

**GENWAL COAL COMPANY**

February 8, 1994

Mr. Daron Haddock  
Division of Oil, Gas & Mining  
3 Triad Center, Suite 350  
355 West North Temple  
Salt Lake City, UT 84180-1203

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DIVISION OF  
OIL GAS & MINING

RE: Permit #ACT 015-032  
Genwal Coal Company  
Incidental Boundary Change

Dear Mr. Haddock:

As per our meeting on February 1, 1994, please find enclosed fourteen (14) copies of Plate 5-2 (Mining Projections), a revised page 4 of the Introduction of the Mining and Reclamation Plan, a revised page 5-10 of Chapter 5, Engineering, a new page 5-10A for Chapter 5, and a legal description of the new Incidental Boundary Change to be added to Appendix 1-1.

On or around January 28, 1994, Genwal Coal was notified by the Bureau of Land Management that Genwal Coal had become the successful bidder on the Federal Lease UTU-68082. With that in mind, it is apparent that Genwal will be awarded the UTU-68082 Lease on or around March 1, 1994.

It is Genwal's understanding that the amendment to the approved Mining and Reclamation plan, submitted on December 6, 1993, will not be approved for six to nine months. This time frame is unacceptable to Genwal.

Genwal Coal Company is currently mining in Section 36, 8th Left Panel. 1st Left through 6th Left are totally mined out with 7th Left being completed within 15 days. 9th Left will shortly be in the development stage. Although one mining unit will be developing and retreating 8th and 9th Left, mining will be completed for the second Mining Unit in ninety (90) days. After that time, Genwal will need a place for that mining unit to go. This Incidental Boundary Change will insure such a place.

The Incidental Boundary Change will allow Genwal to mine to the north and west of Section 36 during the LBA amendment approval process. Genwal can then utilize existing belt, belt structure, belt drives, ventilation devices, electrical equipment, and electrical cables that are still in place. Setup will therefore be more efficient, much more economical, and more timely.

The new Incidental Boundary Change will include the existing USFS

Special Use area. This area, covering fifty (50) acres, was included into the Permit Boundary to facilitate any potential subsidence that may have occurred during mining operation in Section 36. The new IBC will contain 143.91 acres, which is approximately 7% of the total underground disturbed area.

Mining within the new Incidental Boundary Change will be first mining only. When the amendment to include lease UTU-68082 is approved, the Incidental Boundary Change will no longer be applicable.

Due to the incorporation of the new Incidental Boundary Change into the MRP, the following change will occur to the MRP.

1. Introduction: Page 4 will change to reflect the increase in permit acreage.
2. Chapter 1: The legal and financial section will not be affected by the addition of the IBC.
3. Chapter 2: Soils will not be affected. There will be no surface disturbance.
4. Chapter 3: Biology will not be affected. There will be no surface disturbance.
5. Chapter 4: Land Use and Air Quality will not change.
6. Chapter 5: The Engineering chapter is revised to reflect a change in the sequence of mining. Plate 5-2 will also reflect the IBC boundaries and the projected mining operations within. These projections have been designed as to allow continued mining within the Federal Lease UTU-68082 when the MRP amendment is approved.
7. Chapter 6: Geology will remain the same. There will be no changes.
8. Chapter 7: Hydrology has been covered throughout this area in the approved MRP. No subsidence will occur due to first mining only. Potential impact on ground water is not anticipated.
9. Chapter 8: Bonding is not applicable in this situation. All changes are underground. There will be no surface disturbance.

An Environmental Assessment has been completed on this area and the rest of the Federal Lease UTU-68082 during the Lease by Application process required by the USFS. Genwal understands that DOGM is in possession of a copy of this document. If not please let me know.

Should you have any questions or need additional information, please contact me at 687-9813.

Sincerely,



GENWAL COAL COMPANY  
Larry W. Johnson  
Engineer



