FEDERAL LEASE U-54762	256.49	T 15 S, R 7 E	
		Section 31:	SE¼SE¼
		Section 32:	S½SW¼ SW¼SE¼
		T 16 S, R 7 E	
		Section 5:	Lots 2, 3, and 8
FEDERAL LEASE SL-062648	161.17	T 16 S, R 7 E	
		Section 5:	Lots 5 and 6
		Section 6:	Lot 1 SE¼NE¼
FEDERAL LEASE U-78953	880.00	T 16 S, R 7 E	
		Section 4:	W½SW¼ S½SW¼NW¼
		Section 5:	SE¼ S½SE¼NE¼
		Section 8:	E½ NE¼NW¼ S½NW¼
		Section 9:	NW¼
STATE LEASE ML-21568	997.69	T 16 S, R 6 E	
		Section 2:	ALL
STATE LEASE ML-21569	640.00	T 15 S, R 6 E	
		Section 36:	ALL
FEE SURFACE AND COAL (Dellenbach)	160.00	T 16 S, R 7 E	
		Section 5:	SW¼

Mine # C/015/0032
File Incoming
Record # 0019
Doc. Date 3·07·05 0003
Recd. Date 4·15·05

BLM RIGHT OF WAY UTU-77975 (underground mining rights)	50.00	T 16 S, R 6 E Section 3: E½E½SE¼NE¼ E½E½NE¼SE¼ E½SE¼SE¼ Section 10: NE¼NE¼NE¼
SITLA/PACIFICORP SUBLEASE:	40.0	T 16 S, R 7 E Section 8: NW¼NW¼
FOREST SERVICE SPECIAL USE AREAS: (all in T 16 S, R 7 E)		
SEDIMENT POND (7/28/83)	1.5	Section 5: located within SW¼SW¼SE¼NW¼,
TOPSOIL PILE #1 (8/17/87)	0.2	Section 5: located within SE¼SE¼SE¼NW¼,
TOPSOIL PILE #2 (8/17/87)	0.2	Section 5: located within SW¼NW¼SE¼NE¼,
TOPSOIL PILE #3 (8/17/87)	0.5	Section 4: located within NW¼NW¼SE¼NW¼,
TOPSOIL PILE #4	0.5	Section 4: located within SW¼SW¼NE¼NW¼
TOTAL PERMIT AREA	6287.74	

1.23 VERIFICATION OF APPLICATION

I hereby certify that I am a responsible official (Resident Agent) of the applicant (Andalex and IPA for GENWAL Resources, Inc.) and that the information contained in this application, inclusive of the Significant Revision for the South Crandall lease and the SITLA/Pacificorp sub-lease, 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

Gary E Gray **Signed - Name - Position - Date**
Engineer/Agent 5/19/04

Subscribed and sworn to before me this 19th day of May, 2004

Rada J Rogers
Notary Public

My commission Expires: 10/02, 2006)

Attest: STATE OF Utah) ss:

COUNTY OF Carbon)

RADA J. ROGERS
NOTARY PUBLIC • STATE of UTAH
2150 N. LUNDY LANE
CLEVELAND, UT 84518
COMM. EXPIRES 10-2-2006

APPENDIX 1-8

NEWSPAPER PUBLICATION

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 16th day of December, 2003, and that the last publication of such notice was in the issue of such newspaper dated the 6th day of January, 2004.

Ken G. Larson

Ken G Larson - Publisher

Subscribed and sworn to before me this 6th day of January, 2004.

Linda Thayn

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, $ 420.16

LINDA THAYN
NOTARY PUBLIC • STATE of UTAH
845 EAST MAIN
PRICE, UTAH 84501
COMM. EXPIRES 1-10-2007

PUBLIC NOTICE FOR PERMIT CHANGE

CRANDALL CANYON MINE
P.O. BOX 1077
PRICE, UTAH 84528

Notice is hereby given that Genwal Resources, Inc. P.O. Box 1077, Price, UT 84528, a subsidiary owned jointly by Intermountain Power Agency and Andalex Resources, Inc. has submitted with the Utah Division of Oil, Gas and Mining, a complete application for adding the South Crandall lease to the existing Mine and Reclamation Permit, ACT/015/032. The permit area is located around Crandall Canyon of the USGS topographic quadrangle map of Rilda Canyon. The description of the permitted area is as follows:

Township 15 South, Range 6 East, SLBM
Section 25: S½
Section 26: S½
Section 35: All, and
Section 36: All.
Township 15 South, Range 7 East, SLBM
Section 30: Lots 7-12, SE¼
Section 31: All, and
Section 32: S½SW¼, SW¼SE¼.
Township 16 South, Range 6 East, SLBM
Section 1: Lots 1-12, SW¼, and
Section 2: All.
Township 16 South, Range 7 East, SLBM
Section 4: Part of NW¼ containing Topsoil Piles #3 and #4, W1/2 SW1/4, S1/2 SW1/4 NW1/4,
Section 5: SE1/4, S1/2 SE1/4 NE1/4, N½NW¼, NW¼NE¼, SW¼NW¼, N½SE¼NW¼, SW¼, Part of NE¼ containing Topsoil Pile #2, part of NW¼ containing Topsoil Pile #1, part of SW¼ containing Sediment Pond,
Section 6: Lots 1-4 (NE¼NE¼), S½ NE¼
Section 8: E1/2, NE1/4 NW1/4, S1/2 NW1/4, and
Section 9: NW1/4.

A copy of this application is available for inspection at the Division of Oil, Gas and Mining at 1594 West North Temple, Suite 1210, Salt Lake City, Utah. Comments, objections, or requests for an informal conference should be addressed to the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

Published in the Sun Advocate December 16, 23, 30, 2003 and January 6, 2004.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 16th day of December, 2003 and that the last publication of such notice was in the issue of such newspaper dated the 6th day of January, 2004.

Ken G. Larson

Ken G Larson - Publisher

Subscribed and sworn to before me this 6th day of January, 2004.

Linda Thayn

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, $ 301.08

LINDA THAYN
NOTARY PUBLIC • STATE of UTAH
845 EAST MAIN
PRICE, UTAH 84501
COMM. EXPIRES 1-10-2007

PUBLIC NOTICE FOR PERMIT CHANGE

CRANDALL CANYON MINE
P.O. BOX 1077
PRICE, UTAH 84528

Notice is hereby given that Genwal Resources, Inc. P.O. Box 1077, Price, UT 84528, a subsidiary owned jointly by Intermountain Power Agency and Andalex Resources, Inc. has submitted with the Utah Division of Oil, Gas and Mining, a complete application for adding the South Crandall lease to the existing Mine and Reclamation Permit, ACT/015/032. The permit area is located around Crandall Canyon of the USGS topographic quadrangle map of Rilda Canyon. The description of the permitted area is as follows:

Township 15 South, Range 6 East, SLBM
Section 25: S½
Section 26: S½
Section 35: All, and
Section 36: All.
Township 15 South, Range 7 East, SLBM
Section 30: Lots 7-12, SE¼
Section 31: All, and
Section 32: S½SW¼, SW¼SE¼.
Township 16 South, Range 6 East, SLBM
Section 1: Lots 1-12, SW¼, and
Section 2: All.
Township 16 South, Range 7 East, SLBM
Section 4: Part of NW¼ containing Topsoil Piles #3 and #4, W1/2 SW1/4, S1/2 SW1/4 NW1/4,
Section 5: SE1/4, S1/2 SE1/4 NE1/4, N½NW¼, NW¼NE¼, SW¼NW¼, N½SE¼NW¼, SW¼, Part of NE¼ containing Topsoil Pile #2, part of NW¼ containing Topsoil Pile #1, part of SW¼ containing Sediment Pond,
Section 6: Lots 1-4 (NE¼NE¼), S½ NE¼
Section 8: E1/2, NE1/4 NW1/4, S1/2 NW1/4, and
Section 9: NW1/4.

A copy of this application is available for inspection at the Division of Oil, Gas and Mining at 1594 West North Temple, Suite 1210, Salt Lake City, Utah. Comments, objections, or requests for an informal conference should be addressed to the Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah 84114-5801.

Published in the Emery County Progress December 16, 23, 30, 2003 and January 6, 2004.

APPENDIX 1-13

SOUTH CRANDALL FEDERAL LEASE

UTU-78953

Form 3400-12
(April 1986)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

UTU-78953

COAL LEASE

PART I. LEASE RIGHTS GRANTED

This lease, entered into by and between the UNITED STATES OF AMERICA, hereinafter called lessor, through the Bureau of Land Management, and *(Name and Address)*

ANDALEX Resources, Inc. (50%)
45 West 10000 South, Suite 401
Sandy, Utah 84070

Intermountain Power Agency (50%)
10653 S. River Front Parkway, Suite 120
South Jordan, Utah 84095

hereinafter called lessee, is effective *(date)* AUG 1 2003, for a period of 20 years and for so long thereafter as coal is produced in commercial quantities from the leased lands, subject to readjustment of lease terms at the end of the 20th lease year and each 10-year period thereafter.

Sec. 1. This lease is issued pursuant and subject to the terms and provisions of the:

☒ Mineral Lands Leasing Act of 1920, Act of February 25, 1920, as amended, 41 Stat. 437, 30 U.S.C. 181-287, hereinafter referred to as the Act;

☐ Mineral Leasing Act for Acquired Lands, Act of August 7, 1947, 61 Stat. 913, 30 U.S.C. 351-359;

and to the regulations and formal orders of the Secretary of the Interior which are now or hereafter in force, when not inconsistent with the express and specific provisions herein.

Sec. 2. Lessor, in consideration of any bonuses, rents, and royalties to be paid, and the conditions and covenants to be observed as herein set forth, hereby grants and leases to lessee the exclusive right and privilege to drill for, mine, extract, remove, or otherwise process and dispose of the coal deposits in, upon, or under the following described lands:

T. 16 S., R. 7 E., SLM, UT
Sec. 4, W2SW, S2SWNW;
Sec. 5, SE, S2SENE;
Sec. 8, E2, NENW, S2NW;
Sec. 9, NW.

containing 880.00 acres, more or less, together with the right to construct such works, buildings, plants, structures, equipment and appliances and the right to use such on-lease rights-of-way which may be necessary and convenient in the exercise of the rights and privileges granted, subject to the conditions herein provided.

PART II. TERMS AND CONDITIONS

Sec. 1. (a) RENTAL RATE - Lessee shall pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of $ 3.00 for each lease year.

(b) RENTAL CREDITS - Rental shall not be credited against either production or advance royalties for any year.

Sec. 2. (a) PRODUCTION ROYALTIES - The royalty shall be 8 percent of the value of the coal as set forth in the regulations. Royalties are due to lessor the final day of the month succeeding the calendar month in which the royalty obligation accrues.

(b) ADVANCE ROYALTIES - Upon request by the lessee, the authorized officer may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of continued operation, consistent with the regulations. The advance royalty shall be based on a percent of the value of a minimum number of tons determined in the manner established by the advance royalty regulations in effect at the time the lessee requests approval to pay advance royalties in lieu of continued operation.

Sec. 3. BONDS - Lessee shall maintain in the proper office a lease bond in the amount of $ 5,255,000. The authorized officer may require an increase in this amount when additional coverage is determined appropriate.

Sec. 4. DILIGENCE - This lease is subject to the conditions of diligent development and continued operation, except that these conditions are excused when operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The lessor, in the public interest, may suspend the condition of continued operation upon payment of advance royalties in accordance with the regulations in existence at the time of the suspension. Lessee's failure to produce coal in commercial quantities at the end of 10 years shall terminate the lease. Lessee shall submit an operation and reclamation plan pursuant to Section 7 of the Act not later than 3 years after lease issuance.

The lessor reserves the power to assent to or order the suspension of the terms and conditions of this lease in accordance with, inter alia, Section 39 of the Mineral Leasing Act, 30 U.S.C. 209.

Sec. 5. LOGICAL MINING UNIT (LMU) - Either upon approval by the lessor of the lessee's application or at the direction of the lessor, this lease shall become an LMU or part of an LMU, subject to the provisions set forth in the regulations.

The stipulations established in an LMU approval in effect at the time of LMU approval will supersede the relevant inconsistent terms of this lease so long as the lease remains committed to the LMU. If the LMU of which this lease is a part is dissolved, the lease shall then be subject to the lease terms which would have been applied if the lease had not been included in an LMU.

Sec. 6. DOCUMENTS, EVIDENCE AND INSPECTION - At such times and in such form as lessor may prescribe, lessee shall furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS - Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY - Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at lease twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

Lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations, and relevant orders of the Secretary of Labor. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

Sec. 9. (a) TRANSFERS

☒ This lease may be transferred in whole or in part to any person, association or corporation qualified to hold such lease interest.

☐ This lease may be transferred in whole or in part to another public body or to a person who will mine the coal on behalf of, and for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.

☐ This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest *must* be approved in accordance with the regulations.

(b) RELINQUISHMENT - The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or the relinquished portion thereof, whichever is applicable.

Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. - At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground timbering, and such other supports and structures necessary for the preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all other structures, machinery, equipment, tools, and materials that it elects to or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal, provided the third parties do not object to such waiver. Lessee shall, prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

Sec. 11. PROCEEDINGS IN CASE OF DEFAULT - If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal and equitable remedy, including waiver of the default. Any such remedy or waiver shall not prevent later cancellation for the same default occurring at any other time.

Sec. 12. HEIRS AND SUCCESSORS-IN-INTEREST - Each obligation of this lease shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 13. INDEMNIFICATION - Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

Sec. 14. SPECIAL STATUTES - This lease is subject to the Clean Water Act (33 U.S.C. 1252 et. seq.), the Clean Air Act (42 U.S.C. 4274 et. seq.), and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et. seq.).

Sec. 15. SPECIAL STIPULATIONS -

This coal lease is subject to termination if the lessee is determined at the time of issuance to be in noncompliance with Section 2(a)(2)(A) of the Mineral Leasing Act.

Sec. 15. SPECIAL STIPULATIONS (Cont'd.) -

SEE ATTACHED STIPULATIONS

ANDALEX Resources, Inc.
Company or Lessee Name

(Signature of Lessee)
Douglas H. Smith, President

(Title)

July 8, 2003
(Date)

Intermountain Power Agencey
Company or Lessee Name

Reed J Searle
(Signature of Lessee)

Gen. Manager
(Title)

to 7-14-03
(Date)

THE UNITED STATES OF AMERICA
Department of the Interior
Bureau of Land Management
Utah State Office

By

(Signing Officer)
Chief, Branch of
Minerals Adjudication
(Title)

JUL 30 2003
(Date)

Title [redacted] U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any [redacted]titious or fraudulent statements or representations as to any matter within its jurisdiction.

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and therefore does not require OMB approval.

SPECIAL COAL LEASE STIPULATIONS

Federal Regulations 43 CFR 3400 pertaining to Coal Management make provisions for the Surface Management Agency, the surface of which is under the jurisdiction of any Federal agency other than the Department of Interior, to consent to leasing and to prescribe conditions to insure the use and protection of the lands. All or part of this lease contain lands the surface of which are managed by the United States Department of Agriculture, Forest Service, Manti-La Sal National Forest.

The following stipulations pertain to the Lessee responsibility for mining operations on the lease area and on adjacent areas as may be specifically designated on National Forest System lands.

Stipulation #1
Before undertaking activities that may disturb the surface of previously undisturbed leased lands, the Lessee may be required to conduct a cultural resource inventory and a paleontological appraisal of the areas to be disturbed. These studies shall be conducted by qualified professional cultural resource specialists or qualified paleontologists, as appropriate, and a report prepared itemizing the findings. A plan will then be submitted making recommendations for the protection of, or measures to be taken to mitigate impacts for identified cultural or paleontological resources.

If cultural resources or paleontological remains (fossils) of significant scientific interest are discovered during operations under this lease, the Lessee prior to disturbance shall immediately bring them to the attention of the appropriate authority. Paleontological remains of significant scientific interest do not include leaves, ferns or dinosaur tracks commonly encountered during underground mining operations.

The cost of conducting the inventory, preparing reports, and carrying out mitigating measures shall be borne by the Lessee.

Stipulation #2
If there is reason to believe that Threatened or Endangered (T&E) species of plants or animals, or migratory bird species of high Federal interest occur in the area, the Lessee shall be required to conduct an intensive field inventory of the area to be disturbed and/or impacted. The inventory shall be conducted by a qualified specialist and a report of findings will be prepared. A plan will be prepared making recommendations for the protection of these species or action necessary to mitigate the disturbance.

The cost of conducting the inventory, preparing reports and carrying out mitigating measures shall be borne by the Lessee.

Stipulation #3
The Lessee shall be required to perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. Existing data may be used if such data are adequate for the intended purposes. The study shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface and ground water hydrology, vegetation and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

Stipulation #4
Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to provide adequate protection for raptors and other large birds. When feasible, powerlines will be located at least 100 yards from public roads.

Stipulation #5
The limited area available for mine facilities at the coal outcrop, steep topography, adverse winter weather, and physical limitations on the size and design of access roads, are factors which will determine the ultimate size of the surface area utilized for the mine. A site-specific environmental analysis will be prepared for each new mine site development and for major improvements to existing developments to examine alternatives and mitigate conflicts.

Stipulation #6
Consideration will be given to site selection to reduce adverse visual impacts. Where alternative sites are available, and each alternative is technically feasible, the alternative involving the least damage to the scenery and other resources shall be selected. Permanent structures and facilities will be designed, and screening techniques employed to reduce visual impacts and, where possible, achieve a final landscape compatible with the natural surroundings. The creation of unusual, objectionable, or unnatural landforms and vegetative landscape features will be avoided.

Stipulation #7
The Lessee shall be required to establish a monitoring system to locate, measure and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a number of points over the lease area. The monitoring shall incorporate and be an extension of the baseline data.

Stipulation #8
The Lessee shall provide for the suppression and control of fugitive dust on haul roads and at coal handling and storage facilities. On Forest Service Roads (FSR), Lessees may perform their share of road maintenance by a commensurate share agreement if a significant degree of traffic is generated that is not related to their activities.

Stipulation #9
Except at locations specifically approved by the Authorized Officer, with concurrence of the surface management agency, underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would: (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to existing surface structures, and (3) damage or alter the flow of perennial streams. The Lessee shall provide specific measures for the protection of escarpments, and determine corrective measures to assure that hazardous conditions are not created, and perennial streams are not damaged.

Mining must be conducted in a manner necessary to prevent subsidence in the Little Bear Canyon area of the lease with overburden less than 600 feet, unless it can be demonstrated to the satisfaction of the Authorized Officer, with concurrence of the surface management agency, that the effects of subsidence to Little Bear Creek and the associated ecosystem would be negligible. This requirement shall apply to each seam mined.

Stipulation #10
In order to avoid surface disturbance on steep canyon slopes and to preclude the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific approved locations.

Stipulation #11
If removal of timber is required for clearing of construction sites, etc., such timber shall be removed in accordance with the regulations of the surface management agency.

Stipulation #12
The coal contained within, and authorized for mining under this lease shall be extracted only by underground mining methods.

Stipulation #13
Existing Forest Service owned or permitted surface improvements will need to be protected, restored, or replaced to provide for the continuance of current land uses.

Stipulation #14
In order to protect big-game wintering areas, elk calving and deer fawning areas, sagegrouse strutting areas, and other key wildlife habitat and/or activities, specific surface uses outside the mine development area may be curtailed during specified periods of the year.

