



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

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March 15, 1995

TO: Daron Haddock, Permit Supervisor

FROM: Paul Baker, Reclamation Biologist *PRB*

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

**SYNOPSIS**

Genwal Coal Company has requested that its permit for the Crandall Canyon Mine be transferred to GENWAL Resources, Inc. Andalex Resources, Inc., purchased Nevada Electric Investment Company's interest in the mine and, with the Intermountain Power Agency, created GENWAL Resources.

This document is a review of changes to the mining and reclamation plan and other pertinent documents, such as the legal description of the permit area in the permit and mining and reclamation plan. The amendment is considered complete and accurate and can be approved.

**ANALYSIS**

**IDENTIFICATION OF INTERESTS, VIOLATION INFORMATION, AND RIGHT OF ENTRY INFORMATION**

Regulatory Reference: UCA R645-301-112; R645-301-113; R645-301-114

**Analysis:**

**Identification of Interests**

The applicant and operator are both Genwal Resources, Inc., a corporation incorporated under the laws of Utah. Randolph B. Gainer is identified as the resident agent. The Intermountain Power Agency (IPA) and Andalex Resources, Inc., will pay the abandoned mine reclamation fee. The application contains Genwal's employer identification number, address, and telephone number.

IPA and Andalex Resources, Inc., jointly own Genwal Resources, Inc. The application contains employer identification numbers and lists of officers and directors with dates they assumed their positions for all three of these entities. Andalex Resources, Inc., is



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100% owned and controlled by Andalex Resources, B. V. This company is owned and controlled by, in ascending order, Andalex Resources, S. A., Andalex Holdings, Ltd., and the Andrew Trust. Appendix 1-9, Section A, shows the officers and directors of the companies that own and control Andalex Resources, Inc. Andalex Resources, B. V., Andalex Resources, S. A., Andalex Holdings, Ltd., and the Andrew Trust do not have employer identification numbers.

IPA is currently engaged in the reclamation of the Horse Canyon Mine in Emery County. A list of current and previous mining permits held by Andalex and its affiliates is included in Appendix 1-9, Appendix B. Genwal Resources has not previously held a mining permit.

The legal owners of the area affected by surface operations and facilities are the United States and Genwal Resources, Inc. The U. S. Forest Service, the State of Utah, and Genwal Resources, Inc., are surface and coal owners within the permit area. Owners of surface and mineral property contiguous to the permit area are the United States and Genwal.

#### **Violation Information**

The application says neither the applicant nor any subsidiary, affiliate, 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. They have not forfeited a mining bond or similar security deposited in lieu of bond. There are no unabated cessation orders or air and water quality violation notices received prior to the date of the application by any coal mining and reclamation operation owned or controlled by Genwal or by any person who owns or controls Genwal.

#### **Right of Entry Information**

The application says the applicant bases its legal right to enter and begin operations in the permit area on:

Federal coal lease U-54762 issued to Genwal Coal Co. December 1, 1986, and currently owned by Andalex and IPA.

Assignment of federal leases SL-062648 and SL-050655 from the heirs of John Sanders on July 11, 1991.

Assignment of federal coal lease UTU-68082 to the joint owners (NEICO and IPA) in March 1994.

Assignment of Utah State coal lease ML-21568 to the joint owners (NEICO and IPA)

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3 July 11, 1991.

Assignment of Utah State coal lease ML-21569 to the joint owners (NEICO and IPA)  
July 11, 1991.

According to Steve Falk of the Bureau of Land Management in Price, reassignment of the leases does require BLM approval; however, the process is usually a formality. He said Genwal Resources has not yet received approval for the reassignment but that, under the terms of the original assignment, they have right of entry in the interim period. Genwal Resources can base its right to enter and begin mining operations on the original assignment to IPA and NEICO and on language in the leases allowing them to be reassigned.

In addition to the leases, the Forest Service has issued four special use permits. These are for the Crandall Canyon road, the topsoil stockpiles, the sediment pond, and some surface facilities near the portals.

**Findings and Requirements:**

This section of the application is complete and accurate

**UNSUITABILITY CLAIMS**

Regulatory Reference: UCA R645-301-115

**Analysis:**

The unsuitability status will not change as a result of the permit transfer.

**Findings:**

This section of the application is complete and accurate.

**PERMIT TERM, INSURANCE, PROOF OF PUBLICATION, FACILITIES OR STRUCTURES USED IN COMMON, FILING FEE, NOTARIZED SIGNATURE**

Regulatory Reference: UCA R645-301-116; R645-301-117; R645-301-118; R645-301-123

**Analysis:**

The permit term will not change as a result of the permit transfer.

A certificate of liability insurance is in Appendix 1-10. Insurance coverage is afforded by the Federal Insurance Company, and the producer is the Price Insurance Agency. The policy number is 3710-39-89. The general aggregate limit is \$2,000,000, and the limit for each occurrence is \$1,000,000. The policy includes XCU coverage, and it expires January 1, 1996. There is a \$1000 deductible for property damage. The State of Utah is named as the certificate holder. The certificate shows the mine name and number, and the cancellation clause has been changed in accordance with Division requirements.

Genwal submitted proofs of publication for advertisements in the Price Sun Advocate and the Emery County Progress. The legal descriptions were based on the Division's permit which was later corrected. The advertisements include some redundancies, but they describe all but one small piece of the permit area as shown on Plate 1-1.

The portion of the permit area not included in the newspaper advertisements and also not included in the Division's corrected permit is the portion of the N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , Township 16 South, Range 7 East north of Crandall Creek. This is a small portion of the disturbed area adjacent to the creek, and it needs to be included in the permit area. The Division needs to ensure that both the permit and the bond include descriptions for this area.

The application includes a statement signed by Jay Marshall, identified in the current plan as the resident agent, that the information in the application is true and correct to the best of his information and belief. If the application is approved, Randolph B. Gainer will be the resident agent.

#### **Findings and Requirements:**

This portion of the application is complete and accurate with the exception of one small part of the permit area not included in the advertisement for permit transfer. This is considered a minor error that does not need to be corrected with a new advertisement. However, the Division needs to correct Genwal's permit document.

#### **RECOMMENDATIONS**

Changes to Chapter 1 of Genwal's mining and reclamation plan proposed in this amendment can be approved. The Division needs to correct the legal description of the permit area in the permit document to include the portion of the N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , Township 16 South, Range 7 East north of Crandall Creek. The Division also needs to do an AVS check for Andalex's and IPA's officers and other operations.