



P.O. Box 1077, Price, Utah 84501 794 North "C" Canyon Rd, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

October 22, 2004

RECEIVED

OCT 22 2004

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

DIV. OF OIL, GAS & MINING

*Incoming
C/015/0032
Task ID # 2057*

Re: Incidental Boundary Change for Modification to Federal Lease U-68082, Crandall Cyn Mine, C/015/032

Dear Sirs,

GENWAL Resources, Inc is submitting a permit change application for an incidental boundary change to Federal Lease U-68082 at the Crandall Canyon Mine. This lease modification involves 120.0 acre and is described as follows:

T15S, R7E, Section 32:
W1/2NW1/4
NW1/4SW1/4

Call me at (435) 888-4015 if you have any questions.

Sincerely,

Gary Gray
Engineer/Agent

File in: *C/015/0032/0004 Incoming*

Refer to:

- Confidential
- Shelf
- Expandable

Date *10/22/04* for additional information

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: 015/032
Title of Proposal: Incidental Boundary Change for Modification to Lease U-68082						Mine: CRANDALL CANYON MINE
Initial Submittal, October 19, 2004 Changes shown in RED						Permittee: GENIVAL Resources, Inc.

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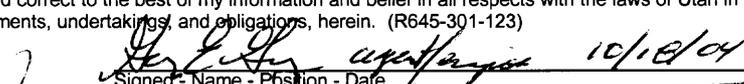
Description, include reason for application and timing required to implement: _____

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Other questions to the reclamation specialist.

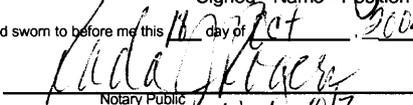
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? 120 acres Disturbed Area? 110 acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

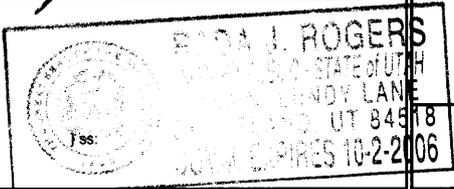

 Signed: Name - Position - Date

Subscribed and sworn to before me this 19 day of Oct, 2004.


 Notary Public

My Commission Expires: 10/2 06

Attest: _____



Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

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OCT 22 2004

Title of Application:
Incidental Boundary Change for 120 acre Modification of Federal Lease U-68082

Initial Submittal, October 19, 2004 Changes shown in RED

Permit Number: DIV. OF OIL, GAS & MINING
04-57052

Mine: CRANDALL CANYON MINE

Permittee: GENWAL RESOURCES

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1: 1-iii, 1-9, 1-11, 1-12, 1-12a, 1-16
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1: Appendix 1-11
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 1: Appendix 1-15
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 2: 2-1, 2-2
<input checked="" type="checkbox"/> ADD ^{to}	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 2: Appendix 2-10
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3: 3-vi, 3-1, 3-7, 3-8, 3-9
<input checked="" type="checkbox"/> ADD ^{to}	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3: Appendix 3-16
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 3: Appendix 3-16A
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input checked="" type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4: 4-iii, 4-1 thru 4-5
<input checked="" type="checkbox"/> ADD ^{to}	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4: Appendix 4-9
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 4: Appendix 4-10
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 5: 5-6a, 5-7, 5-8, 5-21, 5-25, 5-26, 5-26b
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 6: 6-1, 6-2, 6-4, 6-5,
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7: all text thru 7-55
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7: Appendix 7-15
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Chapter 7: Appendix 7-64
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

Replace Plates 1-1, 2-6, 3-1, 3-2, 4-1, 4-2, 4-3, 4-4, 5-5, 6-1
7-12, 7-14, 7-15, 7-18

PERMITTING STATUS

10/21/04

Summit Creek (Tower)

The lease has been issued, effective Sept 1, 2004

BLM has approved the R2P2

DOGM has determined the MRP approvable, and has sent the plan to OSM for federal mine plan approval

Federal mine plan approval is expected to take 3-4 weeks (early Oct)

Latest mine plan.....Oct 26, 2004

South Crandall (Genwal)

DOGM has determined that the MRP revision is approvable, except for R2P2 letter from BLM.

BLM approved the R2P2 on Oct 8 after meeting with local Forest Service and DOGM to resolve the spring/seep issue in Little Bear Canyon. BLM is now preparing the approval letter to be sent to DOGM and GENWAL

Once plan is sent to OSM expect 6 weeks for federal mine plan approval (early Dec)

Latest mine plan.....June, 2005

Penta Creek IBC (West Ridge)

BLM has approved the R2P2, but full extraction of longwall panel 7 is subject to seismicity study (lease stipulation)

DOGM has completed first round of Technical Analysis for the IBC. We are preparing our response which will be ready by Sept 30. DOGM is also awaiting the seismicity study.

The draft seismicity report is expected by the end of Oct.; the final report should be completed by mid Nov. We expect an additional month thereafter to prepare an acceptable plan involving DOGM, BLM, Div. of Dam Safety, and East Carbon City (mid Dec), then another month for DOGM to issue the IBC permit (mid Jan, 2005).

DOGM approval of IBC will not require public notice/ comment period, nor OSM federal mine plan approval

Latest mine plan.....March, 2005

Panel 22 Lease Modification (Genwal)

Application for lease mod was submitted to BLM on Feb 27

Forest Service completed the EA by Oct 8.

BLM and Forest Service expect to issue joint Decision Notice by Oct 22.

FS has 45 day appeal period (end Nov), BLM expects to approve the lease mod at that time

R2P2 was submitted to BLM in early Sept for preliminary review. We expect concurrence by early Nov, approval pending issuance of the lease mod..

IBC was submitted to DOGM on Oct 20 for preliminary review

No DOGM comment period will be required for IBC

No OSM federal mine plan approval will be required for lease modification

Latest mine plan.....Dec 15, 2004

SITLA Leases (West Ridge)

SITLA and BLM have conceptually agreed on approval of mine plan

The MRP revision will be submitted to DOGM by end of Nov. DOGM will begin administrative completeness review and preparation of Technical Analysis.

Determination of administrative completeness should coincide with Penta Creek IBC approval (mid Jan). This starts the 60-day public notification/comment period (mid March, 2005).

DOGM should complete the approval and issue the permit within one month after close of the public comment period (mid April, 2005)

Latest mine plan.....July, 2005