Stipulation #15
Support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after the final termination of use of such facilities. This provision shall apply unless the requirement of Section 10 of the lease form is applicable. Disturbed areas and those areas previously occupied by such facilities will be stabilized and rehabilitated, drainages re-established, and the areas returned to a premining land use.

Stipulation #16
The Lessee, at the conclusion of the mining operation, or at other times as surface disturbance related to mining may occur, will replace all damaged, disturbed or displaced corner monuments (section corners, 1/4 corners, etc.), their accessories and appendages (witness trees, bearing trees, etc.), or restore them to their original condition and location, or at other locations that meet the requirements of the rectangular surveying system. This work shall be conducted at the expense of the Lessee, by a professional land surveyor registered in the State of Utah, and to the standards and guidelines found in the Manual of Surveying Instructions, United States Department of the Interior.

Stipulation #17
The Lessee, at their expense, will be responsible to replace surface and/or developed groundwater sources identified for protection that may be lost or adversely affected by mining operations, with water from an alternative source in sufficient quantity, flow rate, and quality to maintain existing riparian habitat, fishery habitat, livestock and wildlife use, and other land uses (authorized by 36 CFR 251).

In order to adequately protect flow from Little Bear Spring, the Lessee must enter into a written agreement with the Castle Valley Special Services District (CVSSD) to assure an uninterrupted supply of culinary water equivalent to historical flows from the spring. The agreement must be in place prior to mining.

If the provisions of the agreement are not implemented and/or a replacement water source immediately available, before the Lessee begins mining in the areas described below, they must submit a plan to the Authorized Officer to identify measures to be taken by the Lessee to ensure that potential water sources for Little Bear Spring are not impacted by mining. If necessary, this additional plan will be required for mining in areas described as:

- Mill Fork Graben - Area within 1,000 feet of the southeast corner of the lease in Section 8 (corner of Sections 8, 9, 17, and 16 in T, 16 S., R. 7 E., SLM).

- North of Little Bear Spring (possible water-bearing fracture system) - Area within 1,000 feet of the southern boundary of the lease in Section 9, T. 16 S., R. 7 E., SLM).

Stipulation #18

STIPULATION FOR LANDS OF THE NATIONAL FOREST SYSTEM
UNDER JURISDICTION OF
THE DEPARTMENT OF AGRICULTURE

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights granted by the Secretary of the Interior in the license/permit/lease. The Secretary of Agriculture's rules and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed to:

Forest Supervisor
Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone Number: 801-637-2817

who is the authorized representative of the Secretary of Agriculture

Douglas H. Smith
Andalex Resources, Inc.

Douglas H. Smith, President

Reed Searle
IPA

Signature
Licensee/Permittee/Lessee

Stipulation #19

ABANDONMENT OF EQUIPMENT:

The lessee/operator is responsible for compliance and reporting regarding toxic and hazardous material and substances under Federal Law and all associated amendments and regulations for the handling of such materials on the land surface and in underground mine workings.

The lessee/operator must remove mine equipment and materials not needed for continued operations, roof support and mine safety from underground workings prior to abandonment of mine sections. Exceptions can be approved by the Authorized Officer (BLM) in consultation with the surface management agency. Any on-site disposal of non-coal waste must comply with 30CFR § 817.89 and must be approved by the regulatory authority responsible for the enforcement of the Surface Mining Control and Reclamation Act (30 U.S.C. 1201, et seq.). Creation of a situation that would prevent removal of such material and equipment by retreat or abandonment of mine sections, without prior authorization would be considered noncompliance with lease terms and conditions and subject to appropriate penalties under the lease.

All safe and accessible areas shall be inspected prior to being sealed. The lessee shall notify the Authorized Officer in writing 30 days prior to the sealing of any areas in the mine and state the reason for closure. Prior to seals being put into place, the lessee shall inspect the area and certify through documentation any equipment/machinery, hazardous substances, and used oil that is intended to be left underground. The Authorized Officer may participate in this inspection. The purpose of this inspection will be: (1) to provide documentation for compliance with 42 U.S.C. 9620 section 120 (h) and State Management Rule R-315-15, and to assure that certification will be meaningful at the time of lease relinquishment, (2) to document the inspection with a mine map showing location of equipment/machinery (model, type of fluid, amount remaining, batteries, etc.) that is proposed to be left underground. In addition, these items will be photographed at the lessee's expense and shall be submitted to the Authorized Officer as part of the certification.

Stipulation #20
WASTE CERTIFICATION:
The lessee shall provide on a yearly basis and prior to lease relinquishment, certification to the lessor that, based upon a complete search of all the operator's records for the mine and upon their knowledge of past operations, there has been no hazardous subanances defined as per (40 CFR 302.4) or used oil as per Utah State Management Rule R-315-15, deposited within the lease, either on the surface or underground, or that all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. The back-up documentation to be provided shall be described by the lessor prior to the first certification and shall include all documentation applicable to the Emergency Planning and Community Right-to-know Act (EPCRA, Public Law 99-499), Title III of the Superfund Amendments and Reauthorization Act of 1986 or equivalent.

Stipulation #21
MAXIMUM ECONOMIC RECOVERY
Notwithstanding the approval of a resource recovery and protection plan (R2P2) by the BLM, Lessor reserves the right to seek damages against the operator/lessee in the event (1) the operator/lessee fails to achieve maximum economic recovery (MER) [as defined at 43 CFR § 3480.0-5(21) of the recoverable coal reserves or (2) the operator/lessee is determined to have caused a wasting of recoverable coal reserves. Damages shall be measured on the basis of the royalty that would have been payable on the wasted or unrecovered coal.

The parties recognize that under an approved R2P2, conditions may require a modification by the operator/lessee of that plan. In the event a coal bed or portion thereof is not to be mined or is rendered unminable by the operation, the operator shall submit appropriate justification to obtain approval by the AO to leave such reserves unmined. Upon approval by the AO, such coal beds or portions thereof shall not be subject to damages as described above. Further, nothing in this section shall prevent the operator/lessee from exercising its right to relinquish all or a portion of the lease as authorized by statute and regulation.

In the event the AO determines that the R2P2 as approved will not attain MER as the result of changed conditions, the AO will give proper notice to the operator/lessee as required under applicable regulations. The AO will order a modification if necessary, identifying additional reserves to be mined in order to attain MER. Upon a final administrative or judicial ruling upholding such an ordered modification, any reserves left unmined (wasted) under that plan will be subject to damages as described in the first paragraph under this section.

Subject to the right of appeal hereinafter set forth, payment of the value of the royalty on such unmined recoverable coal reserves shall become due and payable upon determination by the AO that the coal reserves have been rendered unminable or at such time that the lessee has demonstrated an unwillingness to extract the coal.

The BLM may enforce this provision either by issuing a written decision requiring payment of the MMS demand for such royalties, or by issuing a notice of non-compliance. A decision or notice of non-compliance issued by the Lessor that payment is due under this stipulation is appealable as allowed by law.

APPENDIX 1-14

SITLA/PACIFICORP SUBLEASE

SUBLEASE FOR UTAH STATE LEASE FOR COAL
ML 48258

This Sublease of Utah State Lease for Coal, ML-48258, ("Sublease") is dated as of October 1, 2003 and becomes effective upon receipt of written consent from the School and Institutional Trust Lands Administration. The Sublease is by and between PACIFICORP, an Oregon corporation, having an address at One Utah Center, 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111 as "Sublessor" and ANDALEX Resources, Inc., ("ANDALEX") a Delaware corporation, with offices at 45 West 10000 South, Suite 401, Sandy, Utah 84070, and Intermountain Power Agency, ("IPA"), a political subdivision of the State of Utah, with offices at 10653 South River Front Parkway, Suite 120, South Jordan, Utah 84095 (each as to an undivided fifty percent (50%) interest), with ANDALEX and IPA being collectively hereinafter referred to as "Sublessee."

RECITALS

A. Utah State Lease for Coal ML 48258 (the "Mill Fork Lease") was issued to PacifiCorp effective as of April 1, 1999 by the State of Utah acting by and through the School and Institutional Trust Land Administration. A copy of the Mill Fork Lease is attached to this Sublease as Exhibit "A".

B. The United States of America, acting through the Bureau of Land Management, issued to the Sublessee United States Coal Lease UTU-78953 effective as of August 1, 2003, on lands identified as the South Crandall Canyon Tract. A copy of Lease UTU-78953 is attached as Exhibit "B."

C. The Mill Fork Lease contains a 40 acre parcel that is surrounded on three sides by lands under lease to the Sublessee and is readily accessible for mining operations from these lands.

D. Extraction of the coal resource from this 40 acre parcel appears to be most logical from the South Crandall Canyon Tract.

E. It is in the mutual best interest of Sublessor, Sublessee, and the School and Institutional Trust Lands Administration for Sublessor to Sublease to Sublessee the 40 acre parcel as described herein and to allow it to be mined in due course through the operations of Sublessee.

AGREEMENT

In consideration of the premises and the rights and obligations and mutual covenants and conditions set forth herein and for other good and valuable consideration, Sublessor and Sublessee agree as follows:

1. Sublease Lands. The "Sublease Lands" consist of a 40 acre parcel located in Emery County, Utah more particularly described as follows:

Township 16 South, Range 7 East, SLB&M:
Section 8: NW1/4NW1/4
Containing 40 acres more or less.

2. Granting Clause. Sublessor hereby subleases the Sublease Lands to Sublessee, subject to the terms and conditions of the Mill Fork Lease. Sublessee will have the rights hereunder to exercise all operating rights held by Sublessor as the Lessee under the Mill Fork Lease.

3. Term. This Sublease shall become effective upon approval by the School and Institutional Trust Lands Administration. The initial term under this Sublease shall, unless terminated earlier as provided herein, terminate at 11:59 p.m. December 31, 2013. If Sublessee has not given Sublessor not less than 6 months prior written notice of Sublessee's intent to terminate this Sublease at the conclusion of the initial term then this Sublease shall automatically be extended for an additional term of 10 years.

4. Bonus. Sublessee shall pay to Sublessor as consideration for the execution of this Sublease a one time "Bonus" in the amount of [redacted], which shall be payable within 15 days following the effective date of this Sublease. Payment from Sublessee to Sublessor may be made by check or by wire transfer in accordance with instructions received by Sublessee from Sublessor.

5. Conduct of Operations. Sublessee shall conduct, and shall cause its operators and contractors to conduct, all operations under this Sublease in a lawful, prudent, good, efficient and workmanlike manner and in compliance with all applicable federal, state and local laws and regulations, including the Utah Coal Mining and Reclamation Act.

6. Compliance with Mill Fork Lease. On the Sublease Lands, Sublessee shall perform and satisfy all of the Sublessor's obligations under the Mill Fork Lease to maintain the Mill Fork Lease in good standing and free of breeches. Sublessor agrees to make payment of all fees, rentals, and royalties becoming due under the Mill Fork Lease save and except the payment of royalties on production from the Sublease Lands which Sublessee agrees to make directly to the School and Institutional Trust Lands Administration. Upon receipt of an invoice from Sublessor, Sublessee will reimburse Sublessor for the proportionate share of any such fees and rentals attributable to the Subleased Lands.

7. Termination or Partial Surrender or Relinquishment by Sublessee. Sublessee may surrender and terminate this Sublease at any time by giving 90 days prior written notice to Sublessor. Sublessee may surrender and terminate this Sublease as to a portion of the Sublease Lands only with the prior consent of Sublessor, which shall not be unreasonably withheld.

8. Default. In the event of failure of Sublessee to make the payment of the Bonus to Sublessor, or a failure of Sublessee to make a payment of the royalty due to the School and Institutional Trust Lands Administration hereunder within the time herein fixed for such payments, Sublessor may give written notice to Sublessee of such default and Sublessee shall have a period of 10 days after its receipt of such notice of payment default to correct such payment default. In the event of failure of Sublessee to comply with provisions hereunder other than those requiring payments, Sublessor may give written notice to Sublessee of such default and Sublessee shall have a period of 30 days after its receipt of said notice to correct such default. If Sublessee does not correct such payment default within 10 days after its receipt of such notice, or such other defaults within 30 days after its receipt of such notice, Sublessor may, at its option and without waiver or limitation of any other remedies, terminate this Sublease without further notice.

9. Assignment. Sublessee shall not assign this Sublease or any interest held hereunder without the prior written consent of Sublessor, which consent shall not be unreasonably withheld. Subject to the foregoing, this Sublease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns down the line.

10. Exchange Agreement. This Sublease is executed in accordance with the terms and conditions of that certain Exchange Agreement executed among the parties concurrently with the execution of this Sublease. In the event of conflict, the terms and conditions of the Exchange Agreement shall prevail.

IN WITNESS WHEREOF, Sublessee and Sublessor have executed this Sublease effective as of the date stated above.

SUBLESSOR:

PACIFICORP, an Oregon corporation

By: [signature]

Title: President Northwest Mining Co.

SUBLESSEE:

INTERMOUNTAIN POWER AGENCY

By: Reed T. Searle
Reed T. Searle
Title: General Manager

ANDALEX RESOURCES, INC.

By: Douglas H. Smith
Douglas H. Smith
Title: Douglas H. Smith, President

State of Utah)
) ss.
County of Salt Lake)

On this 17 day of February, 2004, before me Krista R. Paull, personally appeared Reed T. Searle
Known to me to be the General Manager of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

KRISTA R PAULL
NOTARY PUBLIC • STATE of UTAH
10653 SOUTH RIVER FRONT PARKWAY #120
SOUTH JORDAN UT 84095
COMMISSION EXPIRES: 09-01-2007

Krista R. Paull
Notary Public
Residing at: 6796 Manorly Cir SLC Ut. 84121
My Commission Expires: 9/1/07

State of UTAH)
) ss.
County of SALT LAKE)

On this 20TH day of FEBRUARY, 2004, before me SCOTT M. CHILD, personally appeared DEE W. JENSE
Known to me to be the PRES. INTERWEST MINING Co of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

NOTARY PUBLIC
SCOTT M. CHILD
201 So. Main St., Ste. 2000
Salt Lake City, Utah 84140
My Commission Expires
June 8, 2004
STATE OF UTAH

Notary Public
Residing at: 201 So. MAIN ST. SLC, UT.
My Commission Expires: 6-8-2004

State of Utah)
) ss.
County of Salt Lake)

On this 10th day of February, 2004, before me Wayne L Crouch, personally appeared Douglas H. Smith
Known to me to be the President of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.

NOTARY PUBLIC
WAYNE L. CROUCH
45 West 10000 South #401
Sandy, Utah 84070
Commission Expires
July 10, 2006
STATE OF UTAH

Wayne L Crouch
Notary Public
Residing at: State of Utah
My Commission Expires: 10 July 2006

CHAPTER 2

LIST OF PLATES

PLATE NUMBER	DESCRIPTION
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PLATE 2-2	Topsoil Storage Piles
PLATE 2-2A	Topsoil Storage Pile #3
PLATE 2-3	Topsoil Stockpile Locations
PLATE 2-4	Proposed Culvert Disturbed Area Soil Pit Locations
PLATE 2-5	Plan and Profile Proposed Topsoil Storage Pile #4
PLATE 2-5A	Proposed Topsoil Storage Pile #4 Cross-Sections
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PLATE 2-6	Regional Soil Map

LIST OF APPENDICES

APPENDIX NUMBER	DESCRIPTION
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APPENDIX 2-2	Negative Determination, Alluvial Valley Floor
APPENDIX 2-3	Soils Study
APPENDIX 2-3A	Soils
APPENDIX 2-3B	Supplemental Soils Inventory Proposed Culvert Expansion
APPENDIX 2-4	Rational and Justification for Redistribution of 6" Top Soil (Growth Media) for Final Reclamation
APPENDIX 2-5	Surface Facility Expansion - Topsoil Removal Report
APPENDIX 2-6	Soil Survey Report - Proposed Phase Two Expansion Area (South Portals) - James Nyenhuis
APPENDIX 2-7	Geotextile Properties

LIST OF APPENDICES

APPENDIX NUMBER	DESCRIPTION
APPENDIX 2-8	Laboratory Analysis, Native Fill and Imported Fill
APPENDIX 2-9	Letter Regarding Noxious Weeds in Fill
APPENDIX 2-10	Letter Regarding Prime Farmland

Note: Bold number plates and appendices are included with this submittal.

CHAPTER 3

LIST OF PLATES

PLATE NUMBER	DESCRIPTION
PLATE 3-1(A)	Wildlife Map (Moose)
PLATE 3-1(B)	Wildlife Map (Elk)
PLATE 3-1(C)	Wildlife Map (Deer)
PLATE 3-2	Vegetation Map

PLATES 3-3, 3-4, 3-5 and 3-6 have been removed

PLATE 3-7	Vegetative Community Study Map
PLATE 3-8	Vegetative Community Study Map
PLATE 3-9	Vegetative Community Study Map

Note: Bold number plates are included with this submittal.

CHAPTER 3

BIOLOGY

3.10 Introduction

This chapter presents a description of the biological resources found within the life of mine permit area. The sections addressed in this chapter are:

- the vegetative, fish and wildlife resources;
- the potential impacts to vegetative, fish and wildlife resulting from the proposed operations,
- the mitigation plans and measures to minimize the impacts;
- and the reclamation plan to restore the vegetative, fish and wildlife resources to a condition suitable to the postmining land use.

3.11 Vegetation, Fish and Wildlife Resources

Vegetation, fish and wildlife resources of the permit area and adjacent area are described under 3.20.

The proposed Incidental Boundary Change will not create any surface disturbance or affect any vegetation resources. Regional vegetation information for the Incidental Boundary Change area can be found on Plate 3-2. Regional wildlife information for the IBC are is shown on Plate 3-1. Mining within the South Crandall lease will not create any surface disturbance or affect any vegetation or wildlife resources. Regional wildlife information for the South Crandall lease area is shown on Plate 3-1(A, B,C). Regional vegetation information for the South Crandall lease area is shown on Plate 3-2.

Mining within the U-68082 lease mod area will not create any surface disturbance or affect any vegetation or wildlife resources. Regional wildlife information for the U-68082 lease mod area is shown on Plate 3-1 and Appendix 3-19. Regional vegetation information for the U-68082 lease mod area is shown on Plate 3-2. Photographs of the regional vegetation of the lease mod area can be found in Appendix 7-64. A discussion of the vegetation in the drainages and perennial stream considerations in the lease mod area can be found in Appendix 3-21. Refer to Appendix 3-20 "Final Environmental Assessment, Modification of Federal Coal Lease UTU-68082, U.S. Forest Service" for additional information regarding wildlife and vegetation in the lease mod area.

3.12 Potential Impacts to Vegetation, Fish, and Wildlife Resources

Potential impacts and methods to minimize these impacts are described under 3.30.

The terrestrial wildlife resources were initially inventoried by Valley Engineering and subsequently studies were conducted by EIS as summarized within Appendix 3-3. A cursory tree nesting raptor inventory was also conducted by personnel from the Utah Division of Wildlife Resources and EIS (Appendix 3-3).

According to these studies, Crandall Creek is being used primarily as a spawning and nursery stream, but it also contains a few mature resident fish. Refer to Appendix 3-10 for a population survey report.

