Supervisor

cc:

D-3

C.Reed

Jay Marshall, Genwal Coal Co.