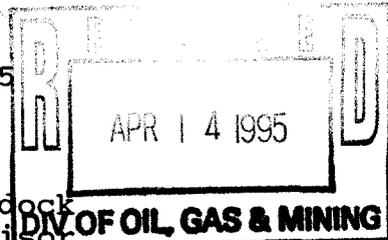


GENWAL

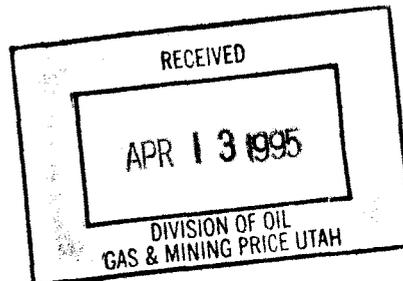
RESOURCES, INC.

P.O. Box 1420 • 195 North 100 West • Huntington, Utah 84528
Telephone (801) 687-9813 • Fax (801) 687-9784

April 11, 1995



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



Re: Response to Forest Service Requirements for LBA#9, Genwal Resources, Inc., Crandall Canyon Mine, ACT/015/032.

Dear Daron:

Genwal Resources, Inc. is pleased to be able to respond to your March 28, 1995 letter in a timely manner. In this submittal, we have re-addressed the Forest Service comments in hopes of coming to a resolution to their comments associated with the MRP and LBA #9.

The Issues associated with the Trust Lands Administration were addressed in our April 6, 1995 submittal to your office. To ensure that each issue has been addressed, we are responding to each item provided in the letters from the Forest Service and State Lands. They are:

Forest Service:

Page 3-8, Section 3.22.22, 5th Paragraph.

Genwal must immediately notify the Forest Service whenever the flow of a seep or spring changes, other than variations which directly correlate with precipitation changes. They can not wait until a determination of the cause has been made.

The desired changes have been made to the text on page 3-8 to indicate that when non-climatic reductions of seep and spring flows are observed the appropriate regulatory and governmental agencies will be notified.

Page 3-17, 2nd Paragraph.

Genwal must conduct spring and fall macroinvertebrate studies every three years. They have only committed to do surveys until the year 2000, but they plan to be mining until at least the year 2005.

The text on page 3-17 has been changed to indicate that macroinvertebrate studies will be conducted every three years unless

Mr. Daron Haddock
April 11, 1995
page 2

the data indicate a different schedule. For example, if the data show that no changes are occurring then it may be prudent to conduct the surveys in the year prior to permit renewal. However, if the data show that significant impacts are occurring then the surveys may be conducted before permit renewal and mid-term reviews.

Page 3-17, 3rd paragraph.

Same statement as on page 3-8. Genwal must notify the Forest Service whenever there is a change in flow of a spring or seep, not just when it is proven to mining related.

The text on page 3-17 has been modified to reflect this change. Thus, when non-climatic reductions of seep and spring flows are observed the appropriate regulatory and governmental agencies will be notified.

Page 3-35, 2nd paragraph.

Same as page 3-17, 2nd paragraph. Genwal must do macroinvertebrate surveys every three years for the life of the mine, not just until the year 2000.

The text on page 3-35 has been changed to indicate that macroinvertebrate studies will be conducted every three years for the life of the mine unless the data indicate a different schedule. For example, if the data show that no changes are occurring then it may be prudent to conduct the surveys in the year prior to permit renewal. However, if the data show that significant impacts are occurring then the surveys may be conducted before permit renewal and mid-term reviews. It is important to note that studies need to have a specific end in mind and be conducted to satisfy a regulatory or real world scientific concern.

Section 5.25.

Two points in our first review have still not been addressed. The potential for subsidence under perennial streams must be discussed, and calculations shown for roof support between pillars where there is less than 250 feet of overburden.

These two points were specifically discussed in our October 31, 1994 submittal to George A. Morris, Forest Supervisor, Manti-LaSal National Forest. It appears that the technical people never received a copy of the technical data. A copy of the calculations are being "re-submitted" with this submittal.

Mr. Daron Haddock
April 11, 1995
page 3

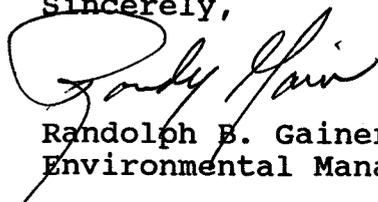
The initial Forest Service Comment reads: "The potential for subsidence under perennial streams must be discussed, and calculations shown for roof support between pillars where there is less than 400 feet of overburden."

The data show that roof failure (beam failure) will not occur in areas of the mine with overburden less than 250, 400, etc.

A meeting was held between Genwal and Forest Service personnel (Dale Harbor, Carter Reed and Jeff Defries) when the above response were discussed and a general agreement was reached. A portion of that agreement included a copy of this submittal to be "Hand-Delivered" to the technical people at the Forest Service to ensure that the data are received for review and approval.

Again, thank you for your timely review on these matters.

Sincerely,



Randolph B. Gainer, P.G.
Environmental Manager