In 1997, the Utah Division of Wildlife Resources (DWR) determined that native Colorado Cutthroat Trout (CRCT) inhabited that segment of Crandall Creek where the stream was to be culverted to allow expansion of the mine yard. The Crandall Creek population is one of only a few populations of endemic Colorado River Cutthroat Trout populations identified on the Wasatch Plateau Manti-LaSal Forest and are therefore of high interest to the Forest Service, Division of Water Rights, Division of Oil, Gas and Mining and Division of Wildlife Resources. GENWAL agreed to comply with the conditions and stipulations of the letters included in Appendix 3-12 for the mitigation plan. Details of the mitigation plan are included in Appendix 3-12. GENWAL provided funding to remove the trout from a segment of Crandall Creek and construct habitat enhancement of the stream above the mine. After the mine yard expansion was completed and the DNA results were received, the Forest Service and DWR replaced only individual fish that demonstrated the highest genetic purity of Colorado River Cutthroat Trout back into Crandall Creek above the mine site.

3.22.2 Site Specific Resource Information Pertaining Wildlife

Mammals

Big game animals use the Crandall Canyon area as a part of their seasonal habitat. The migration of elk and deer on the Manti-La Sal National Forest occurs as a sheet migration with no specific corridors. Plate 3-1 shows elk and deer summer range on the high ridges and ledges of the canyon, and also depicts critical mule deer winter range habitat in the extreme lower portion of Crandall Canyon, contiguous to the confluence with Huntington Creek. Critical elk winter range occurs no closer than approximately 1.5 miles to the proposed surface facilities. Additional habitat information is available in Appendix 3-19.

Birds

Data pertaining to migratory and upland game birds within the permit area are included in Appendix 3-3 and in Table 5 of the November 1980 Valley Engineering Report (Appendix 3-3). Eleven of the twenty-two migratory birds are raptors (Appendix 3-3).

There are no known locations of drumming logs in Crandall Canyon or near the proposed disturbance areas, according to Larry Dalton of the Utah Division of Wildlife Resources. The mine permit and contiguous area inventoried to make this determination begins at the confluence of Horse Canyon with Huntington Canyon to the confluence of Mill Canyon with Huntington Canyon, and thence west to the west side of East Mountain.

No raptor nests where located in the riparian zone. The target species of the riparian inventory was the Goshawk. During the 1992 inventory no Goshawks were observed or located. (For further information, see the Environmental Assessment of Coal Lease UTU-68082, Crandall Canyon Tract by the USFS, Manti-La Sal National Forest.) Raptor nests have been located in Crandall Canyon (Plate 3-1A). One of the nests was occupied by a nesting pair of Golden Eagles in the Spring of 1995. During the raptor survey conducted in 1996 the nests were classified as "old, dilapidated" meaning that they were not active nests and had not been tended (based on communication with Ben Morris in March 1997).

No raptor nests were found within either the existing permit area or Incidental Boundary Change area during the 1998 raptor survey conducted on May 20, 1998 (personal communication with Ben Morris, May 1998). DWR conducted a raptor survey of the South Crandall lease area in May 2003. No nests were found. The results of this survey area shown in Appendix 3-16. DWR raptor surveys in 2003 and 2004 covered the U-68082 lease mod area, and no nest were found (see Appendix 3-16 and 3-16A).

Reptiles and Amphibians

The ranges and habitat preferences obtained from published data for the vertebrate species of southeastern Utah have been compared with the location and available habitats of Crandall and Huntington Canyons. Table 3 in Appendix 3-3 presents a list of the reptiles which may be found in the area and their relative abundance.

Reptiles are found throughout the mine permit area from the riparian areas to the mesic hillslopes and ridgetops. Amphibians are found near water in the habitats associated with Huntington and Crandall Creeks or near springs and seeps located on the hillsides above the creeks. (See Appendices 3-2 & 3-3 and refer to Table 5 included within Appendix 3-3). Baseline studies in the spring and summer of 1994 did not encounter the presence of any threatened or endangered reptile or amphibian.

3.33.100 Compliance with R645-301-358

The GENWAL will comply with the requirements of R645-301-358 using BTCA to protect fish, wildlife and related environmental values.

3.33.200 Designated Species

GENWAL agrees to (at a minimum) protect and enhance species and habitats identified under R645-301-322.

3.33.300 Project Impact of Mining on Fish and Wildlife

Operation will unavoidably impact small vertebrate species, temporarily eliminate approximately 1,500 feet of fisheries habitat, and increase hunting pressure on big game species. Impact to the fishery in Crandall Creek which is adjacent to the permit area will be kept to a minimum. Approximately 1,500 feet of fisheries habitat will be temporarily lost when the stream is culverted. This area of the stream will be reclaimed and the habitat re-established during reclamation of the site.

GENWAL will protect wildlife habitat on the permit area by careful design and construction of mining facilities and transportation corridors, and by keeping surface disturbance to a minimum. GENWAL has committed to report to the regulatory authority the presence of any threatened or endangered species in the area.

The substation and transformer located within the permit area supplies all the power for the mine site. The power lines from the substation are in underground conduit, providing no threat to raptors.

Water depletion by mining consists of water evaporation caused by the ventilation current and water used in the mining process and removed within the coal shipments. Water evaporation by the ventilation current varies with the volume of air and is estimated to be less than 5 acre feet per year at the maximum air flow of the mines. The amount of water depleted by the mining process varies with the tonnage of coal produced per year. At the maximum annual production the amount of water depleted is estimated to be 40 acre feet. Refer to calculations in Appendix 3-18.

<u>Mitigating Measures to be Employed to Protect Fish and Wildlife</u>

Impacts on the lower 2 km of the canyon will remove approximately 0.5 acre of moose habitat, winter habitat in particular. This represents only a minute portion of the moose winter habitat which encompasses all of the Huntington drainage. Of the 0.5 acre winter range to be disturbed, the riparian habitat portion is of critical value, with only approximately 3000 square feet

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of wooded area being disturbed. According to Larry Dalton of the State of Utah Division of Wildlife Resources, there is a tremendous volume of adjacent unoccupied habitat suitable to absorb displaced moose. The southeastern Utah moose herd is proliferating at a normal pace.

Moose are drawn to Crandall Canyon because of the water and vegetation which grows along the Crandall Creek. The Division of Wildlife Resources provided a map of moose wintering habitat

APPENDIX 3-18

WATER DEPLETION

WATER DEPLETION

1. Mining Process Water

   Water lost due to use in mining process - measured as percentage moisture of coal hauled to customer. 2,000,000 tons/yr x 2% = 29.4 acre feet

2. Ventilation Evaporation

   Water lost due to ventilation currents drying out mine water.

   Estimated at 2.5 gallons per million cfm annually.

   Estimated maximum 1,000,000 million cfm at 2.5 gallons = 40 acre feet.

3. Sediment Pond Evaporation

   Water lost to evaporation in sediment pond.

   Estimated to be one acre foot per year.

4. Subsidence Effect on Springs

   Estimated at zero because of no known effects of spring disruption.

5. Direct Use

   Pumped from creek for crusher building use - goes into sediment pond.

   Estimated at 2 acre feet per year in use but is not actually lost. Assume no loss.

6. Alluvial Loss

   None

7. Deep Aquifer Pumpage

   None

8. Mine Discharge

   Genwal has discharged at 500 gpm (approximately 800 acre feet per year) for the past 6 years. This is all old water according to the Mayo age dating studies. This is water that enters the watershed, therefore there is presently a net gain to the watershed of more than 700 acre feet:
   800 - (29.4 + 40 + 1) = 800 ac.ft. added, less 70.4 ac.ft. depleted = 729.6 ac.ft.

5.21 General

This section presents a description of the plan for operation of the permit area, including descriptions of previously mined and presently mined areas, surface and subsurface facilities, land owner and right-of-way maps, permit area maps,and other feature maps which apply.

5.21.11 Previously Mined and Presently Mined Areas

Plates 5-1 and 5-2 show the location and extent of past and present underground mining operations.

5.21.12 Existing Surface and Subsurface Facilities and Features

The location of surface and subsurface man-made features within, passing through, or passing over the proposed permit area are combined on Plates 5-3, 7-5 and 7-5A. Other detailed plans are as shown on Plate 5-4 (In Mine Sump), Plate 2-2 (Top Soil Storage Piles), Plate 5-6 (Truck Loadout Facility), Plate 5-7 (Rock Dust Silo), Plate 5-8 (Electrical Substation), and Plates 7-4A and 7-6A (Sedimentation Pond Details and Cross-Sections).

The design and details for the USFS road within the permit area are shown on Plate 5-19, sheet 5 of 9 (Concrete Turnaround), sheet 6 of 9 (Layout of the USFS road), sheet 7 of 9 (Gabion Wall), sheet 8 of 9 (Rock Wall Details), and sheet 9 (Upper Parking Area).

5.21.13 Landowners and Right-of-Entry and Public Interest Maps

The landowners of record both surface and subsurface, included in or contiguous to the permit area are shown on Plate 1-1. The permit area on which GENWAL has the legal right to enter is shown on Plate 5-2.

Appendix 1-1, 1-2, 1-3, 1-4, 1-5 and 1-13 shows the legal right of the applicant to enter and conduct coal mining and reclamation operations, and the measures to be used to ensure that the interests of the public and landowners affected are protected under R645-103-234.

GENWAL has included the entire T 16 S, R 7 E, SW1/4 of section 5 in the permit area. GENWAL owns in fee (surface and coal) the entire SW1/4 of section 5, which was previously known as the Dellenbach property. GENWAL acquired the property from ARCO. Previously, only a small portion of the SW1/4 of section 5 had been included in the permit area. Expansion of the surface facility area requires the inclusion of this fee section within the permit area boundary.

than 8' thick, coal top or bottom may be left. Within the physical limitations of the mining equipment retreat coal will be mined rock-to-rock in order to maximize resource recovery.

GENWAL has found that in areas of the mine, cutting coal higher than 8' on development results in excess rib sloughage, exposing miners to unnecessary dangers. GENWAL has found that width to height (w/h) ratios lower than 5.6 results in large slabs (2' - 3' thick and 8' high) separating from pillars and sliding or rotating into the entry. These slabs cause an immediate safety hazard to personnel working or traveling in the area and may be classified as accumulations by MSHA. Cleaning up the slabs results in more slabs sloughing which reduces the size of the pillar and results in entries that are wider than legally allowed. For these reasons, GENWAL may not cut higher than 8' on development. Although maximum recovery is an important design criteria, other considerations must be looked at in the final analysis in the extraction of coal. These factors consider the insurance of protection of personnel and the environment. Coal reserves will not be recovered in the following areas:

1. Areas where the coal thickness is less than 5'. Mining below this height is not feasible under current economic conditions.

2. Solid coal barriers will be left to protect main entries from mined out panels and to guarantee stability of the main entries for the life of the mine.

3. Solid coal barriers will be left between particular panels for roof and floor protection.

4. When extreme hazardous conditions exist, and personnel safety is compromised, coal extraction could then be terminated in that area of concern.

5. Coal will only partially be recovered in areas under existing perennial streams within the specified angle of draw with the consent of the Forest Service and approval by the Division. Expected recovery at GENWAL is predicted to be 80% in panels and 60% overall.

6. In areas of development in coal height of 8' or greater, top and/or bottom coal may be left.

7. In panels where the coal height exceeds the effective mining height of the mining equipment, including longwall equipment, either top or bottom coal will be left.

Mining in the South Crandall lease area will be done in accordance with the approved Resource Recover and Protection Plan (R2P2) (See Appendix 5-24). This plan was recommended for approval by the BLM on Nov. 12, 2004. This plan states that full extraction mining (i.e. longwall mining) is not authorized in panels BC-4 and HIA-5 in areas with less than 600' overburden unless it can be determined that these areas can be mined without adverse impacts to the Little Bear

Canyon municipal watershed. Final approval of full extraction mining in these panes will be addressed as a modification to the approved R2P2. Multiple seam mining beyond spring site LB-7 in Little Bear Canyon is contingent upon a monitoring plan approved by the Division in concurrence with the Forest Service at least two years prior to mining in that area.

Maps 5-2 (BC) and 5-2 (H) and Appendix 7-63 show the areas with less than 600' cover affected by this R2P2 condition. These maps show which areas are planned for longwall mining and which areas are planned to be mined with continuous miner units.

According to stipulation #17 of Federal Lease UTU-78953 (see App. 1-13) the Castle Valley Special Service District water treatment plant (constructed as water replacement for Little Bear Spring) must be operational prior to mining in the following areas:

- Mill Fork Graben - Area within 1,000 feet of the southeast corner of the lease in Section 8 (corner of Sections 8, 9, 17, and 16 in T, 16 S., R. 7 E., SLM).

- North of Little Bear Spring (possible water-bearing fracture system) - Area within 1,000 feet of the southern boundary of the lease in Section 9, T. 16 S., R. 7 E., SLM).

It should be noted that under the currently approved R2P2 there is no mining being proposed in either of these areas. The water treatment plant is scheduled for completion in January 2005.

5.23.7 Annual Production of Coal

Annual coal production in 1991, 1992, 1993 and 1994 was 877,500, 1,178,089, 1,474,824 and 1,660,900 raw tons, respectively. During 1993-1995 total production tonnage was approximately 1,750,000 raw tons annually. This production was achieved by the use of continuous mining machines, continuous haulage equipment, and/or diesel driven coal haulers. From 1995 to the end of the century total production coal tonnage is forecasted to be 2,500,000 tons, with the aid of longwall mining.

5.23.8 Access To Future Reserves

Access to future reserves will be maintained by the North Mains entries, Main West entries, 1st North, and 1st Right sections. North Mains will maintain access to the mine as well as Main West. Main West will also maintain access to the west and to the South. 1st North will maintain access to the north and east, while 1st Right will maintain access to the north and west. (See Plate 5-2 and page 5-15A). Access to federal coal south and east of the Dellanback fee parcel (i.e., the South Crandall LBA) will be maintained.

5.23.9 Projected Mining by Future Permit for the Planned Life of the Mine

All coal around the permit area has the potential for future mining by the Crandall Canyon Mine. The projected mining for the Incidental Boundary Change area, the Dellanback fee parcel, and the South Crandall lease area is shown on Plate 5-2.

Operating Schedule and Employment

The mine employees approximately 125 people at present. The mine will operate four eight hour production shifts per day, five days a week. Two maintenance crews will operate 8 hours a day, five days a week, to accommodate rockdusting and general cleanup of the mine. When market or mining conditions dictate, production can be expanded to seven days per week, 52 weeks per year.

5.23.10 Safety Training

The mine is equipped with modern emergency facilities and has an organized safety program. All mine employees are required to meet MSHA first aid and safety training requirements. Visitors are required basic training before entering the mine.

Revised 4/05/2003

There was and has been no evidence of escarpment subsidence or failure. There are no further plans to monitor escarpments in the area not visible from Huntington or Crandall Canyons. The subsidence/escarpment survey results were recorded and submitted to the appropriate regulatory authority. No escarpment failure occurred.

5.25.15 Anticipated Effects of Planned Subsidence

If subsidence does occur, surface effects may include minimal ground lowering and temporary tensional fractures at the margins of the subsided area. Any subsidence occurring on the 160 acre Dellenbach fee tract should have minimal effects on the surface. There are no escarpments, raptor nests, archeology site, streams or springs located the Dellenbach tract. This tract (surface and underground) is privately owned by Genwal Resources Inc. The tract is within the presently approved permit area and is included in the current subsidence monitoring plan.

Subsidence monitoring for the South Crandall lease area and the U-68082 lease mod area will be done according to the existing plan approved for the Crandall Canyon mine. Pre-subsidence base-line aerial surveys have been completed and the initial survey control monuments have been installed on the ground. Additional control points (monuments) will be installed as mining progresses. (Refer to Plates 5-2 for the location of the existing and future monuments.)

In much of the area of the South Crandall lease area, both the Hiawatha and the Blind Canyon seams are proposed for full extraction longwall mining. In these areas the combined thickness of both seams ranges upward to about 12 feet. If surface subsidence in these areas is 80% of total mined seam thickness, then it may be possible to see nearly 10 feet of subsidence in some areas of the lease after mining. It should be noted that the Forest Service and BLM have imposed a special stipulation in the South Crandall federal lease specifically to provide additional protection to the Little Bear spring system. These lease stipulations prohibit full-extraction mining in the following areas;

a) area under the Little Bear stream channel with less than 600' of overburden.
b) area within 1000' of the southeast corner of the lease (to protect the Mill Fork graben.)
c) area within 1000' of southern boundary of lease (to protect possible water-bearing fracture system.)

GENWAL personnel will conduct a surface inspection of all areas where subsidence has occurred no sooner than 6 months but no later than 12 months after extraction mining has occurred.

Multiple seam mining beyond spring site LB-7 in Little Bear Canyon is contingent upon a monitoring plan approved by the Division in concurrence with the Forest Service at least two years prior to mining in that area.

5.25.16 Mitigation of Damages

As previously presented within this chapter, no material damage or diminution of value or foreseeable use of lands is expected to occur. GENWAL has been in consultation with the BLM and received their concurrence with the conclusions presented in this document, a copy of the BLM correspondence may be found in Appendix 5-5. Displacement of wildlife due to subsidence may be minimal. However, springs within the potential subsidence limit are a significant resource to the local wildlife and may be impacted.

Seeps and springs within the possible subsidence limit emit water from the North Horn Formation, Price River Formation, Blackhawk Formation, and the Castlegate Sandstone. A limited number of seeps and springs are found to issue from the Blackhawk Formation and Castlegate Sandstone units within the area of possible subsidence limits. These seeps and springs show only limited use by deer and elk. Subsidence from mining in these areas will have minimal impacts on water supplies from seeps and springs in the vicinity of the mine. Water monitoring and the Probable Hydrologic Consequences are discussed in detail in Chapter 7 of this permit.

Seeps and springs within the possible subsidence limit of mining emit water from the North Horn and Price River Formations 100 to 2100 feet (10 to 210 times the coal bed thickness) above the interval to be mined. If repeated subsidence via roof failure occurs, elastic deflation is believed to occur at a distance of nine coal seam thicknesses (90 feet) above the coal. If any tension cracks do develop, they should be sealed by clay migration occurring during elastic deformation. As a result, these seeps and springs should not be affected by subsidence. However, monitoring will be conducted as described in Chapter 7.

GENWAL recognizes the fact that the Division of Wildlife Resources, the Division of Oil, Gas, and Mining and the USFS consider all seeps and springs to be important to wildlife. If, during the monitoring of the springs, non-climatic diminutions of flow from any seep or spring in the area are substantiated, GENWAL will notify the Division of Wildlife Resources, the Division of Oil, Gas, and Mining, the State Engineer and the U. S. Forest Service. If documentation concludes that mining efforts at the Crandall Canyon Mine have reduced or eliminated the flow from the seeps and springs, then acceptable remedial action plans will be submitted for approval and subsequently installed.

In the event subsidence negatively impacts grazing, the applicant will compensate the owner or appropriate the party by paying the fair market value for the loss experienced. Compensation will be made after the grazing loss is proven to have resulted from surface subsidence related to the operation of the Crandall Canyon Mine.

Should any structures such as roads, bridges, etc., be adversely impacted as a direct result of subsidence directly related to the operation of the Crandall Canyon Mine, the operator will repair or replace the structure, whichever is more economical.

Mitigation for potential disruption to the Little Bear Spring will be accomplished through the construction of a water treatment plant which will provide replacement water for the spring if mining activity in the South Crandall lease area affects the quality or quantity of the spring. Construction of this water treatment plant will be done under the provisions of a water replacement agreement between GENWAL Resources, Inc. and the Castle Valley Special Service District who maintain culinary water rights to Little Bear Springs. A copy of this water replacement agreement is included in Appendix 7-51.

