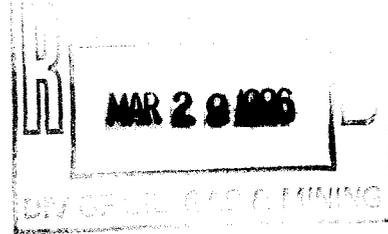



**GENWAL**  
 RESOURCES, INC.

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

March 27, 1996

 Mr. Dave Darby  
 Reclamation Hydrologist  
 Division of Oil, Gas and Mining  
 355 West North Temple  
 3 Triad Center, Suite 350  
 Salt Lake City, Utah 84180-1203


*File #2 Copy Dave*

RE: Response to March 12, 1996 DOGM letter associated with the Mine Plan Amendment Longwall Mining, Crandall Canyon Mine, Genwal Coal Company, ACT/015/032-96A, Folder #2, Emery County, Utah.

Dear Dave:

Genwal appreciates the Divisions response to our proposed amendment associated with our current longwall plan. Genwal is also concerned that a continuous flow of the stream is maintained to provide favorable conditions for the discontinuous riparian zones and the extreme downstream fishery resource for the last 1.5 miles of the stream (near the confluence with Huntington Canyon). Thus, Genwal proposes the following actions. They are:

1. Enhance the aerial survey interpretation by establishing pin points along the stream channel in the canyon floor for the area of concern. During the fall aerial survey Genwal will gather data which will either show that the stream channel location has been and can be accurately characterized by the aerial survey or that a more detailed approach to defining the profile of the stream channel needs to be conducted. Existing data and detailed discussions with Olympus Aerial Survey indicate that the accuracy of aerial surveying of the stream channel using pin points will satisfy your needs and requirements.
2. Genwal will conduct annual inspections of the Crandall Canyon Stream channel after mining has occurred for a period of three years. Then, using data from aerial surveys, field inspections, correlations with subsidence events and amounts of subsidence in contiguous areas, Genwal in cooperation with DOGM will determine if additional field inspections need to occur for a defined time period.
3. Genwal currently monitors mine water inflow and discharge with an accurate flow meter. Genwal will closely monitor the inflow from the longwall and gob area within the state lease when it is mined some 4-6 years from now.

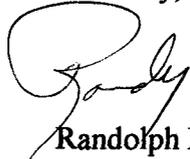
4. Because of the geomorphic conditions of upper Crandall Canyon (its intermittent nature, steep slopes, zones of the stream channel flowing directly on bedrock followed by zones of thick alluvial accumulations, etc) influent/effluent stream patterns and studies will not provide useful scientific data. The stream flows associated with Horse, South Fork of Horse, Blind, North Fork of Crandall and South Fork of Crandall were recorded for two years during the summer months in the early 1990's. At best the studies showed an increase in flow as the size of the watershed increased. The data also show that when a storm event occurred that streamflow increased and that immediately after the storm the streamflow decreased significantly. Genwal will commit to recording visual observations when they are conducting their annual inspections after mining has occurred within the state lease area on the North Fork of Crandall. Areas of Crandall Canyon within the USFS boundaries are protected by the stream buffers under which no second mining will occur.

However, Genwal does suggest that the drainage be inspected by Genwal personnel and a DOGM representative in July or August of 1996. If at that time issues of concern are observed then Genwal will prepare appropriate responses, designs or mitigation plans to address the area of concern.

5. In Genwal's approved MRP a commitment has been made and reiterated several times that if and when an impact to either a spring or the surface water are observed then Genwal will notify DOGM, the USFS, the State Engineer, the Division of Wildlife Resources and any affected downstream user (the irrigation company).

Genwal appreciates the Divisions assistance in this matter. We look forward to working with you on this and other projects. Should you have any questions, please call me.

Sincerely,



Randolph B. Gainer, P.G.  
Environmental Manager