



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

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February 11, 1999

Gary Gray, Resident Agent
Genwal Resources, inc.
P. O. Box 1420
Huntington, Utah 84528

Re: Deficiencies in Plans for Highwall Elimination, Genwal Resources, Inc., Crandall Canyon Mine, ACT/015/032, Folder #3, Emery County, Utah.

Dear Mr. Gray:

In your letter dated April 17, 1998, you indicated that you thought all the deficiencies dealing with highwall elimination at the Crandall Canyon Mine had been corrected through recent amendments. The Division has completed a review of your plans including all of the recent amendments to the Crandall Canyon Mine plan and we have determined that some deficiencies still remain with regard to highwall elimination. A technical memo is enclosed which discusses the issues that still need to be resolved. Please review it carefully and respond as necessary.

As previously discussed with you, we feel that it would be appropriate to correct the plan in conjunction with the Mill Fork lease application. You have previously committed to submit an amendment by February 1, 2000 or earlier if the Mill Fork Lease works out. Please ensure that the deficiencies in your plan are addressed by the agreed on date.

If you have any questions, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor