



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

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Handwritten initials/signature

INSPECTION REPORT

Partial XXX Complete Exploration
Inspection Date: 03/13/2002 / Time: 9:30 - 11:30
Date of Last Inspection: 02/14/2002

Mine Name: Crandall Canyon Mine County: Emery Permit Number: C/015/032
Permittee and/or Operator's Name: Genwal Resources, Inc.
Business Address: P.O. Box 1077, Price, Utah 84501
Company Official(s): Gary Gray
State Official(s): Karl R. Houskeeper Federal Official(s): None
Weather Conditions: Light Snow, Overcast, Temp 20 - 30°F
Type of Mining Activity: Underground XXX Surface Prep Plant Other
Existing Acreage: Permitted 5195.8 Disturbed 10.7 Regraded Seeded
Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; etc.

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/015/032

DATE OF INSPECTION: 03/13/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Reviewed the Mining Reclamation Plan (MRP) and the UPDES permit in an effort to address questions regarding whether the mine water discharge had to be sampled to meet effluent standards prior to being discharged.

This site is similar to other mine sites in the area. The mine water discharge takes place on a continual basis in order to prevent flooding of the mine and endangering the health and safety of the miners who work underground. Operators do utilize underground sumps to settle the water in an effort to improve water quality. The effluent is sampled monthly according to the UPDES permit to verify that effluent standards are being met. A review of the records did not show any violations of the effluent standards.

4A. HYDROLOGIC BALANCE: DIVERSIONS

DD-13 had some snow build-up in the diversion from efforts being made to remove the snow from the pad area. DD-4 & DD-5 at their intersection had the snow build from removal efforts as well. The operator made note of the build up's and will remove the snow so that the diversions can function properly.

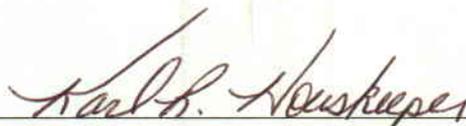
4D. HYDROLOGIC BALANCE: WATER MONITORING

Water Monitoring is current and on going. The fourth quarter 2001 information has been submitted to the EDI pipeline.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

As mentioned above in item #1, reviewed the Discharge Monitoring Reports. No effluent values exceeded the designed limits.

Inspector's Signature: _____


Karl R. Houskeeper #49

Date: March 15, 2002

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

cc: James Fulton, OSM
Gary Gray, Genwal
Price Field office

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