



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 23, 1995

Randolph Gainer, Environmental Manager
Genwal Resources, Inc.
P.O. Box 1420
Huntington, UT 84528

Re: Transfer of Crandall Canyon Mine Permit, Genwal Coal Company to Genwal Resources, Inc., Crandall Canyon Mine, ACT/015/032-95A, Folder #3, Emery County, Utah

Dear Mr. ^{Randy}Gainer:

The Division has found that Genwal Resources, Inc., has met all the requirements for transfer of permit rights as required under R645-303-300. Therefore, in accordance with the attached findings in the permit transfer decision document, the application for transfer of the permit for the Crandall Canyon Mine is approved. Please sign both copies of the permit and return one to the Division.

Additionally, please submit 12 copies of the revised information for distribution to other agencies by April 21, 1995.

Very truly yours,

James W. Carter
Director

Enclosure

cc: Richard Dawes, OSM-WSC
Tom Ehmett, OSM-AFO
Mike Glasson, Andalex Resources, Inc.
Lowell Braxton
Daron Haddock
Pamela Grubaugh-Littig



UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
PERMIT TRANSFER

Genwal Resources, Inc.
Crandall Canyon Mine
ACT/015/032
Emery County, Utah

March 23, 1995

CONTENTS

- * Administrative Overview
- * Permitting Chronology
- * Findings
- * Permit
- * Mine Plan Information Form
- * Section 510(c) Finding, March 23, 1995
- * Affidavit of Publication
- * Surety

ADMINISTRATIVE OVERVIEW

Genwal Resources, Inc
Crandall Canyon Mine
ACT/015/032
Emery County, Utah

March 23, 1995

PROPOSAL

Genwal Resources, Inc. submitted an application to transfer the permit rights for the Crandall Canyon Mine on January 11, 1995. Prior to that date, the designated operator for the Crandall Canyon Mine as Genwal Resources, Inc. was approved on January 11, 1995. Subsequent information was submitted on March 7, 1995.

RECOMMENDATION

All of the information submitted by Genwal Resources, Inc. has been found adequate. The permit transfer was published in the Price Sun Advocate and the Emery County Progress on January 17, 1995. A 510(c) clearance was verified on March 22, 1995 with an "issue" recommendation. An adequate bond and liability insurance have been posted by Genwal Resources. It is therefore recommended that approval be given for the transfer of the permit rights to Genwal Resources, Inc.

PERMITTING CHRONOLOGY

Genwal Resources, Inc.
Crandall Canyon Mine
ACT/015/032
Emery County, Utah

March 23, 1995

January 11, 1995	Genwal Resources Inc. submits a permit transfer application.
January 17, 1995	The permit transfer notice is published in the Emery County Progress and Price Sun Advocate.
January 31, 1995	The Division sends a permit transfer deficiency document to Genwal Resources, Inc.
March 7, 1995	Genwal Resources, Inc. submits a response to the permit transfer deficiency.
March 16, 1995	The transfer is found to be complete and accurate. The bond is faxed to the Division.
March 20, 1995	The original bond documents are received at the Division and signed by the Director.
March 20, 1995	An OSM "issue" recommendation for Genwal Resources, Inc.
March 23, 1995	Permit Transfer.

FINDINGS

Genwal Resources, Inc.
Crandall Canyon Mine
ACT/015/032
Emery County, Utah

March 23, 1995

The applicant for transfer of permit rights, Genwal Resources, Inc. has committed to continue to conduct the operation involved in full compliance with the terms and conditions of the permit issued to Genwal Coal Company by the Division on May 13, 1983, and renewed on June 14, 1989 and subsequently on May 13, 1993. Federal lease U-68082 was added and approved on November 3, 1994. Findings of the original Decision Document and subsequent Decision Documents are still pertinent and satisfy the requirement of R645-300-133.

