



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

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INSPECTION REPORT

Partial: X Complete: Exploration:
Inspection Date & Time: February 28, 1996
Date of Last Inspection: 01/31/96

Mine Name: Crandall Canyon Mine County: Carbon Permit Number: ACT/015/032
Permittee and/or Operator's Name: Genwall Resources
Business Address: P.O. Box 1210, Huntington, Utah 84501
Type of Mining Activity: Underground X Surface Prep. Plant Other
State Officials(s): David W. Darby
Company Official(s): None
Federal Official(s): None
Existing Acreage: Permitted- 2165.42 Disturbed- 5.55 Regraded- .5 Seeded- .5 Bonded- 5.55
Increased/Decreased: Permitted- 0 Disturbed- 0 Regraded- 0 Seeded- 0 Bonded- 0
Status: Exploration/ X Active/ Inactive/ Temporary Cessation/ Bond Forfeiture
Reclamation (Phase I/Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: Item, EVALUATED, N/A, COMMENTS, NOV/ENF. Rows include items like PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; etc.



INSPECTION REPORT

(Continuation sheet)

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PERMIT NUMBER: ACT/015/032

DATE OF INSPECTION: 002/28/96

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Randy Gainer was in the mine and could not be reached, however I was granted permission to inspect the minesite. There was approximately 18 inches of snow in the area next to the minesite. The snow and cold contribute a lot of water, ice and mud causing difficult working conditions around the minesite. Snow has accumulated to even more depth in the bottom of the canyon and most of the stream is frozen.

The DOGM is in the process of conducting a mid-term permit review.

The DOGM staff has completed Genwal's Mine Plan Amendment, ACT/015/032-96A, which calls for a mine plan to change the longwall sequence in Federal Lease UTU\68082 and State Lease ML-21568. The review although technically complete revealed an error in plotting the stream on the map. DOGM is waiting for the correction to be submitted before the amendment is approved.

Genwal has submitted a major amendment to culvert the Crandall Canyon Creek and extend their mine pad. The review assignments have been made to the DOGM Staff and the amendment is being evaluated. of their current minepad. The plan requires that a culvert be placed along 1000 feet of the stream channel. A similar set of plans were previously submitted in October 1995. The revised plans have been distributed to other agencies for comment.

4. HYDROLOGIC BALANCE

a. DIVERSIONS

All disturbed and undisturbed diversions were evaluated for stability and integrity. Most of the ditches were filled with snow, but all diversions on the mine pad and access road were functioning well with no obstructions or breaches.

b. SEDIMENTATION PONDS AND IMPOUNDMENTS

The pond was full of water and frozen. No discharge was taking place.

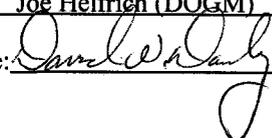
e. EFFLUENT LIMITATIONS

Mine water was being pumped from the mine directly into Crandall Canyon Creek. Genwal has a UPDES permit for this discharge. I walked along the creek below the discharge to see if any anomalies could be detected because of the discharge. None could be detected..

Copy of this Report:

Mailed to: James Fulton (OSM, Denver), Randy Gainer (Genwal)

Given to: Joe Helfrich (DOGM)

Inspector's Signature:  David W. Darby # 47 Date: 03/0496