Subsidence projections for the South Crandall lease area are depicted on Plates 5-2(H) and 5-2 (BC). Subsidence projections for the U-68082 lease mod area are shown on Plate 5-2(H).

The powerline that crosses the South Crandall lease was built by GENWAL to serve the Crandall Canyon mine. There are no other users on this line. This powerline follows the highline of the ridge and is more than 1500' above the coal seam to be extracted. Due to the depth of cover no damage to this powerline is expected due to subsidence. As full extraction mining approaches under the powerline GENWAL will monitor the situation to ensure that the potential for damage to the powerline is minimized. Most of the powerline within the subsidence zine is visible from th Genwal mine and can be inspected by mine personnel. The section of line on the ridge will be inspected during annual subsidence monitoring. Much of this line utilizes double pole X-braced structures which are inherently stable in design. This line is equipped with ground fault protection which will automatically and instantly de-energize the line in the event of any damage, including grounding, and/or short-circuiting. Vegetation has been cleared on either side of the powerline within the right-of-way. The powerline runs over the area that was mined out by the ARCO #4 mine, and there was no resulting damage. If any damage occurs GENWAL will be out of power and will immediately make arrangements for any necessary repairs.

It shall be noted that the extent of possible subsidence in the U-68082 lease mod area is difficult to predict because the extent of mining in this area is extremely speculative due to the low coal (5' and less) in this area. However, in keeping with special lease stipulation #1 (see Appendix 1-15A, Attachment 3) there will be no second mining (and hence no subsidence) in any areas where the cover is less than 50 times the seam height plus 50', or approximately 300' overburden. A detailed discussion of this stipulation can be found in Appendix 3-20, (Final Environmental Assessment, Modification of Federal Coal Lease UTU-68082, U.S. Forest Service.)

GENWAL has discussed the powerline situation with officials of Utah Power & Light (Dale Robertson, transmission and Distribution; Greg Bean, System Engineering; and Aaron Gibson; Customer Service Representative, verbal communication February 8, 2005). These representatives are very familiar with the surface effects of full extraction longwall mining and are in agreement that the risk to this line is quite minimal. GENWAL commits to immediately notify the Forest Service in the event of any damage to the powerline so that proper fire prevention measures can be implemented as required.

CHAPTER 6

LIST OF APPENDICES

APPENDIX NUMBER	DESCRIPTION
APPENDIX 6-1	Stratigraphic Sections A and B of the Blackhawk Formation
APPENDIX 6-2	Acid-Base Accountability, Report of Results
APPENDIX 6-3	Regional Structure Map
APPENDIX 6-4	Regional Stratigraphic Section
APPENDIX 6-5	Drilling Results
APPENDIX 6-6	HC-4 Drillers Log
APPENDIX 6-7	Generalized Geologic Cross-Section, South Crandall Lease Area

Note: Bold number plates and appendices are included with this submittal.

mudstone, shale and coal, of paludal origin). (4) the Star Point Sandstone (cliff-forming sandstones consisting of deltaic and beach deposits), and (5) the Masuk Shale Member of the Mancos Shale (slope-forming marine shales), refer to Appendix 6-3 and 6-4 and Plate 6-1. The Star Point Sandstone contains several shale tongues of the underlying Masuk Shale in the Wasatch Plateau region.

The stratigraphic record produced by these units indicates that deposition up through the Blackhawk Formation consisted mostly of fine-grained detritus under conditions of relatively quiet and uniform sedimentation (Davis and Doelling, 1977). An erosional disconformity exists at the top of the Blackhawk Formation, which is overlain by coarse clastics of the Castlegate Sandstone. These coarse continental sediments suggest tectonic movement to the west and probably mark the onset of the Laramide orogeny (Davis and Doelling, 1977).

The Wasatch Plateau lies in a transition zone between the relatively stable Colorado Plateau to the east and the relatively complex and unstable Basin and Range province to the west (Davis and Doelling, 1977). Strata of the western Wasatch Plateau dip into a complexly faulted monocline, whereas strata on the east side have predominantly gentle dips and faults are less numerous (Davis and Doelling, 1977).

Major faults present within the region of the coal fields are north-trending with maximum displacements of up to 2,300 feet (Davis and Doelling, 1977). Many north-trending faults with minor displacements are present and few east-trending faults, most of which have displacements of less than 100 feet, are also present locally.

Most of the strata in the coal field form broad anticlines and synclines that trend northeast or are roughly perpendicular to the principal fault zones (Davis and Doelling, 1977).

Geology of Project Vicinity

The drainage basins of Crandall Blind and Horse Canyons cover approximately 5.7, 2.0 and 7.0 square miles respectively and expose six geologic units which range in age from Cretaceous to Tertiary. Surface lands within the permit area consist entirely of outcrop exposures of sandstones, mudstones and coal of the Castlegate Sandstone, Blackhawk Formation, Star Point Sandstone, Price River Formation, and North Horn Formation and are shown on Plate 6-1.

The Hiawatha and Blind Canyon coal seams, which will be of importance in the permit area are present at or near the base of the Blackhawk Formation (Campanian in age). Several other thin lenticular coal seams are present at the property, but none are of significant thickness or of probable lateral extent to be of economic interest. In much of the permit area, including the U-68082 lease mod area, only the Hiawatha seam is of sufficient thickness to be economically recoverable. However, in the South Crandall lease area both seams are mineable.

The Hiawatha coal seam has been mined and is exposed at an approximate elevation of 7,900 feet amsl (Appendix 6-1). Mining overburden above the Hiawatha coal seam in the permit area consists of the Blackhawk Formation, Castlegate Sandstone, and the Upper Price River Member and

LIST OF APPENDICES (continued)

APPENDIX NUMBER	DESCRIPTION
7-36	Calculations of Stream Channel Density
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7-41	Implication for Self-Healing of Fractures
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7-45	Indian Creek Water Quality Summary (USFS)
7-46	Monitoring Well Lithologic Logs
7-47	Monitoring Well Water Quality Data
7-48	Supplemental Information, Hydrologic Conditions
7-49	Mitigation For Blind Canyon Creek
7-50	Construction Sequence - 72" Culvert
7-51	Little Bear Spring Water Replacement Agreement
7-52	Supplemental Hydrogeologic Information for LBA 11
7-53	Summary of New Isotopic Information for LBA 11
7-54	Results of In-Mine Slug Tests
7-55	Investigation of Alluvial Ground Water System in Mill Fork Canyon

7-56 Investigation of Potential for Little Bear Spring Recharge

7-57 Determination of Recharge Location of Little Bear Spring (Dye Tracing)

7-58 Summary of Hydro logic Baseline Information, South Crandall Lease

7-59 Little Bear Spring Study (Initial study, 1998) AquaTrack

7-60 Little Bear Spring Study (Expanded Study, 1999) AquaTrack

7-61 Mill Fork Resistivity Study, 2001 AquaTrack

7-62 Little Bear Spring (2nd Expanded Study, 2001) AquaTrack

7-63 Hydrology/Geology Map of Little Bear Watershed

7-64 Baseline Information for the U-68082 Lease Mod Area

Note: Bold number plates and appendices are included with this submittal.

CHAPTER 7

HYDROLOGY

7.10 Introduction

This chapter presents a description of the hydrologic considerations for permitting of the Crandall Canyon Mine operations. The information in this chapter was provided by the staff of GENWAL Resources, Inc. and by various consultant firms as noted under specific sections. Conclusions drawn herein are based upon detailed field reconnaissance and spring/seep surveys of the area, limited exploratory drilling and published hydrologic information on the area.

7.11 General Requirements

This chapter presents a description of:

- existing hydrologic resources,
- proposed operations and the potential impacts to the hydrologic resources,
- methods of compliance with design criteria and performance standards, and
- hydrologic reclamation plans for the Crandall Canyon Mine operations.

7.12 Certification

All maps, plans and cross-sections presented in this chapter which deal with the design of facilities or the determination of watershed characteristics have been certified by a professional engineer.

7.13 Inspection

Impoundments included in the runoff control plan will be inspected as described in Section 5.14 of this application.

7.20 Environmental Description

This section presents a description of the hydrologic resources within the Crandall Canyon Mine permit area and the South Crandall Lease area and the U-68082 lease mod area. Refer to Appendix 3-20, "Final Environmental Assessment, Modification of Federal Coal Lease UTU-68082, U.S. Forest Service" for additional information regarding hydrology in the lease mod area.

7.21 General Requirements

This section presents a description of the hydrologic resources within the Crandall Canyon Mine permit area and the South Crandall Lease area and the U-68082 lease mod area.

7.22 Cross Sections and Maps

Figures 7-1 through 7-12 and Plates 7-1 through 7-17 of this chapter depict existing surface and groundwater occurrences within and adjacent to the Crandall Canyon Mine permit area and the South Crandall Lease area and the U-68082 lease mod area. These figures also illustrate the topography, streams, springs, wells, water monitoring locations, and other hydrologic design information pertinent to the Crandall Canyon Mine and the South Crandall Lease area and the U-68082 lease mod area. Refer to 7-63 for a detailed map of the Little Bear Canyon watershed showing mining projection, geology and location of seeps below the Castle Gate sandstone where cover is less than 600' above the coal seams.

Plates 7-14 and 7-15 have been updated to show the groundwater and surface water rights within and adjacent to the South Crandall lease area and the U-68082 lease mod area. Plates 7-12 (seep and spring) and 7-16 (stream monitoring) have also been updated relative to the South Crandall lease area and the U-68082 lease mod area. Note that Plate 7-13 has been deleted from the MRP.

7.2 Sampling and Analysis

All water samples are collected and analyzed according to methods in either the "Standard Methods for the Examination of Water and Waste Water" or the 40 CFR parts 136 and 434.

7.24 Baseline Information

(It should be noted that the Dellenbach fee tract is included in the currently approved permit area. All current data for hydrologic, geologic, and climatologic information applies to the Dellenbach tract.) Baseline hydrologic information for the South Crandall Lease area is summarized in Appendix 7-58. Baseline hydrologic information for seeps, springs, and streams in the U-68082 lease mod area are summarized in Appendix 7-64.

In response to concerns for the possible effect of mining on certain seeps in the Little Bear drainage, GENWAL commits to preparing a map identifying and showing the general location of vegetation in the area that could potentially be affected by mining in Little Bear Canyon, and will also prepare a detailed map of the vegetation associated with the spring/seep sites (LBA7, LB7A, LB7B, LB7C, LB5A and LB12) in Little Bear Canyon. This mapping will be done in the 2005 field season. This information will then be added to the MRP as an appendix.

7.24.1 Groundwater Information

This section is a comprehensive view of the groundwater hydrology for the Crandall Canyon Mine permit and surrounding area and the the South Crandall Lease area and the U-68082 lease mod area.

Scope

This section presents discussions of groundwater conditions within and adjacent to the permit area, which consists of lease areas SL 062648 and U 054762, State leases ML21568 and ML21569, UTU-68082 and the South Crandall Lease area, UTU-78953 and the U-68082 lease mod area (Plate 7-12). Conclusions drawn herein are based upon detailed seep and spring surveys of the area, limited exploratory drilling, results of stream monitoring, and the results of groundwater investigations conducted by others in the region of the mine.

Methodology

Seep and spring surveys were conducted in 1985, 1987, and 1989 through 1993, within an area that extended approximately one mile north, west, and south of the boundaries of the permit area. Springs and seeps in the South Crandall Lease area were monitored again during 2003. Seeps, springs, and streams in the U-68082 lease mod area were monitored again during 2004. The study area for the survey was bounded by Huntington Creek on the east, the east-west ridge between the North Fork of Horse Canyon and the South Fork of Huntington Creek on the north, Bald Ridge and Bald Mountain in Scad Valley to the west, and Mill Fork on the south.

An aerial reconnaissance of the survey area was initially conducted to provide an indication of spring locations and site accessibility. The area was then traversed on foot to allow springs and seepage points to be precisely located, examined, and sampled. Geologic conditions at all seeps and springs were noted in the field, including lithologic and structural controls and the geologic formation from which the seepage issued. Signs of usage were also noted. The flow rate was visually estimated and (if sufficient water was present) a sample of the water was collected. The temperature of the water issuing from the spring was measured at the site. All samples were subsequently analyzed in the field for pH and specific conductance.

Hydrologic characteristics of the North Horn, Price River, Castlegate, Blackhawk Formation and Star Point Sandstone are reviewed in this section. Locations of seeps and springs monitored during 1985, 1987,1989 through 1993, and during 2003, and during 2004 are shown on Plate 7-12. The geologic occurrence and use of seeps and springs are found in Appendix 7-16. Flow rate and temperature measurements appear in Appendix 7-17. Specific conductivity and pH measurements are found in Appendices 7-18 and 7-19 respectively. Field water-quality measurements are summarized in Appendix 7-20. Laboratory analytical reports for groundwater collected from the eight quarterly sampled seep/spring locations are also contained in Appendix 7-20. Hydrologic baseline information from the South Crandall Lease area is summarized in Appendix 7-58. Hydrologic baseline from the U-68082 lease mod area is summarized in Appendix 7-64.

Seep and spring surveys were conducted in the area around the IBC (Federal Right-of Way UTU-77975)area during 1987, 1989 and 1990. No seeps or springs were identified in the IBC area. The area was resurveyed by Gary Gray and Erik Petersen in 1998.

Regional Groundwater Hydrology

Six formations outcrop in the Mine Permit Area (Plate 6-1). According to Doelling (1972), the Masuk Shale Member of the Mancos Shale (Km on Plate 6-1) is a light gray to blue-gray marine sandy shale in the mine vicinity. This unit is exposed at the mouth of Crandall Canyon and in adjacent areas along Huntington Creek. The Masuk Shale Member yields water locally to seeps and springs but does not serve as a regionally important aquifer (Danielson et al., 1981).

The Star Point Sandstone (Ksp) is predominantly a light-gray massive sandstone with minor interbedded layers of shale and siltstone near its base (Doelling, 1972). In the vicinity of the mine, the Star Point Sandstone is 350 to 450 feet thick. The Star Point Sandstone yields water to several minor and some major springs where fractured and jointed.

The Blackhawk Formation (Kb) is the principal coal-bearing unit in the region (Doelling, 1972). This formation consists of interbedded layers of sandstone, siltstone, shale, and coal, and reaches a thickness of about 1000 feet in the mine area. The principal coal seam (the Hiawatha seam) is present at the base of the formation. The formation yields water to springs and coal mines when fractured. At GENWAL the water has been encountered within the Starpoint Sandstone approximately 50-100 feet below the contact point with Hiawatha seam.

The Price River Formation overlies the Blackhawk Formation and consists of the tan to brown cliff-forming Castlegate Sandstone (Kc) and the slope forming Upper Price River Member (Kpr). Fluvial sandstones of the Castlegate are massive and medium- to coarse-grained. In the area of the mine, the Castlegate is approximately 200 feet thick. The Castlegate yields water locally to seeps and springs, but does not serve as an important regional aquifer because it is commonly drained within short distances from its recharge area due to deeply incised canyons (Danielson et al., 1981).

The Upper Price River Member (Kpr) consists predominantly of friable calcareous sandstones interbedded with pebbly conglomerates and shales. It forms steep receding slopes and reaches a maximum thickness of about 600 feet in the mine areas (Doelling, 1972). This formation yields water locally to seeps and springs (Danielson et al., 1981). However, like the Castlegate Sandstone, deeply incised canyons in the area prevent the Upper Price River Member from being an important regional aquifer.

The uppermost formation that outcrops within the permit area is the North Horn Formation (Tkn). This formation consists of interbedded limestones, sandstones, and shales (Doelling, 1972). Due to the presence of low-permeability strata in the formation, downward vertical migration of groundwater is limited. Consequently, springs in the North Horn Formation are formed where

perched groundwater is forced to flow laterally in the subsurface until the formation intersects the land surface, forming a spring.

Investigations by Danielson et al. (1981) indicated that most, if not all, groundwater in the region is derived from snow melt. Recharge tends to be limited in areas underlain by the Price River Formation and older rocks (relative to recharge in areas underlain by younger rocks) due to slope steepness and relative imperviousness (both of which promote runoff rather than infiltration of snow melt).

Detailed potentiometric surface data are not available for the region surrounding the permit area. However, the deeply incised canyons interrupt the flow of groundwater in much of the area. Danielson et al. (1981) suggest that groundwater generally moves from high areas of recharge to low areas of drainage, principally along stream channels.

The predominant chemical constituents in most springs in the region are calcium and bicarbonate (Danielson et al., 1981). Dissolved solids concentrations generally range from about 50 to 750 milligrams per liter. Regionally, the concentrations of major dissolved constituents in water from individual geologic units is highly variable, due to the complex lithologic nature of the area (Danielson et al., 1981).

Mine Plan Area Aquifers

Results of the initial seep and spring inventories conducted in the study area were submitted previously to DOGM (EarthFax Engineering, 1985a, 1985b). All data associated with subsequent seep and spring inventories are located within this MRP. Locations of the seeps and springs discovered during the inventories are shown on Plate 7-12. Data collected during the inventories are included in Appendices 7-16 through 7-20. Data from the 2003 inventories in the South Crandall Lease area are presented in Appendix 7-58.

Approximately 60% of all the seeps and springs found during the early-season surveys had flows of one gallon per minute or less (Appendix 7-17). These flows typically decreased by the time of the late-season surveys, with most of the low-flow sources issuing only as seeps or being dry. The majority of seeps and springs issue from bedding planes separating porous sandstones or fractured zones from underlying low-permeability siltstone and shale beds.

The primary exception to the above generality is flow from seeps and springs along the western edge of UTU-68082 which discharge from the North Horn Formation, alluvium covering the North Horn Formation, or from Tufa deposits in Upper Joes Valley. Flow from most of these seeps and springs is attributed to discharge from the Joes Valley fault zone.

The occurrence of groundwater at Trail Mountain (Lines, 1985) is very similar to that at Crandall Canyon. The major water bearing unit at both mines is the Blackhawk-Star Point aquifer. The Trail Mountain Mine is overlain by perched aquifers in the Blackhawk, Castlegate, Price River, and North Horn Formations; these perched aquifers are separated by unsaturated zones (Lines, 1985). Seep and spring survey results at Crandall Canyon and at the South Crandall Lease area also reveal the presence of perched aquifers in the same formations. As at Trail Mountain, this perching

occurs where more-permeable strata (aquifers) overlie less-permeable strata (aquitards and aquicludes) (Lines, 1985; Appendix 7-16).

The distribution of seeps and springs among the formations present at both the Trail Mountain (Lines, 1985) and Crandall Canyon (Appendix 7-16) mines is very similar. At both mine areas the largest percentage of seeps and springs are found in the North Horn and Price River Formations. Similarly, in both mine areas the smallest percentage of seeps and springs are found in the Castlegate Sandstone Formation and Blackhawk Formation. Some springs and seeps discharge from the Star Point Sandstone in the South Crandall Lease area. Little Bear Spring, which is a developed spring that provides municipal water to nearby towns, discharges from a fracture system in the Star Point Sandstone.

