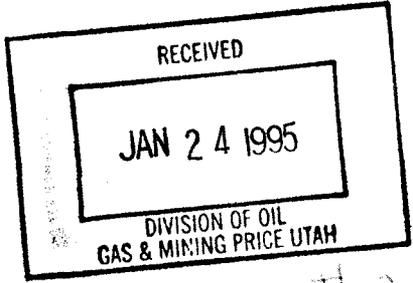


GENWAL COAL COMPANY

January 23, 1995

Mr. Steve Demczak
Mining Engineer/Reclamation Specialist
Division of Oil, Gas, and Mining
%College of Eastern Utah
451 East 400 North
Price, Utah 84501



95a

#2

RE: Minor Amendment to the Crandall Canyon Mine (ACT/015/032) MRP which defines the change of production mining methods from continuous to long-wall mining.

Copy Amendment file

Dear Steve:

Genwal Resources, Inc is pleased to submit this minor amendment to its Mining and Reclamation Plan which defines the proposed mining method changes. With approval of the change in mining methods, Genwal is scheduled to begin long-wall coal production by mid-June, 1995.

As defined in the attached Permit Change Forms, the only "substantial changes" are to the Engineering section and Mining Development Plans. Changes to other portions of the MRP are not required because:

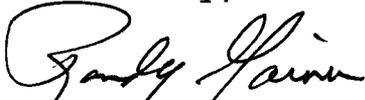
1. Genwal has committed to and will not cause subsidence outside of its permit boundaries.
2. Genwal has committed to only conduct development mining and to not conduct recovery mining under perennial streams and within the stream-buffer zone.
3. The existing data presented in Chapter 3 (and field verified as recently as 1994) indicate that there are no raptor nests in the area which will be subjected to long-wall mining. Thus, no raptor nests will be altered or potentially destroyed.
4. Genwal has an ongoing subsidence monitoring plan for ground subsidence. Also, within the MRP, Genwal has chosen representative Seeps and Springs within the permit area to allow for monitoring of the potential effects of subsidence on the surface and groundwater hydrology. Weather permitting, the Seeps and Springs are monitored quarterly. Flow measurements are collected from all of the springs being monitored and water quality data are obtained from selected springs (defined in the MRP).

Mr. Steve Demczak
January 23, 1995
Page 2

5. Enclosed you will find the required changes to the mining plan which details the equipment to be used and the mining sequence. In addition, the PHC has been updated (changes to the text are highlighted with bold print).

I look forward to working closely with you on this minor amendment. If you need additional information, please call me at (810) 687-9813.

Sincerely,



Randolph B. Gainer, P.G.
Environmental Manager

APPLICATION FOR PERMIT CHANGE

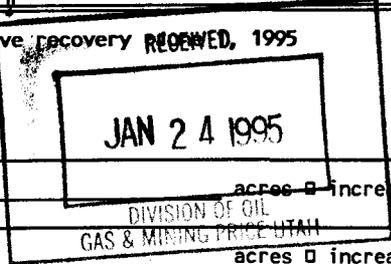
Title of Change: Change of mining method from room and pillar to longwall mining

Permit Number: ACT/015/032

Mine: Crandall Canyon

Permittee: Genwal Coal Company

Description, include reason for change and timing required to implement: Improve reserve recovery



- 1. Change in the size of the Permit Area?
2. Change in the size of the Disturbed Area?
3. Will permit change include operations outside the Cumulative Hydrologic Impact Area?
4. Will permit change include operations in hydrologic basins other than currently approved?
5. Does permit change result from cancellation, reduction or increase of insurance or reclamation bond?
6. Does permit change require or include public notice publication?
7. Permit change as a result of a Violation? Violation #
8. Permit change as a result of a Division Order? D.O.#
9. Permit change as a result of other laws or regulations? Explain:
10. Does permit change require or include ownership, control, right-of-entry, or compliance information?
11. Does the permit change affect the surface landowner or change the post mining land use?
12. Does permit change require or include collection and reporting of any baseline information?
13. Could the permit change have any effect on wildlife or vegetation outside the current disturbed area?
14. Does permit change require or include soil removal, storage or placement?
15. Does permit change require or include vegetation monitoring, removal or revegetation activities?
16. Does permit change require or include construction, modification, or removal of surface facilities?
17. Does permit change require or include water monitoring, sediment or drainage control measures?
18. Does permit change require or include certified designs, maps, or calculations?
19. Does permit change require or include underground design or mine sequence and timing?
20. Does permit change require or include subsidence control or monitoring?
21. Have reclamation costs for bonding been provided or revised for any change in the reclamation plan?
22. Is permit change within 100 feet of a public road or perennial stream or 500 feet of an occupied dwelling?
23. Is this permit change coal exploration activity inside outside of the permit area?

Attach 3 complete copies of proposed permit change as it would be incorporated into the Mining and Reclamation Plan.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Signed R. Jay Marshall Chief Engineer 1/23/95

Subscribed and sworn to before me this 23rd day of January, 1995

Notary Public signature

My Commission Expires: May 28, 1995
Attest: STATE OF COUNTY OF

Received by Oil, Gas & Mining



ROSINA SIAPERAS
NOTARY PUBLIC - STATE OF UTAH
776 EAST BRIARWOOD CIRCLE
PRICE, UT 84401
COMM. EXP. 5-28-97

ASSIGNED PERMIT CHANGE NUMBER

