



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
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November 23, 1993

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

Re: Application for Permit Transfer, Genwal Coal Company, Crandall Canyon Mine, ACT/015/032, Folder #3, Emery County, Utah

Dear Mr. Marshall:

The Division has completed a review of Genwal's application for transfer of the Crandall Canyon Permit ACT/015/032, from Nevada Electric Investment Company (NEICO) to Utah Energy Development Company (UEDC). A number of problems have been identified with the application, many of which deal with conflicting information or information that needs to be clarified. The enclosed memo written by Paul Baker discusses the deficiencies. You should review it and respond to the deficiencies as quickly as possible in order for us to complete the review of your application.

You should also be aware that a new reclamation agreement and bond will need to be filed reflecting the change in ownership. Even though Genwal will remain the permittee there will be changes in the controlling entities. Signatures of appropriate officials will need to be on all documents. This will need to be posted with the Division prior to the transfer being approved.

In the meantime we are continuing to process your application with the information that is currently available. This includes a check through the Applicant Violator System (AVS).

You should also publish a notice of the application for transfer in a paper of local circulation and allow for a public comment period of thirty days following the notice.

If you have any concerns or questions regarding the above requirements please call me or Paul Baker at 801-538-5340.

Sincerely,

Daron R. Haddock
Permit Supervisor

Enclosure

cc: P. Baker
L. Braxton
D. Drago, Fabian & Clendenin
TRANAPPL-CRA



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TO: File

THROUGH: Daron Haddock, Permit Supervisor

FROM: Paul Baker, Reclamation Biologist 

RE: Permit Transfer Application, Genwal Coal Company, Crandall Canyon Mine, Folder #2, ACT/015/032, Emery County, Utah

SUMMARY

Genwal is proposing to transfer part of its ownership from Nevada Electric Investment Company (NEICO) to Utah Energy Development Company (UEDC). According to information in the plan and in this application, it appears that necessary rights to enter are in place; however, there are several details in this application that need to be corrected. Also, the proposed newspaper advertisement does not include a complete description of the permit area, and it does not have the correct permit number.

ANALYSIS

R645-303-300 Transfer, Assignment, or Sale of Permit Rights

R645-303-321.100 Existing Permittee

Proposal:

The existing permittee is Genwal Coal Company. Genwal will continue to be the operator of the Crandall Canyon Mine located in Carbon and Emery Counties. Genwal is submitting this application for transfer of a 50% interest in the mine from NEICO to UEDC under the Crandall Canyon Joint Ownership and Operating Agreement between Intermountain Power Agency (IPA) and NEICO. Upon approval of the application, the mining and reclamation plan will be revised.

Analysis:

The Crandall Canyon Mine is located in Emery County only, not Carbon County.

Deficiencies:



1. The statement that the Crandall Canyon Mine is located in Emery and Carbon Counties should be corrected.

R645-303-321.300 Legal, Financial, and Compliance Information

R645-301-112 Identification of Interests

Proposal:

The applicant is Genwal Coal Company. Genwal is a Virginia corporation. The resident agent is Jay Marshall. Genwal will pay the abandoned mine land fee.

The officers and directors of the applicant, the applicant's principal shareholder (UEDC), and the joint owners (UEDC and IPA) are shown. Current or previous coal mining permits or pending permits held by the joint owners are the Crandall Canyon and Horse Canyon Mines and the Wellington Preparation Plant.

The legal or equitable owners of the areas to be affected by the surface operations and facilities are the United States, the State of Utah, IPA, and UEDC. Holders of leasehold interests in the areas to be affected by surface operations or facilities are the Bureau of Land Management (BLM), the Forest Service, the State of Utah, IPA, and UEDC.

Analysis:

The application does not show the dates positions were assumed for officers and directors of IPA.

The application needs to include the MSHA numbers with dates of issuance and employer identification numbers of mining and reclamation operations presently or within the past five years owned or controlled by the applicant or by those who own or control the applicant.

According to Plate 2-1 which was submitted with this application, the land owners of the areas affected by surface operations are the United States and Beaver Creek Coal. The current Genwal plan says that the United States, the State of Utah, and Mountain Coal Co. are land owners in the area affected by surface operations. Based on the maps in the plan, it appears that the correct information is that Beaver Creek and the United States own land in the area affected by surface operations but that the State of Utah owns other land within the permit area. There is no indication that IPA or UEDC owns any land within the permit area.

