



0036 U. S. DEPT. OF THE INTERIOR
 OFFICE OF SURFACE MINING
 Mine Site Evaluation *Jueing*
 State Program *CT015/0030*



1. Permittee/Person GENWAL RESOURCES., INC.		9. Permit Number <i>e-mail Karl H. and Susan & Jason</i> UT-015-032	10. Permit Type PP
2. Address P. O. BOX 1420		11. Field Visit Date 11/20/2003 mm - dd - yyyy	12. Purpose O
3. City HUNTINGTON	4. State UT	13. SRA Present Y	14. Permit Status A
5. Zip Code 84528	6. Phone Number (435) 687-9813	15. Site Status AP	16. Facility Type BG
7. Operator Name, if Different than Permittee		17. OSM Office # 140	18. CCID #
8. Mine Name CRANDALL CANYON		19. Land Code F	20. M.S.H.A ID # 42-01715
		21. State Abrev. UT	22. County Name EMERY
		23. AVS Permittee Entity ID Number 108257	24. State Office

25. Hours	26. Signature Block	27. Reviewing Official:
8.0 a. Permit Review	<i>Henry Austin</i> Signature: <i>12/4/05</i>	<i>Henry Austin for J. Seltz</i> Signature:
4.0 b. Site Visit Time	HENRY AUSTIN ID # 116	Review Date: 12/04/2003 mm - dd - yyyy
3.0 c. Travel Time	Printed Name:	Is Supplemental MSE Page Used Y/N Y
2.0 d. Report Writing	Date: 12/04/2003	

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12

Oxx.... Oversight	RFx.... Reclamation Fees	CCR.... Citizen Complaint Referral (non site visit)
Axx.... Assistance	Fxx.... Federal Actions	CC..... Citizen Complaint (initial site visit)
		CCF.... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14

A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.	AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.	AB1.. Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
BR.... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)	AB2.. Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
	AB3.. Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
	NA.... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15

ND...No Disturbance: No coal mining and reclamation operations have been started.	MC..Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.	NS..Non-Site Visit: Status of site not determined.
EX...Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.	TC.. Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).	FP.. Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
AP.. Active Coal Producing: Coal surface mining activities are occurring.	P1...Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.	FR.. Forfeited and Reclaimed: Forfeiture reclamation completed.
AN.. Active Non-Producing: Active non-producing facility such as tipple or preparation plant.	P2.. Phase II Release: At least Phase II bond release for the entire permitted area.	FO.. Abandoned Site: Abandoned site that is permitted but there is no bond.
NM...No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.	P3.. Phase III Release: Reclamation completed and the RA has released all bond.	WC..Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A... Surface	D...Ancillary (Haulroad, Conveyor, and/or Rails)	H... Exploration Permits	L... Remaining site permitted under 30 CFR 785.25
B... Underground	E... Refuse and/or Impoundment	I... Notice of Intent to Explore	
C... Preparation Plant	F... Loading Facility and/or Tipple	J... Exempt 16 and 2/3	
	G... Stockpiles	K... Government Financed Construction Exemption	

Small Business Regulatory Enforcement Fairness Act (SBREFA)
Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person

