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TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 29, 2004

TO: Internal File

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Gregg Galecki, Team Lead, Administration *JAG by an*

RE: IBC- Modification to Lease U-68082, Genwal Resource Inc., Crandal Canyon Mine, C/015/0032, Task ID #2090

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SUMMARY:

GENWAL Resources, Inc. submitted a permit modification application for an incidental boundary change (IBC) to Federal Lease U-68082 at the Crandal Canyon Mine to the Division of Oil, Gas, and Mining (DOG M) on October 22, 2004. The application was returned to GENWAL Resources, Inc with deficiencies on December 8, 2004. The current response was received by the Division on December 17, 2004. The lease modification involves 120.0 acres and is located in T15S, R7E, Section 32, W ½ of the NW ¼, NW ¼ of the SW ¼. The following review addresses only the administrative portions of the application and how it modifies the currently approved Mining and Reclamation Plan (MRP). The majority of administrative details and general contents modifications have been updated with the submittal of the South Crandal Lease UTU-78953 modification that is simultaneously under review. The application is currently considered deficient however, could receive 'conditional approval' pending submittal of additional information. The information in question is the Bureau of Land Management (BLM) Modification of Federal Lease UTU-68082, which will be provided to the applicant pending a favorable 'Public Comment' period.

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Identification of Interests, found in section 1.12, Chapter 1 - Volume 1 of the MRP was updated with current information as part of the South Crandall Lease modification in January 2004.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Identification of Interests section of the regulations.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

Violation information has been updated with information through October 2004 with the submittal of the current application.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Violation Information section of the regulations.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The 120-acre IBC is an extension of federal lease UTU-68082. A copy of the lease has not been provided in the MRP, although a new appendix (Appendix 1-15) is referenced as its location. This will need to be included prior to permit modification approval. Also provided as Appendix 15-A is the BLM/U.S. Forest Service Joint Decision (UTU-68082 Lease Modification), which is the Decision-document indicating a finding of No Significant Impact.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Right of Entry section of the regulations. Conditional approval is recommended pending documentation of BLM approval.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

The IBC application is still waiting for documentation from the Bureau of Land Management (BLM) concerning the extension of federal lease UTU-68082. Conditional approval of the application is granted pending receipt of documentation of the lease extension.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Legal Description and Status of Unsuitability Claims section of the regulations. Conditional approval is recommended pending documentation of BLM approval.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

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Analysis:

The current five (5) year permit term began May 13, 2003, and expires on May 13, 2008. The permit will need to be modified by DOGM to include the IBC when the application is approved.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Permit Term section of the regulations.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

The addition of an Incidental Boundary Change (IBC) is not subject to public notice or comment and no public notice has been submitted.

Findings:

The information provided adequately addresses the minimum requirements of the General Contents – Public Notice and Comment section of the regulations.

RECOMMENDATIONS:

Approval of the application is not recommended until the deficiencies outlined above, have been adequately addressed.