Currently Genwal Resources, Inc. has submitted a bond sufficient to cover reclamation costs in the permit area. After this permit transfer has been effected, Genwal Resources, Inc. will be responsible for the entire area which was under permit by Genwal Coal Company and will assume all liability for compliance with terms and condition of the Crandall Canyon Mine permit and any orders, stipulations or conditions associated with the permit.

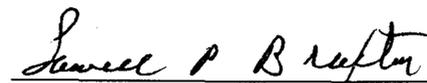
The following findings specifically apply to the application for transfer of permit rights:

1. Division records and the results of the 510 (c) clearance check, show that neither Genwal Coal Company, Genwal Resources, Inc. or any affiliates control or have controlled coal mining and reclamation operations with a demonstrated pattern of willful violation of the Act of such nature and duration and with such resulting irreparable damage to the environment as to indicate an intent not to comply with the Act.
2. The State of Utah, the Division has determined that the application for transfer of permit rights is accurate and complete, and complies with the requirements of R645-300-133.100.

3. The applicant has the legal right to enter and begin coal mining activities at the Crandall Canyon Mine. Reassignment of the leases by BLM has not yet formally been approved, but under the terms of the original assignment Genwal Resources, Inc. does have right of entry in the interim period. Genwal Resources can base its right to enter and begin mining operation on the original assignment to IPA and NEICO and on language in the lease allowing them to be reassigned. In addition to the leases, the Forest Service has issued four special use permits: the Crandall Canyon road, the topsoil stockpiles, the sediment pond, and some surface facilities near the portals. (R645-300-133.300)
4. Genwal Coal Company and Genwal Resources, Inc. have paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870. (R645-300-133.730)
5. Procedures for public participation have complied with the requirements of the Act and the Utah State Program. Notice was published in the Price Sun Advocate and Emery County Progress on January 17, 1995 as required by R645-303-322.
6. The applicant has obtained a performance bond equivalent to the bonding requirements of the existing permit, in the amount of \$703,000. (R645-303-342).


Permit Supervisor


Permit Coordinator


Associate Director, Mining


Director



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

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 16, 1995

To: Pam Grubaugh-Littig, Permit Coordinator

From: Daron R. Haddock, Permit Supervisor 

Re: Transfer of Crandall Canyon Mine to Genwal Resources, Inc., Folder #3,
ACT/015/032-95A, Emery County, Utah

The technical review of the application to transfer the Crandall Canyon Permit to Genwal Resources, Inc. has been completed. The application has been found to be complete and accurate and can be approved. An AVS system check was done on all entities involved with a result of an issue recommendation for all. An OSM recommendation was not requested and should perhaps be done before giving formal approval to the applicant. A bond will also need to be posted in behalf of the applicant (Genwal Resources, Inc.) before the permit can actually be transferred.

At this time the applicant is required to submit the appropriate number of copies of the revised pages of the Permit Application Package for distribution.

On the Division's part, one correction needs to be made to the legal description of the permit area. This involves including as part of the permit area the portion of the N1/2NW1/4SW1/4 of Section 5, Township 16 South, Range 7 East north of Crandall Creek. There is no change to the actual permit area since this area has been considered part of the permit area, but for some reason it was inadvertently left off of the past legal description. Correcting the legal description will merely bring it in line with the actual permit area.



PERMIT AMENDMENT APPROVAL

Title: <i>Permit Transfer</i>	PERMIT NUMBER: <i>ACT/015/032</i>
Description: <i>Genwal Coal Co. Inc. To Genwal Resources (ArdaBox)</i>	PERMIT CHANGE #: <i>95A</i>
	MINE: <i>Crandall Canyon</i>
	PERMITTEE: <i>Genwal</i>