GENWAL RESOURCES.,

Permit
Number

UT-015-032

Field Visit
Date

11/20/2003

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

- | | | | | | | | | | | | | | | |
|---|--|---|----------|-------|-------|----------|-------------|-------|-------|----------|----------|-------|-------|----------|
| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u>1</u> Mining within Bonded Area 3. <u>1</u> Terms & Conditions of Permit 4. <u>1</u> Liability Insurance 5. <u>1</u> Ownership and Control 6. <u>1</u> Temporary Cessation 7. <u>1</u> AML Rec. Fees -- Non-Respondent 8. <u>1</u> AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>1</u> Drainage Control 2. <u>1</u> Inspections & Certifications 3. <u>1</u> Siltation Structures 4. <u>1</u> Discharge Structures 5. <u>1</u> Diversions 6. <u>1</u> Effluent Limits 7. <u>1</u> Ground Water Monitoring 8. <u>1</u> Surface Water Monitoring 9. <u>3</u> Drainage -- Acid-Toxic Materials 10. <u>1</u> Impoundments 11. <u>1</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u>1</u> Removal 2. <u>1</u> Substitute Materials 3. <u>1</u> Storage and Protection 4. <u>1</u> Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u>1</u> Exposed Openings 2. <u>1</u> Contemporaneous Reclamation 3. <u>1</u> Approximate Original Contour 4. <u>1</u> Highwall Elimination 5. <u>3</u> Steep Slopes (includes downslope) 6. <u>3</u> Handling of Acid & Toxic Materials 7. <u>1</u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u>3</u> Placement 2. <u>3</u> Drainage Control 3. <u>3</u> Surface Stabilization 4. <u>3</u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u>3</u> Drainage Control 2. <u>3</u> Surface Stabilization 3. <u>3</u> Placement 4. <u>3</u> Inspections and Certifications 5. <u>3</u> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. <u>1</u> Blaster Certification 2. <u>1</u> Distance Prohibitions 3. <u>1</u> Blast Survey/Schedule 4. <u>1</u> Warnings & Records 5. <u>1</u> Control of Adverse Effects | <p>H. <u>1</u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u>1</u> Road Construction 2. <u>1</u> Certification 3. <u>1</u> Drainage 4. <u>1</u> Surfacing and Maintenance 5. <u>1</u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u>1</u> Signs 2. <u>1</u> Markers <p>K. <u>1</u> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u>1</u> Vegetative Cover 2. <u>1</u> Timing <p>M. <u>1</u> Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">General</td> <td style="width: 20px;">_____</td> <td style="width: 20px;">_____</td> <td style="width: 20px;">1) _____</td> </tr> <tr> <td style="text-align: right;">Performance</td> <td>_____</td> <td>_____</td> <td>2) _____</td> </tr> <tr> <td style="text-align: right;">Category</td> <td>_____</td> <td>_____</td> <td>3) _____</td> </tr> </table> | General | _____ | _____ | 1) _____ | Performance | _____ | _____ | 2) _____ | Category | _____ | _____ | 3) _____ |
| General | _____ | _____ | 1) _____ | | | | | | | | | | | |
| Performance | _____ | _____ | 2) _____ | | | | | | | | | | | |
| Category | _____ | _____ | 3) _____ | | | | | | | | | | | |

Performance Standard Categories 30 CFR Counterpart

<p>A. Administrative.....(816/817.11-17)</p> <ol style="list-style-type: none"> 1. Valid Permit.....773.11 2. Mining within Bonded Area.....773.11 3. Terms & Conditions of Permit.....773.17 4. Liability Insurance.....800.60 5. Ownership and Control.....778.13 6. Temporary Cessation.....842.11(e) & 816/817.131 7. AML Rec. Fees -- Non-Respondant.....870.15(b) 8. AML Rec. Fees -- Failure to Pay.....870.15(a) <p>B. Hydrologic Balance.....(816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control.....45 2. Inspections & Certifications.....49(a)(10) 3. Siltation Structures.....46 4. Discharge Structures.....47 5. Diversions.....43 6. Effluent Limits.....42 7. Ground Water Monitoring.....41(c) 8. Surface Water Monitoring.....41(e) 9. Drainage--Acid - Toxic Materials.....41(f) 10. Impoundments.....49 11. Stream Buffer Zones.....57 <p>C. Topsoil & Subsoil.....(816/817.22)</p> <ol style="list-style-type: none"> 1. Removal.....22(a) 2. Substitute Materials.....22(c) 3. Storage and Protection.....22(c) 4. Redistribution.....22(d) <p>D. Backfilling & Grading.....(816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings.....816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation.....100 3. Approximate Original Contour.....102(a)(1) 4. Highwall Elimination.....102(a)(2) 5. Steep Slopes (includes downslope).....107 6. Handling of Acid & Toxic Materials.....102(c) 7. Stabilization (rills and gullies).....95(b) 	<p>E. Excess Spoil Disposal.....(816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement.....71(e) 2. Drainage Control.....71(f) 3. Surface Stabilization.....71(g) 4. Inspections & Certifications.....71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments)(816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control.....83(a) 2. Surface Stabilization.....83(b) 3. Placement.....83(c) 4. Inspections and Certifications.....83(d) 5. Impounding Structures.....84 <p>G. Use of Explosives.....(816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification.....61(c) 2. Distance Prohibitions.....61(d) 3. Blast Survey/Schedule.....62-64 4. Warnings & Records.....66 & 68 5. Control of Adverse Effects.....67 <p>H. Subsidence Control Plan.....(817.121-122)</p> <p>I. Roads.....(816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction.....150(c) 2. Certification.....151(a) 3. Drainage.....150(b)-151(d) 4. Surfacing and Maintenance.....150(e)-151(d) 5. Reclamation.....150(f) <p>J. Signs & Markers(816/817.11)</p> <ol style="list-style-type: none"> 1. Signs.....11(a),(b),&(c) 2. Markers.....11(a),(b),(d),(e),&(f) <p>K. Distance Prohibitions.....(761.11)</p> <p>L. Revegetation.....(816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover.....111 & 116 2. Timing.....113 <p>M. Postmining Land Use.....(816/817.133)</p>
---	---

