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

INSPECTION REPORT

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Partial: Complete: XXX Exploration:

Inspection Date & Time: 5/15/2000 / 9:30A.M.-3:00P.M.

Date of Last Inspection: 4/11/2000

Mine Name: Crandall Canyon Mine County: Emery Permit Number: ACT/015/032
Permittee and/or Operator's Name: Genwal Resources, Inc.
Business Address: P.O. Box 1420, Huntington, Utah 84528
Type of Mining Activity: Underground XXX Surface Prep. Plant Other
Company Official(s): Gary Gray
State Officials(s): Stephen J. Demczak Federal Official(s): None
Weather Conditions: Cold, 40's
Existing Acreage: Permitted- 5195.8 Disturbed- 10.7 Regraded- .5 Seeded- .5 Bonded- 10.7
Increased/Decreased: Permitted- Disturbed- Regraded- Seeded- Bonded-
Status: Exploration/ XXX 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 categories like PERMITS, SIGNS AND MARKERS, TOPSOIL, HYDROLOGIC BALANCE, EXPLOSIVES, etc.

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(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMIT-

The Genwal permit was reviewed on the permit renewal that was held May 8, 1998. The midterm review will approximately be in October of the year 2000.

No new amendments have been submitted to the Division.

2. SIGNS AND MARKERS -

Identification signs meet the requirements of the R645 Coal Rules.

The perimeter markers were spot-checked and are located around the perimeter of the disturbed areas. The permittee has stream buffer zone signs placed within the disturbed area. Topsoil ID signs are located on the topsoil piles as required in the R645 Coal Rules.

3. TOPSOIL -

The topsoil piles were inspected with no signs of wind or water erosion. These piles are protected by berms and/or silt fences. Grass has started to grow on the newest topsoil pile.

4A. DIVERSIONS -

The diversions were spot-checked and were found to comply with the requirements of the Mining and Reclamation Plan and the R645 Coal Rules performance standards. Some of the diversions were covered with snow.

4B. SEDIMENT PONDS -

The sediment pond was not discharging during the inspection and could potentially discharge in the near future either from the mine or pond itself. The ponds did contain water. There were no signs of any hazardous conditions occurring to the sediment ponds during the inspection. The Annual Sediment Pond inspection was done on December 27, 1999. The first quarter inspection was reviewed with no hazardous conditions reported.

This pond may discharge pending weather conditions.

4C. OTHER SEDIMENT CONTROL MEASURES -

Genwal Mine uses straw bales, silt fences, and berms as its alternate sediment control measures. These areas were spot-inspected and complied with the R645 Coal Rules. Work on the silt fences was being performed during the inspection.

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4D. WATER MONITORING -

Water monitoring for the first quarter was reviewed only for in-mine water, which was taken by the permittee. The springs and ground water for this quarter was taken by EIS and the information was not available. The mine water samples were found to be complete. This information has not been sent to the Division. The fourth quarter information is going to be resent to the Division. There were problems submitting the information by computer. Parameters were checked for ground and surface waters. All parameters were taken as required in the plan. This information will be sent to the Division SLO.

Genwal, starting next quarter, will be using Mayo and Associates for sampling ground and surface water.

4E. EFFLUENT LIMITATIONS -

UPDES samples were taken for first quarter. These samples were below limits.

The UPDES Permit UT0024368 by Water Quality was issued on 9/1/95 and will expire on 8/31/2000. There are two point sources which are 001A (6-inch discharge pipe of the North side of sediment pond) and 002A (4-inch line on the North side of sediment pond).

There were no compliance issues for first quarter of 2000.

5. EXPLOSIVES -

There are explosive's boxes on the property which are located on the upper end of the disturbed area. There were no explosives used during first quarter.

8. NON-COAL WASTE -

The area was clear of non-coal waste material. This material is being stored in dumpsters and concrete storage bins.

The SPCC Plan was last evaluated on 10/18/99 and is P.E. certified.

14. SUBSIDENCE -

The subsidence survey was taken in the fall 1999, via aircraft. The annual report has the subsidence data.

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18. SUPPORT FACILITIES -

During the field inspection, no new structures were added for May.

20. AIR QUALITY -

The permittee is complying with the Air Quality Permit. The Air Quality permit DAQE-97 was issued on August 20, 1997 with a four million tons production limit.

21. BONDING AND INSURANCE -

The bonding is set at \$1,654,000. The policy is a surety bond from American Home Assurance Co. The permittee has 10.7 acres of disturbed area and 5195.8 acres permitted. The reclamation agreement needs to be updated to reflect the correct acreage.

The insurance accord form was inspected and meets the requirements of the R645 Coal Rules. Explosives are included in the accord form. The insurance accord form meets the requirements of the R645 Coal Rules. This policy will expire on 7/31/00. The policy X0229A1A98 has been issued by Associated Electric and Gas Insurance Service Limited.

The Reclamation Agreement was reviewed and the signed copy of the Director signature was being sent.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: Gary Gray (Genwal)

Henry Austin (OSM)

Given to: Pam Grubaugh-Littig (DOGM)

Filed to: Price Field Office

Date: May 16, 2000

Inspector's Signature: _____

Stephen J. Demczak

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