WRITTEN FINDINGS FOR PERMIT APPLICATION APPROVAL

	YES, NO or N/A
1. The application is complete and accurate and the applicant has complied with all the requirements of the State Program.	<i>Yes</i>
2. The proposed permit area is not within an area under study or administrative proceedings under a petition, filed pursuant to R645-103-400 or 30 CFR 769, to have an area designated as unsuitable for coal mining and reclamation operations, unless:	<i>Yes</i>
A. The applicant has demonstrated that before January 4, 1977, substantial legal and financial commitments were made in relation to the operation covered by the permit application, or	<i>Yes</i>
B. The applicant has demonstrated that the proposed permit area is not within an area designated as unsuitable for mining pursuant to R645-103-300 and R645-103-400 or 30 CFR 769 or subject to the prohibitions or limitations of R645-103-230.	<i>Yes</i>
3. For coal mining and reclamation operations where the private mineral estate to be mined has been severed from the private surface estate, the applicant has submitted to the Division the documentation required under R645-301-114.200.	<i>Yes</i>
4. The Division has made an assessment of the probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.	<i>Yes</i>
5. The operation would not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et.seq.).	<i>Yes</i>
6. The Division has taken into account the effect of the proposed permitting action on properties listed on and eligible for listing on the National Register of Historic Places. This finding may be supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Division has determined that no additional protection measures are necessary.	<i>Yes</i>
7. The Applicant has demonstrated that reclamation as required by the State Program can be accomplished according to information given in the permit application.	<i>Yes</i>
8. The Applicant has demonstrated that any existing structure will comply with the applicable performance standards of R645-301 and R645-302.	<i>Yes</i>
9. The Applicant has paid all reclamation fees from previous and existing coal mining and reclamation operations as required by 30 CFR Part 870.	<i>Yes</i>
10. The Applicant has satisfied the applicable requirements of R645-302.	<i>NA</i>
11. The Applicant has, if applicable, satisfied the requirements for approval of a long-term, intensive agricultural postmining land use, in accordance with the requirements of R645-301-353.400.	<i>NA</i>

SPECIAL CONDITIONS OR STIPULATIONS TO THE PERMIT AMENDMENT APPROVAL

	YES	NO
1. Are there any variances associated with this permit amendment approval? If yes, attach.		<i>X</i>
2. Are there any special conditions associated with this permit amendment approval? If yes, attach. <i>need to submit copies for distribution</i>	<i>X</i>	
3. Are there any stipulations associated with this permit amendment approval? If yes, attach.		<i>X</i>

The Division hereby grants approval for Permit Amendment to the Existing Permit by incorporation of the proposed changes described herein and effective the date signed below. All other terms and conditions of the Existing Permit shall be maintained and in effect except as superseded by this Permit Amendment.

Signed *Daron R. Haddock*
 Division of Oil, Gas and Mining

3/16/95
 EFFECTIVE DATE

FEDERAL

PERMIT
Permit Number ACT/015/032

March 23, 1995

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340**

This permit, ACT/015/032, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining ('DOGM') to:

**Genwal Resources, Inc
P. O. Box 1420
Huntington, Utah 84528
(801) 687-9813**

for the Crandall Canyon Mine. Genwal Resources, Inc. is the lessee of federal coal leases SL-062648, U-54762 and UTU-68082, State Coal Leases ML-21568 and ML-21569, and of a fee-owned parcel affected by surface operations. Genwal Coal Company is also authorized to mine a federal Right-of-Way which provides access to the state leases. A performance bond is filed with the DOGM in the amount of \$703,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement ('OSMRE'). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Crandall Canyon Mine situated in the state of Utah, Emery County, and located:

Township 15 South, Range 6 East, SLBM

Section 25: S 1/2,
Section 26: S 1/2,
Section 35: All, and
Section 36: All.

Township 15 South, Range 7 East, SLBM

Section 30: Lots 7-12, SE 1/4,
Section 31: All, and
Section 32: S 1/2 SW 1/4, SW 1/4 SE 1/4.

Township 16 South, Range 6 East, SLBM

Section 1: Lots 1-12, SW 1/4,
Section 2: All.