Because of its importance as a municipal water supply source and its proximity to proposed mining areas, Little Bear Spring has been extensively studied. Several hydrologic studies have been performed since 1977 to investigate the recharge source for Little Bear Spring. These studies have agreed that the spring flow is supported by a fault/fracture system. Since Little Bear Spring lies more than 300 feet below the level of the mineable coal seams and past mining encountered the fault/fracture system without significant inflow of water, there is general consensus among the Castle Valley Special Service District (CVSSD), mine operators, scientific community, and the regulatory agencies that adverse effect to the spring are unlikely. (Forest Service, BLM Joint Decision Notice/Finding of No Significant Impact, Coal Lease Application UTU-78953)

Several studies have been done that suggest a northerly component of flow feeding Little Bear Spring. These studies include:

(i) Vaughn Hansen Associated, *Water Quality and Hydrologic Study in Vicinity of Huntington Creek Mine No. 4 and Little Bear Spring*, Prepared for Swisher Coal Company, August1977.

(ii) Hydro-Sciences, Inc., *Ground Water Hydrology in the Vicinity of the Huntington No. 4 Mine,* Prepared for ARCO Coal Company, December 19, 1980.

(iii) Beaver Creek Coal Company, *Huntington Canyon No. 4 Mining and Reclamation Plan,* Prepared for UDOGM, 1983.

(iv) Utah Geological and Mineral Survey, *Effects of Coal Mining at Huntington Canyon No. 4 Mine on Little Bear Spring, Emery County,* Prepared for Castle Valley Special Services District, Job No. 84-005, January 21, 1984.

(v) Vaughn Hansen Associated, *Hydrologic Conditions in Huntington Canyon No. 4 Mine,* 1984.

These referenced studies are available for review at the Division's Public Information Center.

Other studies indicate that the Little Bear Spring may possibly be fed by fault/fracture system which intercepts surface water in Mill Fork Canyon southwest of the South Crandall Lease area. These scientific investigations include an investigation of the Little Bear Spring groundwater system and the groundwater systems encountered in the Crandall Canyon Mine (Appendix 7-52), a solute and isotopic investigation of groundwater from Little Bear Spring and the Star Point Sandstone and Blackhawk Formation groundwater systems the Crandall Canyon Mine (Appendix 7-53), an

investigation of the hydraulic conductivity of the Star Point Sandstone in the vicinity of the Crandall Canyon Mine (Appendix 7-54), an investigation of the alluvial groundwater system in Mill Fork Canyon with implications for recharge to Little Bear Spring (Appendix 7-55), an investigation of the potential for Little Bear Spring recharge in Mill Fork Canyon (Appendix 7-56), and a fluorescent dye-tracing study that conclusively demonstrates the hydraulic connection between the stream/alluvial groundwater system in Mill Fork Canyon and Little Bear Spring (Appendix 7-57). Sunrise Engineering also performed a series of investigations using a proprietary geophysical technique that demonstrated a hydraulic connection between Little Bear Spring and the surface drainage in Mill Fork Canyon. These investigations are included as Appendix 7-59, Appendix 7-60, Appendix 7-61, and Appendix 7-62.

While the flow mechanisms conveying water to Little Bear Spring are not completely understood, additional hydrologic studies performed since the Mill Fork EA was written have indicated that adverse impacts to the spring are not expected due to the vertical separation between the coal seams and flow. (Forest Service, BLM Joint Decision Notice/Finding of No Significant Impact, Coal Lease Application UTU-78953)

The low flow rates from most of the seeps and springs emitting from the Blackhawk Formation (Appendices 7-16, ~~and~~ 7-17, and 7-58) result from the low hydraulic conductivity of the formation where it remains unfractured. Laboratory permeability data from a core sample taken in T17S-R6E-Sec27 at Trail Mountain indicate an average horizontal hydraulic conductivity of 1.3×10^{-2} feet per day, and an average vertical hydraulic conductivity of 3.8×10^{-3} feet per day for sandstone units of the Blackhawk Formation (Lines, 1985).

Shale and siltstone samples of the Blackhawk Formation have maximum horizontal and vertical hydraulic conductivities of only 1.0×10^{-7} and 1.2×10^{-6} feet per day, respectively (Lines, 1985). These low hydraulic conductivities of the shales and siltstones indicate that these finer-grained sediments within the Blackhawk serve as barriers to the downward migration of water. As a result, water recharge into the Blackhawk, either from adjacent formations, snow melt, or rainfall is allowed to percolate vertically through sandstone beds until a siltstone/shale bed is encountered at which time the water is forced to travel laterally along the bedding plane to the surface.

Similarly, the majority of the seeps and springs in the Castlegate, Star Point and North Horn Formations observed in the field surveys in Crandall Canyon also issue from bedding planes. Due to the presence of these vertical permeability barriers, the aquifers in the North Horn, Price, River, Castlegate, as well as in the upper portions of the Blackhawk Formations are perched, with no direct communication to the underlying regional Star Point aquifer. Consequently, any dewatering of the perched Star Point aquifer resulting from mining the Hiawatha Coal of the Blackhawk Formation has little potential of affecting seeps and springs in the area (Lines, 1985).

Most of the seeps and springs in and around the state lease areas, and the UTU-68082 leases principally drain perched aquifers in the North Horn and Price River Formations (Appendix 7-16). The North Horn and Price River Formation perched aquifers lie 470 to over 2410 feet above the top of the Hiawatha Coal Seam. These aquifers exist along bedding planes and are perched with no direct hydraulic connection to the existing or proposed mine workings in the Hiawatha coal bed.

As a result, mine dewatering is anticipated to have minimal, if any effects on these seeps and springs.

Lesser numbers of seeps and springs drain the perched aquifers in the Blackhawk Formation and lie approximately 420 or more feet above the potentiometric surface of the regional Star Point aquifer. With no direct communication to the underlying regional aquifer these water sources should not be affected by mine dewatering, if it occurs.

Elevations of perched aquifers overlying the Hiawatha Coal Seam are evidenced by the occurrence of seeps and springs (Plate 7-12). The locations of seeps and springs suggest that perched aquifers may be present in the following areas:

Approx. Elev.	**Location**	**Geologic Formation**
10,160 feet	Sec. 12,T16S,R6E, SE	North Horn
9,440 feet	Sec. 12,T16S,R6E, NE	Price River - base
8,720 feet	Sec. 1,T16S,R6E, NW	Blackhawk - top
9,920 feet	Sec. 2,T16S,R6E, SW, NW SW	North Horn
10,240 feet	Sec. 2,T16S,R6E, SW	North Horn
10,480 feet	Sec. 35T,15S,R6E, SE	North Horn
10,240 feet	Sec. 35T,15S,R6E, NW	North Horn - base
9,280 feet	Sec. 31T,15S,R7E, SW	Price River
9,680 feet	Sec. 25T,15S,R6E,S ½	Castlegate

Seeps and springs northwest of the permit area discharge from the North Horn Formation or alluvium covering the North Horn Formation in Upper Joe's Valley. In contrast to other seeps and springs in the study area, flows from many of these water sources increased substantially between the spring/early summer surveys and the fall surveys (Appendix 7-17). This anomalous water flow trend is attributed to three factors:

First is the groundwater recharge from the Joe's Valley Fault Zone. These water sources lie in two linear positions parallel to the fault zone. Those springs occurring in the valley bottom directly east or immediately contiguous to Indian Creek, and those springs on the west hillslope above Indian Creek which also follows the trace of the fault zone.
Secondly, recharge from water in the colluvium and alluvium on the west-facing slope of East Mountain flows downhill toward Upper Joe's Valley and discharges into the valley alluvium. The relatively late arrival (mid-summer) of this water is due to the lag time created as this snow melt-derived water travels through the soil to the valley floor.

Thirdly, the seeps and springs in Upper Joe's Valley lie in a different drainage basin than those in the rest of the study area, a drainage basin which has a contrasting flow pattern to that present in the Huntington Creek tributaries on the east-facing slopes of East Mountain.

According to the approved current mine plans for the UTU-68082 (LBA No. 9) area (which is bounded at the east margin of the LBA by the north and south trending Joes Valley Fault Zone) mining will not occur within approximately 1000 feet of the fault zone.

During the period of March and April 1987, a monitoring well (MW-1) was installed at the Crandall Canyon Mine in the location indicated in Plate 7-13. MW-1 provides less than 1 gpm of water and is used to supplement the water withdrawn from Crandall Creek for in-mine usage. MW-1 was drilled using air-rotary methods to a total depth of 375 feet, and encountered Star Point Sandstone through its entire depth (Figure 7-1).

The driller indicated that the formation was relatively homogenous except in the zone from 290 to 335 feet, where the sandstone became coarser. It is from this zone that the well is producing water, with water first being encountered at a depth of about 315 feet. The static water level, approximately one week after completion of the well, was at a depth of 186.1 feet below ground surface, indicating the presence of a significant upward pressure component (approximately 130 feet) within the saturated zone.

After completion of the well, a slug test was performed on the well to determine the approximate hydraulic characteristics of the Star Point Sandstone at the mine site. This test was performed by inserting approximately 10 feet of drill stem below the water surface and allowing the water level to stabilize over a period of 3.75 hours. Although water level recovery was measured during this period, the data are not adequate for slug-test analysis since the drill stem was present within the zone of influence of the injection test, thus displacing additional water during the recovery period.

Following stabilization of the water level, the drill stem was rapidly removed from below the water level and the resulting recovery to static conditions was measured for a period of more than 2 hours. Data collected from this test have been provided to the Division in a letter addressed to Mr. Dave Cline from Richard B. White of EarthFax Engineering, Inc. and dated April 30, 1987. Data collected for the first 700 seconds of the test are provided in Figure 7-2.

In-mine monitoring wells MW-4 and MW-5 were installed, completed, and developed in January, 1992. Monitoring well MW-3 is located in an area that was sealed in 1979 and is now inaccessible. Water-level data collected in January, 1992 from MW-2, MW-4, and MW-5 were used to produce the potentiometric surface map depicted on Plate 7-13. Slug tests were also performed on MW-4 and MW-5. (See Appendix 7-24).

The slug test data were analyzed using a method developed by Bouwer and Rice (1976). According to this method:

$$K = \frac{r_c^2}{2L} \frac{\ln(R_e/r_w)}{t} \ln\frac{Y_o}{y_t} \qquad (7\text{-}1a)$$

where K = hydraulic conductivity (feet per day)
r_c = radius of the casing (feet)
r_w = radius of the well
L = length of the screened section (feet)
t = time since test began (seconds)
y_o = maximum drawdown during test of drawdown immediately following slug injection or withdrawal (feet)
y_t = drawdown at time t (feet)

$$\ln(R_e/r_w) = \frac{1.1}{\ln(H/r_w)} + \frac{C}{L/r_w}^{-1}$$

where H = depth from static water level to the base of the producing zone
C = a dimensionless coefficient as a function of L/r_w obtained from Figure 3 of Bower and Rice (1976, p.426)

For the slug test conducted at MW-1,

r_c = r_w = 0.25 ft (hole radius of 3 inches)
L = 335-290 = 45 ft (length of the producing zone according to the driller's records)
H = 335-187 = 148 ft (distance between the static water level and the base of the producing zone
y_o = 2.50 ft (see Figure 7-2)
y_t = 2.10 ft at t = 400 s (see Figure 7-2)

$$\ln(R_o/r_w) = \frac{1.1}{\ln(148/0.25)} + \frac{6.6}{45/0.25}^{-1} = 4.8$$

By means of equation (7-1a) and these data, a hydraulic conductivity of 0.1 foot per day was calculated. Assuming that the 45-foot producing zone accounts for the entire thickness of the aquifer at the location of MW-1, this value converts to a transmissivity of 4.5 square feet per day.

Slug tests from MW-4 and MW-5 were analyzed using the same equation and the hydraulic conductivity for MW-4 was determined to be 0.6 foot per day (2.3 square feet per day) and 2.5 foot per day (13.0 square feet per day) for MW-5. The data sheets for MW-4 and MW-5 slug tests are included in Appendix 7-24. These determined transmissivities are similar to those measured by Lines (1985) from pumping tests performed in the Star Point Sandstone near Trail Mountain approximately 10 miles southwest of Crandall Canyon.

According to Danielson et al. (1981), the flow of groundwater in the region is generally from high-elevation recharge areas toward major canyons. In most locations, the piezometric surface in the Star Point Sandstone is below the mine floor. Minor inflow to the existing mine workings has been from the roof, even though the floor of the mine within the western third of the mine area is below the elevation of Crandall Creek. Most groundwater inflow into the mine occurs from sandstone paleochannels in the mine roof, especially where these sandstone rocks are fractured. In the westernmost portion of the Crandall Canyon Mine, the piezometric surface in the Star Point is at or slightly above the elevation of the mine floor. In these areas, minor amounts of groundwater weeps into the mine from fractured sandstone in the mine floor. In addition, as noted above, the depth to groundwater at the mouth of the mine (at MW-1) is approximately 186 feet below ground surface. Thus, it is reasonable to assume that groundwater within the Star Point Sandstone beneath the mine does not discharge into Crandall Creek.

Although the regional stratigraphic dip is to the west (see Chapter 6), the local strata generally dip to the southeast. As shown on Plate 7-13, the direction of groundwater flow in the Star Point Sandstone beneath the mine is generally eastward, from East Mountain to Huntington Canyon.

In the area of Trail Mountain (located approximately 10 miles southwest of Crandall Canyon) the hydraulic gradient of groundwater in the Star Point Sandstone varies from about 0.11 foot per foot in the recharge area near the ridge line to about 0.03 foot per foot in the discharge area in Straight Canyon (Lines, 1985). Due to the similarity of the geologic conditions in the two areas (Waddell et al., 1981), similar hydraulic gradients are expected in the East Mountain recharge area and Huntington Canyon discharge area, respectively.

Usage of most seeps and springs within the survey area is confined to deer, elk, and other wildlife and limited seasonal usage by livestock. Flowing surface water within each watershed does contribute to downstream water users such as industry, domestic water supplies, and recreation (i.e., cold water fisheries). As would be expected, wildlife usage of the springs is most abundant where flows are greatest and the sources are most accessible. Little Bear Spring has been developed for municipal use by adjacent municipalities.

Data indicate that the specific conductance of water issuing from springs in June generally increased with increasing stratigraphic depth. This is in agreement with the findings of Danielson et al, (1981). Springs issuing from the Price River Formation typically had a specific conductance, during the June survey, that varied from 150 to 450 umhos/cm at 25°C while those issuing from the Blackhawk Formation and Star Point Sandstone had a specific conductance varying from 500 to 1000 umhos/cm at 25°C.

The pH of water issuing from springs in the survey area showed no trends within or between formations. Values varied from 6.80 to 8.57, averaging 7.74. Hence, spring water in the study area is slightly alkaline.

In those springs with sufficient water to sample, pH generally increased slightly between June and October. Increases normally amounted to 0.1 to 0.5 pH unit. Specific conductance showed no consistent pattern between the June and October data, with approximately as many increases as decreases between June and October.

Water temperatures vary widely at the site. In general, water temperatures are lowest in springs issuing from fractures and highest in springs issuing from shallow colluvium over bedrock. Lower water temperatures generally occurred in the springs with relatively low specific conductances.

Appendix 7-42 contains water quality results for selected springs from 1988 through 1991. These water quality analyses generally have included pH, temperature, conductivity or TDS, total manganese (as Mn), and either total or dissolved iron (as Fe). Baseline discharge and water quality data from the South Crandall Lease area is included in Appendix 7-58. Baseline discharge and water quality data from the U-68082 lease mod area is included in Appendix 7-64.

Groundwater Development and Mine Dewatering

Water Supply

A few of the seeps or springs inventoried during the spring/seep surveys have been developed for beneficial use. No water wells used for consumption by humans or animals, other than MW-1, are known to exist within the study area of the spring inventory. However, groundwater which reaches the surface water within each watershed does contribute to downstream water users in Huntington Creek who have the water allocated for industry, domestic water supplies, agriculture, and recreation (i.e., cold water fisheries). Little Bear Spring has been developed as a municipal water source for adjacent municipalities.

Appendix 7-1 contains a listing of groundwater rights (and their associated seeps and springs) in and adjacent to the permit area (within a 1-mile perimeter boundary). This data was obtained from the files of the Utah Division of Water Rights. Locations of these water rights are denoted in Plate 7-14. Appendix 7-1 also shows what groundwater right corresponds to the seeps and springs observed in the field inventories.

Mine Dewatering

An underground water budget (amended August 23, 1994) appears in Appendix 7-21. Based on the water budget, current underground use of water for the mine equipment averages 14.3 gpm throughout the year. Infiltration along the mine floor and sumps totals 10 gpm and evaporation due to mine ventilation equals 50 to 60 gpm. Coal moisture content accounts for 68.5 gpm. The combined approximate total equals 150 gpm. The quantity of mine inflow that is lost to evaporation and infiltration are estimates based on experience at other mines, and the infrequent need to

discharge into Crandall Creek. Additional water depletion analysis for Fish and Wildlife Service is provided in Chapter 3.

Although worst-case estimates of mine inflow are greater than the present inflow rate, the actual inflow rate to be encountered is unknown. In order to effectively treat mine inflow an additional sump and pump house will be built in the southeastern corner of Lease ML-21569 (Appendix 7-22). This new sump will be equipped with a Worthington pump capable of pumping 150 gpm at 400 psi. This proposed sump will serve as the primary treatment facility for mine inflow, as well as the active water supply for mining operations. The existing sump will be maintained as a secondary water treatment facility. If discharge is required, water to be discharged will be initially treated in the proposed sump in Lease ML-21569, then pumped to the secondary (presently existing) sump, prior to discharge into Crandall Creek.

In the event mine inflow rates exceed the capacity of these treatment facilities to treat the mine inflow to meet the discharge limit criteria outlined in the NPDES Permit (UPDES Permit No. UT0024368, authorizing two discharge points), GENWAL commits to modifying these treatment facilities and/or constructing additional facilities in order to ensure compliance with the UPDES Permit. Treatment facilities to be considered include enlargement and/or construction of additional underground sumps and/or surface settling ponds. If excessive water volumes are encountered the use of flocculants and gel-logs will be considered as stopgap measures until more permanent treatment facilities are in-place.

Make-up water for in-mine use is pumped from Crandall Creek into the main mine sump at no more than 75 gallons per minute (pump capacity). At its lowest recorded flow, at the lower flume, a minimum of 100 gallons per minute remains within Crandall Creek even when the mine is withdrawing water for in-mine use.

The majority of natural water inflow is occurring in the old mine workings (Leases U054762 and SL-062648). According to GENWAL personnel, natural mine inflow accounts for less than 400,000 gallons per year of the total water used in-mine. Only negligible mine inflow has been encountered in Lease UTU-68082 and State Lease ML-21569. Currently, water used in mining operations is being pumped to State Lease SL-21569 from the sump in the old mine workings. All inflow water is used in underground mining operations.

Effects of Mining Operation On Groundwater

Mine dewatering (resulting in removal of water from the aquifers) is the primary mechanism by which the groundwater system may be impacted. As previously stated, it is believed that the water emitting from seeps and springs in State Leases ML-21568 and ML-21569, as well as areas within and adjacent to UTU-68082 (LBA No.9) and groundwater supporting springs and seeps in the South Crandall Lease area (UTU-78953), originate from perched aquifers with no direct communication with the regional Star Point aquifer. Although groundwater discharging from Little Bear Spring travels through a fracture system in the Star Point Sandstone, it is believed that the fracture system is the conveyance system for the the groundwater. Groundwater migrating through the pore spaces in the Star Point Sandstone near the spring likely does not contribute any significant quantity of

groundwater to the spring. This conclusion is based on the very low hydraulic coductivity of unfractured Star Point Sandstone described in a subsequent section (see also Appendix 7-54). Thus, dewatering resulting from mining the Hiawatha Coal of the Blackhawk Formation has little potential for impact on the regional aquifer or for a diminution of flow from Little Bear Spring. This observation is in agreement with conditions present at Trail Mountain as reported by Lines (1985).

