



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
 Executive Director

LOWELL P. BRAXTON
 Division Director

OLENE S. WALKER
 Governor

GAYLE F. McKEACHNIE
 Lieutenant Governor

| Representatives Present During the Inspection: | |
|--|---|
| Company | Gary E. Gray Resident Agent |
| OGM | Karl Houskeeper Environmental Scientist III |

Permittee: GENWAL RESOURCES INC
 Operator: GENWAL RESOURCES INC
 Site: CRANDALL CANYON MINE
 Address: PO BOX 1077, PRICE UT 84501
 County: EMERY
 Permit Type: PERMANENT COAL PROGRAM
 Permit Status: ACTIVE

Current Acreages

| | |
|----------|-----------------|
| 5,195.80 | Total Permitted |
| 10.70 | Total Disturbed |
| | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

Pending Amendments: South Crandall Lease Revision Task ID #1826. Sent deficient on 3/9/04. Received a response on 4/7/04. South Crandall Lease Revision assigned Task ID #1903, currently under review by the Division.

Inspection Report

| | |
|------------------|-------------------------|
| Permit Number: | C0150032 |
| Inspection Type: | PARTIAL |
| Inspection Date: | Tuesday, April 13, 2004 |
| Start Date/Time: | 04/13/2004 9:00:00 AM |
| End Date/Time: | 04/13/2004 11:00:00 AM |
| Last Inspection: | Tuesday, March 16, 2004 |

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, ~Temp 64 Deg F

InspectionID Report Number: 235

Accepted by: pgrubaug
 05/07/2004

Inspector's Signature: _____

Karl R. Houskeeper

Date: Tuesday, April 13, 2004

Karl Houskeeper, Environmental Scientist III
 Inspector ID Number: 49

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
 telephone (801) 538-5340 facsimile (801) 359-3940 TTY (801) 538-7223 www.ogm.utah.gov



Permit Number: C0150032
 Inspection Type: PARTIAL
 Inspection Date: Tuesday, April 13, 2004

REVIEW OF PERMIT PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT

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 Not Applicable.*
 - b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference 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.*

| | Evaluated | Not Applicable | Comment | Enforcement |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|
| 1. Permits, Change, Transfer, Renewal, Sale | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2. Signs and Markers

The mine ID sign is in place at the contact point of the Forest Service access road to the permit area. The sign contains all the required information. All other signs and markers observed during the inspection were in compliance with the coal rules.

3. Topsoil

The snow has melted off the top of the topsoil piles. Soil from the new South Crandall Portals is being stored on topsoil pile #4 . The newly placed soil was seeded and mulched in the fall of 2003. The area shows some vegetative growth starting to be established since it was seeded. The pile also has a silt fence around the base. The silt fence is scheduled to stay in place until the soil is stabilized by the vegetation.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The ice cap on the sediment pond has now melted. The pond needs to be surveyed to determine the current capacity, since it was cleaned last fall. Winter conditions prevented the survey last fall. A maximum sediment storage level marker needs to be re-installed as part of the survey. Contact with a RLS has been made to complete the work. It is anticipated that the work will be done prior to the next inspection.

4.d Hydrologic Balance: Water Monitoring

It was observed by the Division Hydrologist for this mine site that the flume located on Forest Service Property outside of the permit area has a beaver dam below it. The beaver dam prevents the flume from functioning properly. The Division has informed the operator of the obstruction. The operator is currently trying to make contact with State Wildlife personnel to remove the beaver, since beaver dams have presented problems in the past. These efforts will need to be coordinated with Forest Service personnel.

A review of the EDI website shows that the fourth quarter water monitoring information is in the website, but has not been uploaded. This information needs to be reviewed for errors and uploaded as soon as possible. Water monitoring is current.

8. Noncoal Waste

Several noncoal wasted items were noted during the inspection. A general site clean up is needed, since the majority of the area is no longer snow covered.