Township 16 South, Range 7 East, SLBM

Section 5: Portions of N 1/2 NW1/4 SW1/4 located north of Crandall
Creek, SW 1/4NW 1/4, Lots 2,3, 4 and 8, and
Section 6: S 1/2 NE 1/4, Lots 1- 4 (NE 1/4 NE 1/4).

This legal description is for the permit area of the Crandall Canyon Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved Right-of-Way, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This revised permit expires on May 13, 1998.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-110,

30 CFR 842.13 and R645-400-220; and,

- (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 , R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- (a) Accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with

R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

The above conditions (Secs. 1-17) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

Page 5
ACT/015/032
Permit
March 23, 1995

THE STATE OF UTAH

By: Lowell P Bratton for J.W.C

Date: 3/28/95

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

FEDERAL

PERMIT
Permit Number ACT/015/032

March 23, 1995

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340**

This permit, ACT/015/032, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining ('DOGM') to:

**Genwal Resources, Inc
P. O. Box 1420
Huntington, Utah 84528
(801) 687-9813**

for the Crandall Canyon Mine. Genwal Resources, Inc. is the lessee of federal coal leases SL-062648, U-54762 and UTU-68082, State Coal Leases ML-21568 and ML-21569, and of a fee-owned parcel affected by surface operations. Genwal Coal Company is also authorized to mine a federal Right-of-Way which provides access to the state leases. A performance bond is filed with the DOGM in the amount of \$703,000.00, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement ('OSMRE'). DOGM must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct underground coal mining activities on the following described lands within the permit area at the Crandall Canyon Mine situated in the state of Utah, Emery County, and located:

Township 15 South, Range 6 East, SLBM

Section 25: S 1/2,
Section 26: S 1/2,
Section 35: All, and
Section 36: All.

Township 15 South, Range 7 East, SLBM

Section 30: Lots 7-12, SE 1/4,
Section 31: All, and
Section 32: S 1/2 SW 1/4, SW 1/4 SE 1/4.

Township 16 South, Range 6 East, SLBM

Section 1: Lots 1-12, SW 1/4,
Section 2: All.

Township 16 South, Range 7 East, SLBM

Section 5: Portions of N 1/2 NW1/4 SW1/4 located north of Crandall
Creek, SW 1/4NW 1/4, Lots 2,3, 4 and 8, and
Section 6: S 1/2 NE 1/4, Lots 1- 4 (NE 1/4 NE 1/4).

This legal description is for the permit area of the Crandall Canyon Mine. The permittee is authorized to conduct underground coal mining activities connected with mining on the foregoing described property subject to the conditions of the leases, the approved Right-of-Way, the approved mining plan, including all conditions and all other applicable conditions, laws and regulations.

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This revised permit expires on May 13, 1998.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:
- (a) Have the rights of entry provided for in 30 CFR 840.12, R645-400-110,

30 CFR 842.13 and R645-400-220; and,

- (b) Be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 , R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- (a) Accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) Immediate implementation of measures necessary to comply; and
- (c) Warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) In accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) Utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with

R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq,) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

The above conditions (Secs. 1-17) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

Page 5
ACT/015/032
Permit
March 23, 1995

THE STATE OF UTAH

By: James P. Baxter for J.W. Carter

Date: 3/26/95

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

Authorized Representative of the Permittee

Date: _____

MINE PLAN INFORMATION

Mine Name: Crandall Canyon Mine
State ID: ACT/015/032
Operator: Genwal Resources, Inc.
County Emery
Controlled By: Genwal Resources, Inc.
Contact Person(s): Randolph Gainer Position: Environmental Manager
Telephone: (801) 687-9813
Mining Method: Underground-room & pillar/proposed Longwall

Federal Coal Lease No(s): U-54762; SL-062648; UTU-68082

Legal Descriptions(s);

U-54762 T.15 S., R.7 E., SLBM Sec. 31: SE1/4 SE1/4; Sec. 32: S1/2 SW1/4, SW1/4 SE1/4; and T.16 S., R.7 E., SLBM Sec. 5: Lots 2, 3 and 8. Containing 256.49 acres, more or less.