Laboratory permeability data reported by Lines (1985) on cores collected from the Blackhawk Formation indicate that the hydraulic conductivity of shale and siltstone units of this formation is typically four to six orders of magnitude lower than the hydraulic conductivity of the sandstone units. The relatively higher hydraulic conductivity of the sandstones of the Blackhawk Formation compared with the siltstones and shales indicates that the finer-grained sediments of the formation serve as barriers to the downward movement of water. As water recharges the Blackhawk Formation (either through snow melt, rainfall, or subsurface seepage from an adjacent formation) it percolates downward within the sandstone beds. However, upon reaching a less-permeable siltstone or shale layer, the water is forced to flow laterally to the surface, issuing at the interface between two units of contracting hydraulic conductivity.

Notable exceptions to the above generality concerning the Blackhawk Formation are present at springs that issue from fractured sandstone within the formation. Examples of this phenomenon are present in springs SP-53 through SP-58 (Plate 7-12), where flow rates greater than 100 gallons per minute have been measured. Travertine deposits are common at these springs, which suggests that the recharge area for these springs is dominated by calcium carbonate. In areas, the upper portion of the Blackhawk Formation may serve more as a conveyance body rather than a significant source of water to these springs.

Results of slug tests on MW-1, MW-4 and MW-5 indicate that the Star Point Sandstone in the Crandall Canyon area has a hydraulic conductivity of 0.1 to 2.5 ft/day. Based on an average hydraulic conductivity of 1.0 ft/day, an average hydraulic gradient of 0.025 ft/ft (see Plate 1-8), an average Star Point porosity of 0.14 (Lines, 190\85) and the modified Darcy equation (Freeze and Cherry, 1979), the average linear velocity of groundwater flowing through the Star Point Sandstone beneath Lease #UTU-68082 and adjacent areas is approximately 0.2 ft/day.

Results of slug tests performed on the in-mine Star Point Sandstone wells MW-2, MW-6A, MW-7, and MW-6 by Mayo and Associates in 1997 (Appendix 7-54) indicated an average hydraulic conductivity of unfractured Star Point Sandstone of approximately 0.005 ft/day. Using information from these wells, the calculated average linear velocity of groundwater moving through the Star Point Sandstone is even less than 0.2 ft/day..

It is of note that laboratory permeability data provided by Lines (1985) from core samples collected approximately 10 miles south of Crandall Canyon indicate that the Star Point Sandstone has an average horizontal hydraulic conductivity of 2.3×10^{-2} ft/day and an average vertical hydraulic conductivity of 8.8×10^{-3} feet per day. With the range of slug test results at the mine and the lower values reported by Lines (1985), the velocity presented above is considered to be a maximum.

The potentiometric surface of the Star Point aquifer directly underlying the Hiawatha Seam (the coal bed mined at Crandall Canyon) is shown on Plate 7-13. The water table rises to the northwest under East Mountain at an average angle of 3 degrees, and lies from 50 to 115 feet below the Hiawatha coal seam. This regional water table is 150 feet below ground surface in the area of the mine portal, and up to 2220 feet below the surface under East Mountain in Sec. 2,T.16S.,R.6E.

Mitigation and Control Plan

Based on information presented in the preceding section, only minimal impacts on groundwater resources in the permit area may result. A probable hydrologic consequences determination that includes the South Crandall Lease area is included as a portion of this chapter and is located in Appendix 7-15. Installation of the main bypass culvert will not alter the Probable Hydrologic Consequences.

Mitigation for potential disruption to the Little Bear Spring will be accomplished though the construction of a water treatment plant which will provide replacement water for the spring. Construction of this water treatment plant will be done under the provisions of a water replacement agreement between GENWAL Resources, Inc. and the Castle Valley Special Service District who maintain culinary water rights to Little Bear springs. A copy of this water replacement agreement is included in Appendix 7-51. With construction of this water treatment plant an uninterrupted supply of culinary water will be assured irrespectively of whether mining can be conclusively shown to have affected Little Bear Spring. This is in compliance with special stipulation #17 of federal lease UTU-78953 (see Appendix 1-13).

Currently, treatment of mine water prior to discharge into Crandall Creek includes the use of two underground sumps. Discharge to Crandall Creek has occurred only 5 times prior to 1994 (UPDES Permit - Appendix 5-14).

7.24.2 Surface Water Information

Scope

This section presents discussion of surface water conditions within and adjacent to the permit area (lease areas SL062648 and U 054762, state leases ML21568 and ML21569, and UTU-68082) and in the South Crandall Lease area (UTU-78953) and the U-68082 lease mod area. Conclusions drawn herein are based upon a field reconnaissance of the area and a review of published hydrologic information.

Methodology

The U.S. Geological Survey established a gaging station at the mouth of Crandall Creek in 1978. The gaging station was maintained through water year 1984. Data collected from this station were obtained from the Water Resource Division of the USGS in Salt Lake City and used to determine seasonal variations in flows in areas adjacent to the mine plan area. Additional information is provided from Parshall flumes and instantaneous stream flow measurements by GENWAL in Blind Canyon, Horse Canyon, Indian Creek, Crandall Canyon, No Name Canyon, Little Bear Canyon, and several unnamed drainages in the South Crandall Lease area (Appendix 7-23, 7-58).

Regional Surface Water Hydrology

The region (including the existing permit area, the U-68082 lease mod area and the South Crandall Lease area) is drained by a combination of ephemeral, intermittent and perennial streams. Two watersheds within the permit area have both intermittent and perennial sections within the stream drainage: Crandall Canyon and Horse Canyon. Two additional perennial streams occur adjacent to the permit area: Indian Creek (which drains to Joe's Valley Reservoir) and Huntington Creek. There are no perennial drainages in the South Crandall Lease area, although the Forest Service considers the Little Bear drainage a "perennially functioning stream".

Crandall Creek is an east-flowing tributary of Huntington Creek, one of the major tributaries of the San Rafael River. Huntington Creek had annual flows near the city of Huntington ranging from 25,000 to 150,000 acre-feet during the period of October 1931 through September 1973, averaging 65,000 acre-feet per year (Waddell et al., 1981). Variations in the annual flow of Huntington Creek near Huntington are depicted on Figure 7-6. Approximately 50 to 70 percent of stream flow in the mountain streams of the region occurs during May through July (Waddell et al., 1981). Stream flow during this late spring/early summer period is the result of snow melt runoff.

Horse Canyon is also an east-flowing tributary of Huntington Creek. Instantaneous flow measurements collected during 1991 indicate that peak flow occurred during May and June with approximately 2500 gpm at station H-1 (see Plate 7-16). Minimal flow was observed during August, September, and October at approximately 15 gpm. No flow was observed at station HS-5 (located on the south fork of Horse Canyon near the fork) during September of 1992. Additionally, the main

channel of Horse Canyon was observed to be dry approximately 340 feet above the fork. Stream flow and temperature measurements for Horse Canyon can be found in Appendix 7-23.

The quality of water in Huntington Creek and other similar streams in the area varies significantly with distance downstream. Waddell et al. (1981) found that concentrations of dissolved solids varied from 125 to 375 milligrams per liter in reaches of major streams above major diversions to 1600 to 4025 milligrams per liter in reaches below major irrigation diversions and population centers. The major ions at the upper sites were found to be calcium, magnesium, and bicarbonate, whereas sodium and sulfate became more dominant at the lower sites. They attributed these changes to (a) diversion of water containing low dissolved solids concentrations, (b) subsequent irrigation and return drainage from moderate to highly saline soils, (c) groundwater seepage, and (d) inflow of sewage and pollutants from population centers.

Average annual sediment yields within the Huntington Creek drainage basin range from approximately 0.1 acre-feet per square mile in the headwaters area to about 3.0 acre-feet per square mile near the confluence with the San Rafael River (Waddell et al., 1981). Increases in sediment yield with increasing distance downstream is generally the result of the water contacting increasing amounts of shale and sandstone in the downstream direction (Waddell et al., 1981).

Periodic instantaneous stream flow measurements for Indian Creek, collected by the U.S. Forest Service, are found in Appendix 7-44. These measurements were collected in Sec. 17,T.17S.,R.6E., during the period of July 1970 through April 1977. During seep and spring inventories conducted in the area by GENWAL in October and November of 1989, 1990, and 1991, the upper portion of Indian Creek was observed to be dry at elevations above 9120 feet in Sec. 34,T.15S.,R6.6E.

Observations of drainages located along the west facing slope of East Mountain in T15S R6E Section 35 W1/2 have been made during the seep and spring surveys from 1985 to 1990. The drainages have been found to be dry during all fall seep and spring surveys. Flow was observed during the fall 1991 survey; however, flow was not measured due to the existing field conditions (rain and melting snow) that would mask any natural perennial flow or lack of flow. Appendix 7-48 contains additional information concerning hydrologic conditions for the UTU-68082 (LBA No. 9) areas.

Mine Plan Area Surface Hydrology

The permit area (including the South Crandall Lease area and the U-68082 lease mod area) is drained by a combination of ephemeral, intermittent, and perennial streams. The watersheds are steep (with average slopes often exceeding 50 percent) and well vegetated (with percent covers also often exceeding 50 percent).

Within the South Crandall Lease area, no perennial streams have been identified. Based on the discharge data for these drainages (Appendix 7-58), the drainages in the South Crandall Lease would be considered ephemeral or intermittent. There are no perennial streams in the U-68082 lease mod area (see Appendix 7-64). The reaches of No Name Canyon creek would all be considered

ephemeral or intermittent. The Forest Service considers parts of the Little Bear Canyon drainage as a "perennially functioning stream".

Flow measurements collected at the U.S. Geological Survey gaging station at the mouth of Crandall Creek can be found in Appendix 7-2. Flow measurements from a flume in Blind Creek, and estimated in Horse Creek are contained in Appendix 7-23. The Crandall Creek data are summarized in Figures 7-7 (monthly flow volumes) and 7-8 (monthly maximum and minimum flow rates) for the period of record (October 1978 - September 1984). Data collection from the Crandall Canyon gaging station was discontinued by the USGS in 1984.

As noted in Figures 7-7 and 7-8, the flow data for Crandall Creek are not complete for the winter months in most years, because of freezing conditions. Assuming an average flow of 30 acre-feet per month for the period of missing record, the average annual flow for the six-year period of data contained in Appendix 7-2 was 2740 acre-feet.

According to Figure 7-8, maximum flow rates in Crandall Creek normally occur in the months of May or June, while minimum recorded flows occurred during the months of September through November. During the period of record, the maximum recorded daily flow rate has been 88 cubic feet per second (on May 30, 1983). The minimum recorded daily flow rate was 0.28 cfs (on several days in September 1981). Lower minimum flows may have occurred during the winter months when data are lacking.

Plan and profile views of Crandall Creek adjacent to the surface facilities are shown on Plate 7-1. Selected cross sections are provided on Plate 7-2. As noted, Crandall Canyon is steep, with channel slopes normally exceeding 5 percent. The channel bottom is approximately 10 feet wide and side slopes are steep (generally greater than 100 percent).

Surface water-quality data collected from Crandall Creek by GENWAL are contained in Appendix 7-3 and summarized in Table 7-5A. These data, collected between June 1983 and November 1985, indicate that the dominant ions in Crandall Creek are calcium and bicarbonate. Total dissolved solids concentrations in the stream have varied from 180 to 286 milligrams per liter, with lower concentrations normally occurring during the high-flow season. Total suspended solids concentrations in Crandall Creek have varied during the period of record from <0.5 to 5.0 milligrams per liter (see Appendix 7-3). As expected, the highest suspended solids concentrations generally occur during periods of highest stream flow.

Parshall flumes were installed by GENWAL in Blind Canyon in July 1991 and in Crandall Canyon in May 1988. Locations of the lower and upper Crandall Canyon flumes (CF-1 and CF-1, respectively), and Blind Canyon flume (BF) are shown on Plate 7-16. Charts and tabulated flow data collected from the flumes are presented in Appendix 7-23.

Periodic instantaneous stream flow measurements collected in 1991 by GENWAL in Blind Canyon, Horse Canyon, and the north and south branches of Crandall Creek appear in Appendix 7-23. These measurements were collected from the locations shown on Plate 7-16. When the area was accessible, these measurements were collected monthly from January through June, bi-monthly

from July through September, and monthly from October through December. During seep and spring surveys performed in the area by GENWAL in October 1989, the South Fork of Horse Canyon was observed to be dry above the forks (Plate 7-16). Blind Canyon was observed to be dry in October 1989 above the midpoint between stations B-2 and B-3 (Plate 7-16). See also Appendix 7-23 for additional evaluations on flow through September 1992.

Water quality data collected by the U.S. Forest Service from Indian Creek are summarized in Appendix 7-45.

Water quality and discharge data for streams in the South Crandall Lease area are presented in Appendix 7-58. Water quality and discharge data for seeps, springs, and streams in U-68082 lease mod area are presented in Appendix 7-64.

App 7-56 Investigation of Potential for Little Bear Spring Recharge
App 7-57 Determination of Recharge Location of Little Bear Spring (Dye Tracing)
App 7-58 Summary of Hydrologic Baseline Information, South Crandall Lease
App 7-59 Little Bear Spring Study (Initial study, 1998) AquaTrack
App 7-60 Little Bear Spring Study (Expanded Study, 1999) AquaTrack
App 7-61 Mill Fork Resistivity Study, 2001 AquaTrack
App 7-62 Little Bear Spring (2nd Expanded Study, 2001) AquaTrack

7.26 Modeling

No hydrologic model has been prepared or conducted at this site, nor is any planned.

7.27 Alternative Water Source Information

GENWAL recognizes the fact that the Division of Wildlife Resources, the U.S. Forest Service, the Division of Oil, Gas & Mining, and the State Engineer consider all seeps and springs to be important to wildlife and downstream users. If, during the monitoring of the springs, it is determined that over the course of time a spring has been dewatered, GENWAL will notify the Division of Wildlife Resources, the Division of Oil, Gas and Mining, the U.S. Forest Service, the State Engineer, and any affected downstream users. A determination as to the probable cause of diminished flow will be made and if mining activities are found to be the cause, work will begin on an acceptable mitigation plan involving the use of guzzlers or other replacement measures acceptable to GENWAL, DOGM, the U.S. Forest Service, the State Engineer, and affected downstream users. The Utah Division of State Lands and Forestry will also be conferred with in formulating any mitigation plans that will affect the lands in the State Leases.

These replacement measures will be designed in cooperation with the Division of Wildlife Resources, the Division of Oil, Gas and Mining and the U.S. Forest Service and placed in the area of the effected spring. No other sources of water, other than the springs located by the seep and spring survey, are known to exist in the mine plan area. GENWAL owns shares in the Huntington-Cleveland Irrigation Company that can be transferred if required, to meet the demands of an alternate water supply. A copy of the water share certificate which would be used as an alternative water source is included in Appendix 7-14.

Mitigation for potential disruption to the Little Bear Spring will be accomplished though the construction of a water treatment plant which will provide replacement water for the spring. Construction of this water treatment plant will be done under the provisions of a water replacement agreement between GENWAL Resources, Inc. and the Castle Valley Special Service District who maintain culinary water rights to Little Bear springs. A copy of this water replacement agreement is included in Appendix 7-51. With construction of this water treatment plant an uninterrupted supply of culinary water will be assured irrespectively of whether mining can be conclusively shown to have affected Little Bear Spring. This is in compliance with special stipulation #17 of federal lease UTU-78953 (see Appendix 1-13).

7.2 Probable Hydrologic Consequences Determination

The Probable Hydrologic Consequences (PHC) is included as a separate document in Appendix 7-15. Installation of the culvert expansion project does not change the conclusions presented in the current PHC.

7.29 Cumulative Hydrologic Impact Assessment

The Division has prepared a Cumulative Hydrologic Impact Assessment (CHIA) for this operation in the initial permit. A complete PHC is provided in Appendix 7-15 to aid in the determination as to whether a new CHIA is required for this renewal.

7.30 Operation Plan

7.31 General Requirements

This section describes the groundwater and surface water protection plan and water quality monitoring program implemented within the existing permit area and to be implemented for the refuse disposal site. The purpose of the groundwater and surface water protection plan is to minimize the potential for water pollution and changes in water quality and flow for surface and groundwater within and adjacent to disturbed areas. The purpose of the water quality monitoring program is to identify the potential impacts of coal mining operations on the hydrologic balance.

7.31.1 Hydrologic Balance Protection

Surface and Groundwater Protection Plan

GENWAL has included a plan to protect the surface and groundwater in the area of the mine facilities, topsoil storage site and refuse disposal site. The plan will ensure protection of the ground water and surface water resources of the sites by handling earth and refuse materials in a manner that prevents or controls, using the best technology currently available, the discharge of pollutants to the hydrologic system. Additionally, the GENWAL commits to handle acid- and toxic-forming materials, if encountered in the future, in a manner that will minimize acid- and toxic-forming discharge to surface or groundwater. The design details of the water protection plans are presented in Section 7.42 of this application.

In order to prevent material damage to the hydrologic balance and to protect the hydrologic systems possibly associated with the Joes Valley fault system, GENWAL plans to drill ahead before mining in the Incidental Boundary Change area adjacent to the Joes Valley fault in T. 16 S., R. 6 E. Sections 3 and 10.

When mining in the longwall gate entry nears the fault (between 200-300 feet away), an underground drill will be used to drill west toward the fault to determine its location. The drill will drill horizontally toward the fault up to 50 feet ahead of the entry face. If the fault is not

encountered, the continuous miner will advance about 30-40 feet toward the fault, leaving at least 10 feet of coal between the entry and the end of the hole. The drill will again drill ahead. This sequence will continue until either water or fault gouge is encountered in the hole or the entry has been developed to its maximum extent (providing no fault was detected). If the fault is encountered prior to reaching the bleeder entries, then mining will stop and the bleeder entries will be relocated. At least 10 feet of solid coal will be left between the face of the entry and the fault.

Other indicators have been experienced during mining up next to Joe's Valley Fault. Any of these indicators being present will affect the above mining sequence. The indicators, which we have experienced are severe rib rashing in some cases; in others the ribs will stand up showing no rib rash. Severe water pressures have never been encountered. Large flows of water have occurred from cracks in the roof, but these flows have been associated with sand channels rather than the fault.

One horizontal hole will be drilled in the 10, 11 12 13 and 14th west panels. Should water be encountered by the drill hole, entry development would terminate at that point. Although large amounts of water and high pressure have not been previously encountered by mining near the fault, an emergency plan to handle water inundation from the fault has been developed. The plan consists of the following actions:

1. Pull equipment back from face
2. Erect two Kennedy stoppings at least 2 feet apart
3. Place appropriate sized de-water pipe w/valve at bottom of stoppings
4. Pump quick drying cement into the space between the stopping
5. After minimum drying time, close water valve

As a secondary measure of precaution, no longwall mining will take place in the 22 degree angle of draw projected from the Joes Valley fault. Therefore no subsidence from mining operations will intersect the fault or fault zone. Any hydrologic conditions specific to the Joes Valley Fault will not be impacted through mining or subsidence based on accessibility of the sites. Water monitoring reports will be submitted to the Division on a quarterly basis, and a summary report will be submitted yearly with the Annual Report for the mine.

