



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

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April 13, 1998

Douglas M. Koza, Deputy State Director
 Bureau of Land Management
 Utah State Office
 P. O. Box 45155
 Salt Lake City, Utah 84145-0155

Re: Federal Lease Partial Relinquishment (3452), Lease UTU-68082, Genwal Resources, Inc.,
 Crandall Canyon Mine, ACT/015/032, Folder #2, Emery County, Utah

Davey
 Dear Mr. Koza:

This letter is in response to your request for a review of the Federal coal lease relinquishment filed with your office by GENWAL Resources, Inc. and received in our office on April 6, 1998.

According to the Memorandum of Understanding (MOU) "Processing of Requests to Relinquish Federal Coal Leases" (10-MOU-97-001), DOGM will, "require restoration of surface area as required by its authority or by the surface management agency, and will determine whether lease relinquishment would conflict with administration of the mine permit."

Our review has determined that the majority of the area requested for relinquishment was never mined due to the lack of economically recoverable coal reserve. The parts of the lease that were mined, were last mined in February or March 1995. No pillars were removed from this area. Subsidence monitoring contained in annual reports show no significant surface movement or subsidence anywhere in the relinquishment area for the last three years. Aerial photography is used to measure subsidence and the largest movement recorded in this area was .31 ft. which is probably close to the margin of error for this method. This would indicate that the mined area is fairly stable. No surface effects of mining have been manifested. The Division is not aware of any surface area requiring restoration.

The relinquishment will conflict with the administration of the permit, related to the issue of right of entry. While all parties acknowledge that Genwal, through the relinquishment, has forfeited all rights to mine in these areas, the SMCRA permit and the approved Mining and Reclamation Plan do not reflect this and will need to do so.

Genwal must revise the Mining and Reclamation Plan to show the area upon which they now intend to conduct mining and reclamation activities and reflect that they no longer intend to conduct mining operations in the relinquished area. If Genwal chooses to exclude this area from the permit boundary, this may also involve an application for bond release since under R645-301-820, the entire permit area is covered by the bond.

We have no objection to the lease relinquishments, but if approved we will ask Genwal to revise

Page 2
ACT/015/032
April 13, 1998

the Mining and Reclamation Plan (especially mine maps) to reflect the changes that will be brought about by this action.

Thank you for the opportunity to comment on the lease relinquishment application. If you have any questions, please call.

Sincerely,



Lowell P. Braxton
Acting Director

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cc: Gary Gray, Genwal Resources
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