According to the current Genwal mining and reclamation plan, the only holder of leasehold interests within the permit area is Genwal Coal. One area of the surface operations is leased from Mountain Coal Co., and the coal leases are assigned to Genwal. If there are other leases, they need to be further detailed in the application. If the mining and reclamation plan is correct, the transfer application needs to be changed.

The permit area map submitted with the application has the same number, Plate 2-1, as a soils map in the current plan. If this map is to be included in the plan, the plate number needs to be changed on one of the maps.

The application does not show the owners of lands contiguous to the permit area. These are listed in the current Genwal plan as Mountain Coal and the United States.

Deficiencies:

1. The application needs to show the dates positions were assumed for officers and directors of IPA.
2. The application needs to include the MSHA numbers with dates of issuance and the employer identification numbers for all operations presently or within the past five years owned or controlled by the applicant or by anyone who owns or controls the applicant.
3. The application needs to list the land owners within the permit area. According to information in the current plan and submitted on Plate 2-1 with the application, the surface land owners are Beaver Creek Coal, the State of Utah, and the United States.
4. The application needs to show the holders of leasehold interests within the area to be mined. It appears that the only leaseholder is Genwal Coal Co.
5. If Plate 2-1 from the application is intended to be included in the current Genwal plan, the plate number will have to be changed on either this map or on the current Plate 2-1 so that they don't overlap.
6. The application needs to show the owners of property contiguous to the permit area.

R645-301-113

Violation Information

Proposal:

Neither the applicant nor any of its affiliates, subsidiaries, or persons controlled by or under common control with the applicant has had a federal or state mining permit suspended or revoked in the last five years nor forfeited a mining bond or similar security deposited in lieu of a bond. Violation notices received by the applicant and any person who owns or controls the applicant in connection with any coal mining activities within the past five years are shown in Attachment A.

Analysis:

The applicant has complied with this regulation.

Deficiencies:

None.

R645-301-114

Right of Entry

Proposal:

The application references two federal and two state leases and an underground access special use permit which are included in the mining and reclamation plan.

Analysis:

The application needs to reference the surface lease with Beaver Creek Coal for the 1.7 acres leased from Beaver Creek in the southwest part of the surface facilities area.

Deficiencies:

1. The application needs to give right of entry information for the portion of the surface facilities area leased from Beaver Creek.

**R645-301-115
R645-301-116
R645-301-117
R645-301-118
R645-301-123**

**Unsuitability Claims
Permit Term
Insurance, Proof of Publication, and Facilities Used in Common
Filing Fee
Notarized Signature**

Proposal:

The application states that the permit area is not within an area or under study as an area designated as unsuitable for mining. The applicant does not propose to mine within 300 feet of an occupied building or within 100 feet of a public road.

The permit term is for five years.

Certificates of insurance are in the mining and reclamation plan, and UEDC is named as an additional insured in an endorsement from the Price Insurance Agency and Sobiesky and Bradley as producer.

The application includes a proposed newspaper advertisement which was submitted for publication to the Emery County Progress and the Sun Advocate.

The Division received a \$5.00 filing fee on November 8, 1993.

The application is accompanied a statement signed by Allen Child that the information in the application is true and correct to the best of his information and belief. The signature is notarized.

Analysis:

The road which goes through the surface facilities area is a public road. Therefore, the statement that the applicant does not propose to conduct mining operations within 100 feet of a public road needs to be modified. The application should also reference the Forest Service approval contained in the current mining and reclamation plan.

The proposed newspaper advertisement does not include the legal description for the entire permit area. The advertisement published in the Sun Advocate for permit renewal earlier this year contains a complete, accurate description. Also, the proposed notice does not give the correct State permit number for the mine.

Deficiencies:

1. The application needs to identify the road which goes through the surface facilities area as a public road and reference the approval contained in the current mining and reclamation plan.
2. The newspaper advertisement needs to be changed to include the entire permit area. It also needs to show the correct State permit number for the mine.

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ACT/015/032
November 19, 1993

RECOMMENDATIONS

The inaccuracies in the application need to be corrected. The newspaper advertisement needs to be changed to include all of the permit area and the proper permit number for the mine.