All test and measurement instruments are operated, maintained and calibrated in accordance with the manufacturers instructions. The results of all field measurements are recorded and initialed by the sampler. When laboratory measurements are required, a specific set of sample bottles are pre-ordered from the laboratory. Bottles received from the laboratory are clean, pre-acidified and color-coded. Once the sample bottles are filled, they are individually labeled with water-proof, smudge-proof labels, placed in ice chests with ice packs and returned to the laboratory as soon as possible to insure proper holding times are met.

7.31.21 Groundwater Monitoring Plan

As noted in Section 7.24.1 only four springs were found during the June 1985 seep and spring survey within the area of potential subsidence with flow rates of one to two gallons per minute (SP-16, SP-17, SP-30, SP-36). By the time of the fall survey, all seeps and springs with the area of potential subsidence except SP-30 and SP-36 had dried up. Spring SP-30 was found to be dry during 1986 and in subsequent years to the present. The flow from SP-30 originally measured in 1985 is most likely attributable to higher than normal precipitation during 1983-1985. SP-30 occurs as diffuse seepage from the Blackhawk Formation above the mine portals and is collected in a diversion pipe to avoid problems at the portal face. Flow at SP-36 issues from a sandstone-shale contact within the Blackhawk Formation and showed evidence of use by elk and deer. All major springs (flows of at least five gallons per minute) found during the June 1985 survey were located outside of the area of potential subsidence at that time.

The Federal Lease #UTU-68082 and State Leases have since been added to the permit area, and the area of potential subsidence has therefore expanded. Additional spring and seep surveys were conducted in 1987, 1989, through 1993. The proposed groundwater monitoring program described below is based on the results of those surveys and is designed to evaluate impacts from the entire permit area, including the State Leases and Lease #UTU-68082 (LBA 9). A table clarifying the groundwater monitoring program is shown in Table 7-10 at the end of Chapter 7 text.

Previous to August 1994, groundwater monitoring for the Crandall Canyon Mine area included collection of water quality and quantity data from eleven springs as well as points of significant inflow to the underground workings. Based on the permit modification to include UTU-68082 (LBA #9), GENWAL conducts the monitoring of fourteen seeps and springs:

SP-30 and SP-36 are monitored to determine potential impacts in the immediate vicinity of the mine. SP-58 is monitored as an indicator of long-term changes in groundwater issuing from the Blackhawk Formation in a area that will not be affected by mining operations. The magnitude of these changes will be useful when interpreting changes at SP-30 and SP-36.

SP2-24, SP2-9, SP-47A, and SP1-3 are monitored since a water right has been filed on the springs by the U.S. Forest Service. Springs SP1-19 and SP1-22 are monitored as indicators of the water supply in the upper reaches of Blind Canyon and the North Fork of Crandall Canyon.

SP1-33, SP1-47, and SP2-1 are monitored as an indicator of changes in groundwater emanating near the western border of East Mountain, contiguous to Joe's Valley Fault.

SP1-9 (also SP1-19 mentioned above is located within this state lease) located in Lease ML-21569 and SP1-24 in lease ML-21568 are monitored to evaluate the effects of potential subsidence in the state leases. Plate 7-12 shows the location of each spring.

Samples were collected from each of the fourteen seeps/springs listed above, plus seeps SP2-14 and SP2-23, during the spring of 1994 and analyzed for both quantity and quality. Based on the information collected during 1994 and the past seep and spring surveys, springs SP-36, SP-58, SP2-9, SP2-24, SP1-33, and SP1-9 are monitored quarterly for quantity and quality. The remaining springs (SP-30, SP2-1, SP1-47, SP1-24, SP1-19, SP-47A, SP1-3, and SP1-22) are monitored for quantity and

field chemical parameters only. Springs SP2-14 and SP2-23 have been removed from the list of springs to be monitored due to extremely low or no flow over the past few years and SP2-9, which is contiguous to these two springs, is a good indicator of the water quality and quantity for that area of the mine permit. Monitoring at the fourteen seeps/springs will continue on a quarterly basis.

Following reclamation the samples will be collected semiannually until the surety bond is released. At least one of these samples will be collected during the low-flow period (normally the fourth quarter). These samples are collected as close as possible to the point of issuance of the springs. Samples are analyzed according to the list of parameters in Table 7-4 which includes, flow, pH, conductivity or TDS, total iron, and total manganese as required by R645-301-724.1.

Samples collected during the low-flow period of the year (fourth quarter) will be analyzed according to the list of parameters contained in Table 7-5 (as requested in guidelines from DOGM) in the years 1990, 1995, 2000, and at 5-year intervals thereafter until the surety bond is released.

Even though SP-30 has been dry since the original measurement in 1985, monitoring at SP-30 will continue. By continuing to monitor SP-30, flow trends, as they relate to precipitation patterns, can be observed. Substitution of another spring in the vicinity was considered and dismissed due primarily to the long term monitoring correlation stated above and because there exists a lack of flowing springs in the vicinity of old mine workings. Additionally, when the physiographic location of the mine portal is compared with similar locations in adjacent canyons (ie; Blind Canyon, Horse Canyon, Little Bear, and Mill Fork) there are an apparent absence of springs on these mid to upper south facing hill slopes (Plate 7-12). The apparent absence of seeps and springs in these areas is primarily related to the geologic nature and limiting hydrologic characteristics of the Blackhawk Formation in its upper strata.

In conjunction with the South Crandall Lease (UTU-78953) and the SITLA/PacifiCorp sublease GENWAL will monitor four springs. The monitoring plan for the South Crandall Lease is described below. Monitoring site locations are shown on Plate 7-18. The monitoring protocols for each of the monitored springs are presented in Table 7-10.

The monitoring plan for springs includes springs in the Castlegate Sandstone, Blackhawk Formation, and Star Point Sandstone. As demonstrated in the PHC, it is believed that the potential for diminution of flow or degradation of the water quality of springs discharging from the Price River or North Horn Formations is remote.

Little Bear Spring will be regularly monitored to verify that impacts to not occur and to document the relationship between climatic variability and discharge from the spring. Quarterly water quality sampling at the spring will occur and the samples will be analyzed for the parameters listed in Table 7-4. Discharge from the spring is monitored by the Castle Valley Special Service District.

Springs LB-7, LB-7A, LB-7B, AND LB-7C discharge near the contact of the Blackhawk Formation and Castlegate Sandstone in Little Bear Canyon. Spring LB-12 discharges from the Blackhawk Formation near the bottom of Little Bear Canyon. These springs will be monitored quarterly for flow and field water-quality parameters. NOTE: multiple seam mining beyond spring site LB-7 in Little Bear Canyon is contingent upon a monitoring plan approved by the Division in concurrence with the Forest Service at least two years prior to mining in that area.

It should be noted that access to Little Bear Canyon can be hazardous. When ice or snow is present it can become unsafe to traverse the cliffs, and steep, rugged slopes in the canyon. It can also be dangerous to wade across Huntington Creek when stream flows are high. In consideration of these difficulties, a diligent attempt will be made each quarter to monitor the springs at times when conditions permit. However, there will likely be times when these springs are not accessible for monitoring.

Spring LB-5A discharges from a sandstone channel in the upper Blackhawk Formation overlying proposed mining areas. To monitor for potential impacts to groundwater systems in the Blackhawk Formation, LB-5A will be monitored quarterly for Table 7-4 parameters including flow and field water-quality parameters.

Spring SP-79 discharges from the Star Point Sandstone in the northeast portion of the proposed South Crandall Lease area. To monitor for potential impacts to Star Point Sandstone groundwater systems (stratigraphically below the mined coal seam) quarterly monitoring of this spring will occur. SP-79 will be monitored according to Table 7-4 parameters including flow and field water-quality parameters.

SP-18 and SP-22 are located in the Shingle Canyon (aka No Name Canyon) area in th northeast part of the permit area. SP-18 issues from the contract between the Blackhawk formation and the Star Point sandstone near the confluence of the drainage. SP-22 is located higher in right fork of Shingle Creek in the Blackhawk above the elevation of the coal seam to be mined. These springs will be monitored to verify that effects of mining in the U-68082 lease modification area. These springs will be monitored for flow and field parameters quarterly.

TABLE 7-4

Abbreviated Groundwater Analysis List

Field Measurements:

Water level or flow
pH
Specific conductance (umhos/cm)
Temperature (°C)

Laboratory Measurements:

Total dissolved solids
Total hardness (as $CaCO_3$)
Total Alkalinity
Bicarbonate (as HCO_3)
Carbonate (as CO_3)
Calcium (as Ca)
Chloride (as Cl)

Dissolved iron (as Fe)
Total Iron (as Fe)
Magnesium (as Mg)
Total Manganese (as Mn)
Potassium (as K)
Sodium (as Na)
Sulfate (as SO_4)

TABLE 7-5

Extended Groundwater Analysis List

Field Measurements:

Water level or flow
pH
Specific conductance (umhos/cm)
Temperature (°C)

Laboratory Measurements:

Total dissolved solids
Total hardness (as $CaCO_3$)
Total Alkalinity
Acidity
Aluminum (as Al)
Arsenic (as As)

Barium (as Ba)
Bicarbonate (as HCO_3)
Baron (as B)
Carbonate (as CO_3)
Cadmium (as Cd)(Dissolved)
Calcium (as Ca)(Dissolved)

Chloride (as Cl)
Copper (as (Cu)(Dissolved)
Dissolved Iron (as Fe)
Total Iron (as Fe)

Lead (as Pb)(Dissolved)
Magnesium (as Mg)(Dissolved)
Dissolved Manganese
Total Manganese (as Mn)
Molybdenum (as Mo)(Dissolved)

Nitrogen-Ammonia (as NH_3)
Nitrite (as NO_2)
Nitrate (as NO_3)
Potassium (as K)(Dissolved)
Phosphate (as PO_4)

Selenium (as Se)(Dissolved)
Sodium (as Na)(Dissolved)
Sulfate (as SO_4)
Zinc (as Zn)

All samples are preserved as soon as practicable after collection. Samples are collected and analyzed according to the methodology in the current edition of "Standard Methods for the Examination of Water and Wastewater" or the methodology in 40 CFR Parts 136 and 434.

On a quarterly basis an inventory will be conducted of the active portion of the mine to identify the location and geologic occurrence of mine inflows that exceed three gallons per minute. In consultation with DOGM, certain of these inflows (if they occur) will be selected for continued monitoring. Previously, only one such inflow existed, flowing from the roof of the mine from an exploratory hole (DH-1) that was vertically drilled from within the permit area at the location shown on Plate 3-2 (listed as "DRILL HOLE"). Flow from this hole was originally controlled with a valve. However, the overlying perched aquifer no longer produces a flow sufficient to monitor.

After selection of the inflow points to be monitored, data will be collected on a quarterly basis and analyzed according to Table 7-4. Samples collected during the low-flow period (normally the fourth quarter) will be analyzed according to Table 7-5 in the years 1990, 1995, 2000, and at 5-year intervals thereafter. Monitoring and sampling of the selected mine inflow points will continue, according to this schedule, in safely accessible portions of the mine.

Water rights apparently have been filed for two additional springs in the area surrounding the lease areas (93-1407 and 93-1408 on Plate 7-14). As noted in Section 7.24.1 the source at 93-1407 was not discovered until the fall of 1990. Until this time it was surmised to exist as only a seep (similar to 93-1408 (SP-47). Since its discovery GENWAL has committed to monitoring and sampling SP-1407 (SP-47a) in the groundwater monitoring plan submitted with the Right-of-Way application. Source 93-1408 existed as a seep in June but was dry in October, 1985. Hence, it was decided not to monitor 93-1408 on a long-term basis since it does not flow at a sufficient rate to permit sample collection. SP-47 was observed to be dry in October, 1989 and in June of 1990.

GENWAL installed monitoring wells near the mine portal (MW-1), and in the East Mains near their junction with the North Mains (MW-2) (Plate 7-13). Monitoring well MW-3 is located in an area sealed in 1979, and is now inaccessible. Monitoring wells MW-4 and MW-5 were installed in January 1992. These locations were chosen in areas where access will be maintained as long as possible.

Each underground monitoring well was drilled using air-rotary techniques (see Appendix 7-46 for completion diagrams). MW-1 was drilled to a total depth of 375 feet (Figure 7-1). As 6 5/8-inch diameter steel casing was cemented within a 10-inch diameter hole to a depth of 100 feet. A 6-inch diameter open hole completion exists from 100 to 375 feet. MW-2 was drilled to a total depth of 134 feet. Four-inch casing was set to 5 feet. A 3-inch open hole completion exists from 5 to 134 feet. Drilling of a larger diameter hole at greater depth was precluded by the inability of a larger drill rig to mobilize underground.

Monitoring well MW-4 was drilled to a depth of 111.5 feet. The hole has a 5" casing set to a depth of 4 feet, and a 1.5 inch PVC casing for the remainder, with a slot screen in the bottom 10 feet. MW-5 was drilled to a depth of 116.8 feet. It has a 5" casing to a depth of 4 feet, and a 2 inch PVC casing for the remainder, with a slot screen in the bottom 40 feet.

After drilling, each hole was surged with air to remove fines that had accumulated in the holes. Surging continued until the water discharging from the holes was visibly clear. A cap was placed over the surface casing to allow closure of each well when not in use.

Construction and initial sampling of the underground monitoring wells was completed in June, 1989 and June, 1992. Lithologic/completion logs of the wells have been submitted to DOGM along with the results of analyses of the first samples collected from the wells. An interpretation of the hydrogeology of the Star Point Sandstone beneath the mine appears in Section 7.24.1.

Water-level measurements and water-quality samples will be collected from the monitoring wells on a quarterly basis following completion during the first two years following completion of the in-mine wells and in the years 1990, 1995, 2000 and in 5-year intervals thereafter. During the operational period of the mine, water-quality samples collected from all wells will be analyzed according to the list provided in Table 7-4. Monitoring will continue according to this schedule in accessible wells until two years after the completion of surface reclamation activities.

Each monitoring well will be pumped prior to sampling to purge it of stagnant water standing in the hole. In the case of M-1, purging will be accomplished using a submersible pump. A bailer will be used for purging and sampling MW-2, MW-4 and MW-5. In each case, purging will continue until at least 3 times the volume of water standing in the well has been pumped. Samples will be collected directly from the discharge line of the pump. Samples will be preserved and stored in accordance with U.S. Environmental Protection Agency guidelines.

Groundwater monitoring data collected from the area will be submitted to DOGM on a quarterly basis. On an annual basis, a report will be submitted to DOGM summarizing all data collected during the year and containing an analysis of the mine water balance, accounting for mine inflows, outflows, consumptive uses, and sump storage (a copy of the annual report will also be given directly to the Price office of the U.S. Forest Service).

After the completion of mining activities and during the post-mining/reclamation period, water-level and quality samples will be collected annually from the designated springs and MW-1 until the termination of bonding. In-mine wells will be inaccessible following reclamation. Samples will be collected during the latter portion of the summer to represent low-flow conditions. Samples thus collected will be analyzed for the parameters listed in Table 7-4. A report will be submitted to DOGM on an annual basis summarizing the results and assessing mining impacts and system recovery since mining ceased.

7.31.22 Surface Water Monitoring Plan

Two 36-inch Parshall flumes were installed in July 1985 on Crandall Creek (one upstream from the surface facilities and one downstream (see Plate 7-16). A 12-inch Parshall flume has been installed in Blind Canyon to monitor possible effects of mining in State Lease ML-21569. These flumes are equipped with Stevens Type-F water-level recorders to allow the collection of continuous flow data. Charts will be changed and the flumes inspected on a monthly basis. Flume location and stream monitoring stations are shown on Plate 7-16.

Water quality samples will be collected from the flume locations quarterly, and analyzed according to the list contained in Table 7-8. In the years 1990, 1995, 2000 and every fifth year thereafter the samples collected during the low-flow period (normally fourth quarter) will be analyzed according to Table 7-9. All samples will be analyzed for total and dissolved constituents according to the indicated lists. Sampling and analysis will be conducted quarterly until the surface areas are reclaimed, at which time sampling will be conducted semiannually until the surety bond is released. For perennial streams, those samples will be collected during high-flow (normally second quarter) and low-flow (normally fourth quarter) periods. Discharges from the sedimentation pond will be analyzed in accordance with the NPDES permit for the facility.

Stream flow observations made during drilling operations as well as seep and spring surveys suggest that large portions of the south fork of Horse Creek, and both the north and south forks of Crandall Creek have only ephemeral and intermittent flows within State Leases ML-21568 and ML-21569 and portions of UTU-68082. Plate 7-16 shows the points of transition between perennial and intermittent flow for Horse Creek, Blind Creek, the north and south forks of Crandall Creek, and Indian Creek. Blind Creek has been determined to be intermittent.

Stream channel monitoring stations have been established along both the north and south forks of Crandall Creek, and the south branch of Horse Creek to determine what stream reaches exhibit perennial flow. Stream flow and water temperature were measured twice monthly from May through July, and monthly during the remainder of 1991 when the area was accessible. Stream monitoring results are found in Appendix 7-23. Stream monitoring was again done on September 28, 1992. These results are also contained in Appendix 7-23. Stream monitoring ceased at the end of 1992.

To provide for proper monitoring of Indian Creek (in Upper Joe's Valley) a 36-inch Parshall flume was installed. This flume is equipped with a Stevens Type-F water-level recorder to allow the collection of continuous flow data. Charts will be changed and the flumes inspected on a monthly basis. The location of this flume is depicted on Plate 7-16. Because of its higher elevation and limited access this flume is typically operational from June 1 through November 1 of any given year. If seasonal variations and access allow, this station will be operated for longer periods.

Water quality samples will be collected from the Indian Creek flume location quarterly (weather permitting), and analyzed according to the list contained in Table 7-8. In the years 1995, 2000 and every fifth year thereafter the samples collected during the low-flow period (normally fourth quarter) will be analyzed according to Table 7-9. All samples will be analyzed for total and dissolved constituents according to the indicated lists. When flumes or other monitoring devices are no longer required, they will be removed and the affected areas will be restored.

No retreat mining will be conducted within the designated stream channel buffer zones. Horse Canyon is located hydraulically upgradient and north of the UTU-68082 (LBA No. 9) north boundary line. Current mine plans show that because of limited coal height that neither development mining or retreat mining will occur beneath Horse Canyon and the stream channel buffer zones. Since mining has already occurred under Blind Canyon, Crandall Canyon, and beneath the upper reaches of the left fork (South Fork) tributary of Horse Canyon, any adverse effects to the respective

streams should manifest as reduced stream flow and a continuous high volume inflow into the mine workings. If it is found that stream flows in Blind Canyon and Crandall Canyon have been impacted by mining, then a decision to monitor Horse Canyon on a continuous basis will be made.

In conjunction with the South Crandall Lease (UTU-78953) and the SITLA/PacifiCorp sublease GENWAL will monitor four creeks. The monitoring plan for the South Crandall Lease is described below. Monitoring site locations are shown on Plate 7-18. The monitoring protocols for each of the monitored creeks are presented in Table 7-10.

Little Bear Canyon Creek will be monitored quarterly for Table 7-8 parameters including flow and field water-quality parameters. The creek will be monitored approximately 100 feet above the confluence with Huntington Creek (Plate 7-18). Based on the range of discharge anticipated at the creek (see Appendix 7-58) discharge measurements at Little Bear Canyon Creek will likely be performed using a 90° v-notch weir or a portable 3-inch Parshall flume.