SL-062648 Tract 1: T.16 S., R.7 E., SLBM Sec. 5: SW1/4 NW1/4; Sec. 6: SE1/4 NE1/4; Tract 2: T.16 S., R.7 E., SLBM Sec. 5: Lot 5; Sec. 6: Lot 1. Containing 161.17 acres, more or less.

UTU-68082 T.15 S., R.6 E., SLBM Sec. 25, S2; Sec. 26 S2; Sec. 35 all T.15 S., R.7 E., SLBM Sec. 30: Lots 7-12, SE; Sec. 31: Lots 1-12, NE, N2SE, SWSE. T.16 S., R.6 E., SLBM Sec. 1: Lots 1-12, SW. T.16 S., R.7 E., SLBM Sec. 6, Lots 2-4, SWNE. Containing 2,979.49 acres more or less

USFS Special Use Permit(s);

Sedimentation Pond T.16 S., R.7 E., SLBM Sec. 5: an area approximately 150 x 400 ft. adjacent to the eastern boundary of Genwal's federal coal lease SL-062648. Containing approximately 1.5 acres.

Snow Storage and Summer Parking T.16 S., R.7 E., SLBM Sec. 6: SW1/4 NE1/4. Containing .1 acres.

Topsoil Storage

W1/4 Sec. 5 T.16 S., R.7 E., - Stockpile # 1 - .2 acres

W1/4 Sec. 5 T.16 S., R.7 E., - Stockpile # 2 - .2 acres

NW1/4 Sec. 4 T.16 S., R.7 E., - Stockpile # 3 - .5 acres

State Lease No(s);

ML-21568 (East Mountain) T.16 S., R.6 E., SLBM Sec. 2: all Containing 997.69 acres, more or less.

ML-21569 (East Mountain) T.15 S., R.6 E., SLBM Sec. 36: all Containing 640 acres, more or less.

Private Lease

Beaver Creek Description (ARCO Lease) T.16 S., R.7 E., Sec. 5: All that part of N1/2 NW1/4 SW1/4 lying north of Crandall Creek. Containing approximately 1.7 acres.

<u>Ownership Data</u>	<u>Existing</u>	<u>Proposed</u>	<u>Total Life of Permit Area</u>
<u>Surface Resources (areas)</u>			
Federal	<u>3399.65</u>	<u>0</u>	<u>3399.65</u>
State	<u>1637.69</u>	<u>0</u>	<u>1637.69</u>
Private	<u>1.7</u>	<u>0</u>	<u>1.7</u>

<u>Coal Resources (areas)</u>			
Federal	<u>3397.15</u>	<u>0</u>	<u>3397.15</u>
State	<u>1637.69</u>	<u>0</u>	<u>1637.69</u>
Private	<u>0</u>	<u>0</u>	<u>0</u>

<u>Coal Resource Data</u>	<u>Total Reserves</u>	<u>Total Recoverable Reserves</u>
Federal	<u>36 million</u>	<u>12.7 million</u>
State **	<u>15.5 million</u>	<u>5.5 million</u>
Private		
Total	<u>51.5 million</u>	<u>18.2 million</u>

** Note: 3.5 million tons have been recovered from the state leases, therefore the reserves were decreased by that amount from the original estimate.

<u>Recoverable Reserve Data</u>	<u>Name</u>	<u>Thickness</u>	<u>Depth</u>
Seam	<u>Hiawatha</u>	<u>7' average in minable coal</u>	<u>0'-2300'</u>

Mine Life: 12 years

Average Annual Production: 1,500,000 tons

Percent Recovery: Average 40% and varies from 35% to 50%

Date Projected Annual Rate Reached: 1993

Date Production Began: 1983 Date Production Ends: 2006

Reserves Recovered By: Underground mining (room and pillar) / Proposed Longwall

Reserves lost through management decisions: Pillars left to prevent subsidence
beneath perennial stream and other surface structures.