December 4, 2003

ANDALEX Resources, Inc.
P.O. Box 1077
Price, UT 84501

Crandall Canyon Mine
Joint, complete oversight inspection
November 20, 2003

Participants:

Michael Glasson, ANDALEX Resources, Inc. (ARI)
Karl Housekeeper, Utah Division of Minerals and Geology (DOGM)
Howard Strand & Henry Austin, Office of Surface Mining (OSM)

Participated in a joint, complete oversight inspection of the Crandall Canyon Mine on November 20, 2003, with the above. This mine was selected for oversight evaluation by the joint DOGM / OSM Evaluation Team. Weather conditions were cold and fair with ground conditions at the mine including snow cover, and melting snow on slope aspects receiving sun in Crandall Canyon. The facilities / portal area ranged from snow covered and frozen, to melting snow and slight surface water runoff into control structures (ditches, drop drains, and sedimentation pond).

Mr. Housekeeper began the inspection with a thorough records review at the mine offices. We reviewed and discussed recent permitting actions / DOGM approvals, and environmental monitoring records including the following: February 2, 2002, letter from the Castle Valley Special Service District to the USFS / Forest Supervisor / discussing Little Bear Spring and a proposed culinary water treatment plant (we also briefly discussed the Eric Peterson hydro. study finding no potential impacts to the Little Bear Spring from proposed mining on the new coal lease); BLM-March, 2003 letter to DOGM regarding the South Portals Amendment; DOGM-April 14, 2003 letter to OSM finding administrative completeness for DOGM permit renewal; May 13, 2003, letter from DOGM to ARI approving 5 year DOGM permit renewal RN03 for the Crandall Canyon Mine; June 16, 2003, DOGM letter to ARI approving bond adjustment; July 30, 2003, BLM letter to ARI and Intermountain Power Agency approving South Crandall Canyon Tract lease and bond acceptance (we reviewed the BLM lease stipulations, and also reviewed Special Stipulations from the USFS / BLM September, 1993 Environmental Assessment); October 2, 2003, OSM-WRCC letter to DOGM determining a significant permit revision, constituting a mine plan action, to add the 880 acres contained in South Crandall Federal lease UTU-78953; October 9, 2003, DOGM letter to OSM-DFD determining administrative completeness for the South Crandall Lease Revision;

Crandall Canyon Mine; Pg. 2

After the inspection I reviewed the November 30, 2003, USFWS letter to DOGM regarding Informal Section 7 Consultation on the South Crandall Lease Application (additional Special Service District letter to the USFS); DDOGGM reclamation agreement is current describing the total 10.7 acres of disturbed area (the new portal / conveyor installation did not increase the disturbed area permitted); current liability insurance was reviewed; approved blasting plan and public notice requirements have been met (DOGM issued an NOV during July, 2003, addressing public blasting notification(s) and blasting operations were conducted during September, 2003); Air Quality permit is current; the most recent UPDES permit expires August 31, 2005; SPCC Plan is on file and available for inspection; surface and ground water monitoring requirements of the approved DOGM mining permit are being met, and electronic data submittal to DOGM's water quality data base is current; UPDES-DMR's document no discharges from the sediment pond during 2001 and compliant discharges during 2002; quarterly pond inspections and annual certifications are current (new ones due by the end of December, 2003) and the pond was cleaned out during Fall 2003. This concluded our records review and records reviewed were all in compliance.

We walked and inspected all the mine facility disturbed areas. Surface water runoff control is functioning as designed. Mr. Housekeeper and Mr. Glasson documented minor maintenance items to maintain ditch flows, snow removal, etc. Road crews were asphalt patching the haulroad, and bridge over Huntington Creek during the inspection. The facilities area is very orderly and well maintained. The parking area for the USFS trailhead was empty and available to the public for use. Topsoil recovered from the new portals construction has been stockpiled appropriately and protected. This concluded the field inspection. No offsite impacts were noted during the inspection or documented in the records reviewed.

Please address any comments concerning this inspection report to Henry Austin at haustin@osmre.gov or to (303) 844-1400 x1466.