The ephemeral drainage in SW 1/4 of Section 4 T16S R7E will be monitored quarterly for Table 7-8 parameters including flow and field water-quality parameters. No discharge was observed in this drainage during drought conditions in 2003. If flow occurs in this drainage, the discharge will be measured using appropriate portable discharge measuring devices.

Monitoring station IBC-1 monitors the drainage located along the border of Sections 5 and 6, T16S, R7E. This drainage will be monitored quarterly for Table 7-8 parameters including flow and field water-quality parameters. Discharge in this drainage has been meager (Appendix 7-58) and discharge will likely be measured using a stopwatch and a calibrated bucket. The potential for impacts to this drainage are considered remote because only a small region in the extreme northwestern portion of the South Crandall Lease area is drained by this drainage. However, to verify that no impacts to this drainage occur, and to document the effects of climatic variability on stream discharge in the region, this creek will be monitored.

The creek in Section 5 T16S, R7E will be monitored quarterly for Table 7-8 parameters including flow and field water-quality measurements. This creek drains most of the northeastern portion of the South Crandall Lease area, where the initial mining in the lease area will occur. Additionally, the upper forks of this drainage will be monitored for flow and field water-quality measurements will be performed. Flow at each of the monitoring sites on this drainage has been meager. Thus, flow measurements will likely be performed using a stopwatch and a calibrated bucket.

In conjunction with mining in the U-68082 lease modification area GENWAL will monitor surface flow in Shingle Canyon (aka No Name Canyon), for flow and field parameters quarterly. This site is located immediately down stream from the confluence of the right and left forks of the canyon, and is shown on Plate 7-18.

TABLE 7-8

Abbreviated Surface Water Analysis List

Field Measurements:

Water level or flow
pH
Specific conductance (umhos/cm)
Temperature (°C)
Dissolved oxygen (ppm)

Laboratory Measurements:

Total dissolved solids
Total suspended solids
Total settleable solids
Total hardness (as $CaCO_3$)
Total Alkalinity
Bicarbonate (as HCO_3)

Carbonate (as CO_3)
Calcium (as Ca)
Chloride (as Cl)
Dissolved Iron (as Fe)
Total Iron as (Fe)
Magnesium (as Mg)

Dissolved Manganese
Total Manganese (as Mn)
Potassium (as K)
Sodium (as Na)
Sulfate (as SO_4)
Oil and Grease
Cation - Anion balance

TABLE 7-9

Extended Surface Water Analysis List
(Baseline Parameters)

Field Measurements:
Flow
pH
Specific conductance (umhos/cm)
Temperature (°C)
Dissolved oxygen (ppm)

Laboratory Measurements:

Total dissolved solids
Oil and Grease
Cation - Anion balance
Total suspended solids
Total settleable solids
Total hardness (as $CaCO_3$)
Total Alkalinity

Acidity as ($CaCO^3$)
Aluminum (as Al)
Arsenic (as As)
Bicarbonate (as HCO_3)
Boron (as B)
Carbonate (as CO_3)

Cadmium (as Cd)
Calcium (as Ca)
Chloride (as Cl)
Copper (as Cu)(Dissolved)
Dissolved iron (as F)
Total iron as (Fe)
Lead (as Pb)(Dissolved)
Magnesium (as Mg)(Dissolved)

Dissolved Manganese
Total Manganese (as Mn)
Molybdenum (as Mo)(Dissolved)
Nitrogen-Ammonia (as NH_3)
Nitrite (as NO_2)

Nitrate (as NO_3)
Potassium (as K)(Dissolved)
Phosphate (as PO_4)
Selenium (as Se)(Dissolved)
Sodium (as Na)(Dissolved)

Sulfate (as SO_4)
Zinc (as Zn)(Dissolved)

Table 7-10 Water Monitoring Program

Ground Water

Springs

1	SP-30	No Side Lower Crandall	Flow and field parameters quarterly
2	SP-36	No Side Lower Crandall	Flow, field parameters, and Table 7-4 parameters quarterly
3	SP-58	Forks of Crandall Crk.	Flow, field parameters, and Table 7-4 parameters quarterly
4	SP2-24	Top of East Mountain	Flow, field parameters, and Table 7-4 parameters quarterly
5	SP2-9	Top of East Mountain	Flow, field parameters, and Table 7-4 parameters quarterly
6	SP47A	Pt No of Crandall Mine	Flow and field parameters quarterly
7	SP1-3	Top of East Mountain	Flow and field parameters quarterly
8	SP1-19	Top of East Mountain	Flow and field parameters quarterly
9	SP1-22	Top of East Mountain	Flow and field parameters quarterly
10	SP1-33	Upper Joe's Valley	Flow, field parameters, and Table 7-4 parameters quarterly
11	SP1-47	Upper Joe's Valley	Flow and field parameters quarterly
12	SP2-1	Upper Joe's Valley	Flow and field parameters quarterly
13	SP1-9	Top of East Mountain	Flow, field parameters, and Table 7-4 parameters quarterly
14	SP1-24	Top of East Mountain	Flow and field parameters quarterly
15	LB-5A	Little Bear Canyon	Flow, field parameters, and Table 7-4 parameters quarterly
16	LB-7	Little Bear Canyon	Flow, field parameters quarterly
17	LB-7A	Little Bear Canyon	Flow, field parameters quarterly
18	LB-7B	Little Bear Canyon	Flow, field parameters quarterly
19	LB-7C	Little Bear Canyon	Flow, field parameters quarterly
20	LB-12	Little Bear Canyon	Flow, field parameters quarterly
21	SP-79	Huntington Canyon trib.	Flow, field parameters, and Table 7-4 parameters quarterly
22	Little Bear Spring		Flow, field parameters, and Table 7-4 parameters quarterly
23	SP-18	Shingle Canyon	Flow, field parameters quarterly.
24	SP-22	Shingle Canyon	Flow, filed parameters quarterly.

In-Mine Monitoring Wells

1	DH-1	Main North (Dry)	Flow, field parameters, and Table 7-4 parameters quarterly
2	DH-2	In Sealed Area	Flow, field parameters, and Table 7-4 parameters quarterly
3	MW-1	At Portals	Flow, field parameters, and Table 7-4 parameters quarterly
4	MW-2	At Mouth of Main East	Flow, field parameters, and Table 7-4 parameters quarterly
5	MW-3	In Sealed Area	Flow, field parameters, and Table 7-4 parameters quarterly
6	MW-4	In Sealed Area	Flow, field parameters, and Table 7-4 parameters quarterly
7	MW-5	Destroyed	Flow, field parameters, and Table 7-4 parameters quarterly
8	MW-6	Main South (DEEP)	Flow, field parameters, and Table 7-4 parameters quarterly
9	MW-6a	Main South (No of Dike)	Flow, field parameters, and Table 7-4 parameters quarterly
10	MW-7	Main West	Flow, field parameters, and Table 7-4 parameters quarterly
11	MW-8	Main South (So of Dike)	Flow, field parameters, and Table 7-4 parameters quarterly

Table 7-10 Water Monitoring Program (continued)

Surface Water

Streams

1 Upper Flume Crandall Creek	Flow, field parameters, and Table 7-8 parameters quarterly
2 Lower Flume Crandall Creek	Flow, field parameters, and Table 7-8 parameters quarterly
3 Horse Canyon Creek	Flow, field parameters, and Table 7-8 parameters quarterly
4 Blind Canyon Creek	Flow, field parameters, and Table 7-8 parameters quarterly
5 Indian Creek	Flow, field parameters, and Table 7-8 parameters quarterly
6 IBC-1	Flow, field parameters, and Table 7-8 parameters quarterly
7 Section 4 Creek	Flow, field parameters, and Table 7-8 parameters quarterly
8 Section 5 Creek (lower)	Flow, field parameters, and Table 7-8 parameters quarterly
9 Section 5 Creek (Upper Right Fork)	Flow and field parameters quarterly
10 Section 5 Creek (Upper Left Fork)	Flow and field parameters quarterly
11 Little Bear Creek	Flow, field parameters, and Table 7-8 parameters quarterly
12 Shingle Creek	Flow, Field parameters quarterly.

UPDES

1 001 – Sed Pond Discharge	Flow, field parameters, and UPDES parameters per occurrence
2 002 – Mine Water Discharge	Flow, field parameters, and UPDES parameters monthly

Note: See Plate 7-18 for Locations

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APPENDIX 7-15

PROBABLE HYDROLOGIC

CONSEQUENCES DETERMINATION

1/23/95 revised 9/03

R645-301-728 Probable Hydrologic Consequences Determination

This document has been prepared in accordance with requirements of the State of Utah R645 Coal Mining Rules. The format follows the regulations R645-301-718.100 through R645-301-728.400. This Probable Hydrologic Consequences evaluation of the coal mining and reclamation operations has been prepared by GENWAL Resources, Inc. to provide a description of the potential impacts of the mining operation on the hydrologic systems and the means to prevent or mitigate those identified impacts.

R645-301-728.100 Determination

This determination section presents a brief summary of the surface water, groundwater, and geologic resource descriptions of the permit area and the South Crandall Lease area and the U-68082 lease mod area and a description of the possible impacts of the coal mine on the hydrologic resources.

The geologic and hydrologic data and their associated appendices are contained in Chapter 6 and Chapter 7, respectively. The potential sources of contamination to the hydrologic resources in the area of the mine were identified through site visits, knowledge of the working operations of the mine and discussions with GENWAL Resources personnel. These potential contamination sources and impacts include:

Water Quantity
- Interception of groundwater and surface water
- Water consumption within the mine
- Seepage from mine sumps
- Pumping from Crandall Creek

Water Quality
- Additional sediment contribution
- Fugitive dust
- Oil and grease
- Mine water discharge
- Acid-toxic materials
- Flooding or Streamflow Alteration

Each of these potential sources of contamination or impact and their associated mitigating measures or circumstances are discussed in the following sections.

Water Quantity Impacts

Possible impacts to the surface and groundwater systems from the mining operation could affect the quantity of water in the mine area. Interception, consumption, and seepage of surface or groundwater are possible mechanisms which could affect the water systems.

Interception.

A limited potential exists for interception of groundwater or surface water due to subsidence which may affect the perched aquifers (springs and seeps), and stream flows in Crandall Canyon, Blind Canyon, Horse Creek, the upper headwaters of the Indian Creek drainage (Upper Joes Valley), and the streams and springs of the South Crandall Lease area and the U-68082 lease mod area. The potential for hydrologic impacts may result from creating subsurface interconnections from the more permeable zones in the strata as a result of mine subsidence. This can be expressed by the potential interrelated occurrences of intercepted groundwater flow in the overlying perched aquifers, the interruption or lessening of flow to springs, or the interception of surface water flow from ephemeral streams.

Groundwater Interception.

Typically, groundwater interception and translocation of that water is the primary mechanism by which the groundwater system may be impacted. As indicated in Section 7.24.1 of this permit, the regional groundwater system, located in the Blackhawk-Starpoint aquifer at the Crandall Canyon Mine, is below the Hiawatha Coal.

Monitoring of in-mine and surface wells indicate that the potentiometric surface of the regional Blackhawk-Star Point aquifer in the mine area lies approximately 50 to 60 feet below the top of the Star Point Sandstone over most of the mine. In the westernmost portion of the mine, near the Joes Valley Fault system, the potentiometric surface of the Star Point Sandstone is at or slightly above the elevation of the floor of the mine. In these areas, minor amounts of groundwater weep from the floor of the mine. In the remainder of the mining areas, because mining is being conducted in the Hiawatha seam of the Blackhawk Formation, which overlies the Starpoint Sandstone, dewatering of the Blackhawk-Starpoint aquifer by the Crandall Canyon Mine is not possible.

Historically, the springs within the permit area which are monitored on a quarterly basis, in the perched aquifer of the Blackhawk Formation above the mine, have not been affected by operating the Crandall Canyon Mine. Because of the tightness of the joints and the presence of aquicludes, significant mine in-flows from the overlying strata have not occurred and nor are they anticipated.

A reconnaissance of field information and data available from the old Huntington #4 permit indicates that Little Bear Spring located in T16S-R7E-Sec9 (see Plates 7-12, 7-13, and 7-14) emanates from the Panther (lowest member) of the Star Point Formation. Previous drilling within the mine area has shown that the three members of the Starpoint Sandstone are vertically isolated

from one another. The Spring Canyon member is located within the upper 100 feet of the Starpoint Sandstone. This member has been found to contain water in some areas of the mine. The Storrs member was isolated from the Spring Canyon member by interbedded shale and siltstone. It did not appear to contain any appreciable water. The Panther member was found to be about 36 feet thick at a depth of 315 to 351 feet. Flow from this bed varied from about 2.1-7.0 gallons per minute. Although Little Bear spring emanate out of the Panther member, age dating showed the water to be of recent age (<50 years old). Age dating of water from the Starpoint Sandstone shows it to be of an age greater than 10,000 years old. It appears that Little Bear Spring emanates from a fault zone which may be serving as a conduit for diversion of recent water intercepted in some of the larger drainages in the area. It is doubtful that mining activities would have any affect on flow from Little Bear Spring due to the large age difference between the water encountered underground and the water flowing out of Little Bear Spring.

Meetings with the Castle Valley Special Service District officials and their representatives, as well as the other water user districts of the area, was held on 10 June 1993. The concern of the Castle Valley Special Service District regarding diminution and mitigation of the Little Bear Spring flow that could result from future mining were discussed. Given the elevations of the Starpoint potentiometric surface, in relation to that of the Hiawatha Coal Seam, it was shown that the present and future mine workings would not interfere with the Starpoint aquifer.

Little Bear Spring is a developed spring that provides municipal water to nearby municipalities. It emanates from a fracture system in the Panther Member of the Star Point Sandstone that trends in an approximate northeast-southwest direction.

Because of its importance as a municipal water supply source and its proximity to proposed mining areas, Little Bear Spring has been extensively studied. Several hydrologic studies have been performed since 1977 to investigate the recharge source for Little Bear Spring (Forest Service Project File). These studies have agreed that the spring flow is supported by a fault/fracture system. Since Little Bear Spring lies more than 300 feet below the level of the mineable coal seams and past mining encountered the fault/fracture system without significant inflow of water, there is general consensus among the Castle Valley Special Service District (CVSSD), mine operators, scientific community, and the regulatory agencies that adverse effect to the spring are unlikely.

Several studies have been done that suggest a northerly component of flow feeding Little Bear Spring. These studies include:

- Vaughn Hansen Associated, *Water Quality and Hydrologic Study in Vicinity of Huntington Creek Mine No. 4 and Little Bear Spring*, Prepared for Swisher Coal Company, August1977.
- Hydro-Sciences, Inc., *Ground Water Hydrology in the Vicinity of the Huntington No. 4 Mine,* Prepared for ARCO Coal Company, December 19, 1980.
- Beaver Creek Coal Company, *Huntington Canyon No. 4 Mining and Reclamation Plan,* Prepared for UDOGM, 1983.

- Utah Geological and Mineral Survey, *Effects of Coal Mining at Huntington Canyon No. 4 Mine on Little Bear Spring, Emery County,* Prepared for Castle Valley Special Services District, Job No. 84-005, January 21, 1984.
- Vaughn Hansen Associated, *Hydrologic Conditions in Huntington Canyon No. 4 Mine,* 1984.

These referenced studies are available for review at the Division's Public Information Center.

Other studies indicate that the Little Bear Spring may possibly be fed by fault/fracture system which intercepts surface water in Mill Fork Canyon southwest of the South Crandall Lease area. These scientific investigations include an investigation of the Little Bear Spring groundwater system and the groundwater systems encountered in the Crandall Canyon Mine (Appendix 7-52), a solute and isotopic investigation of groundwater from Little Bear Spring and the Star Point Sandstone and Blackhawk Formation groundwater systems the Crandall Canyon Mine (Appendix 7-53), an investigation of the hydraulic conductivity of the Star Point Sandstone in the vicinity of the Crandall Canyon Mine (Appendix 7-54), an investigation of the alluvial groundwater system in Mill Fork Canyon with implications for recharge to Little Bear Spring (Appendix 7-55), an investigation of the potential for Little Bear Spring recharge in Mill Fork Canyon (Appendix 7-56), and a fluorescent dye-tracing study that conclusively demonstrates the hydraulic connection between the stream/alluvial groundwater system in Mill Fork Canyon and Little Bear Spring (Appendix 7-57). Sunrise Engineering also performed a series of investigations using a proprietary geophysical technique that demonstrated a hydraulic connection between Little Bear Spring and the surface drainage in Mill Fork Canyon. These investigations are included as Appendix 7-59, Appendix 7-60, Appendix 7-61, and Appendix 7-62.

These studies, taken as a whole, have indicated that Little Bear Spring is possibly recharged through surface water and alluvial groundwater losses in Mill Fork Canyon, located well beyond the boundary of the South Crandall Lease area, approximately 1.5 miles southwest of the spring. The basis for this assumption is discussed briefly below. The reader is referred to the above mentioned appendices for a more rigorous discussion of the recharge of Little Bear Spring.

The assumption that Little Bear Spring may possibly be recharged from surface-water and alluvial groundwater losses in Mill Fork Canyon is based on several findings. These include:

1) the finding that, from a water budged standpoint, there is sufficient water available in Mill Fork Canyon to account for the recharge to Little Bear Spring and any surface water drainage that leaves the Mill Fork drainage and flows into Huntington Creek,

2) the finding that there is a chemical and isotopic match (or a plausible chemical evolutionary pathway) between surface waters and alluvial groundwaters in Mill Fork Canyon and groundwater at Little Bear Spring, and

3) the finding that there is a demonstrated hydraulic connection between Mill Fork Canyon and Little Bear Spring and the hydraulic gradient and flow volume through the connection is sufficient to provide Mill Fork water to the spring.

These findings are discussed below.

An investigation was performed in 2001 to determine the quantity of water available in Mill Fork Canyon to recharge Little Bear Spring (Appendix 7-56). It is the finding of this investigation that there is an excess of approximately 300 gpm in the Mill Fork drainage that is available for recharge to the spring. Indeed, it is difficult to explain the loss of approximately 300 gpm from the drainage basin without taking the recharge to Little Bear Spring into account. This finding is based on a comparative analysis of baseflow in the Crandall Creek drainage, which is very similar in geology, topography, aspect, and elevation to the Mill Fork Creek drainage. The baseflow in Crandall Canyon Creek during most years is approximately 300 gpm greater than that in Mill Fork.

Another investigation examined the capacity of the alluvial groundwater system in Mill Fork Canyon to transmit sufficient groundwater to sustain the baseflow of Little Bear Creek during periods when there is not surface flow in the Mill Fork drainage (Appendix 7-55). This investigation was based on a quantitative determination of the flow of groundwater migrating through the alluvial groundwater system above the spring recharge location compared to that flowing through the alluvial deposits below the spring recharge location in Mill Fork Canyon. It is the conclusion of this investigation that there is appreciably more groundwater flowing through the alluvial deposits above the spring recharge location as compared to that flowing in the alluvial deposits below the spring recharge location (approximately 300 gpm more).

Investigations regarding the solute and isotopic compositions of groundwater at Little Bear Spring and other shallow groundwater systems in the vicinity have been performed. These investigations have also examined the solute and isotopic compositions of Star Point Sandstone groundwater systems encountered in the Crandall Canyon Mine. These studies are included as Appendix 7-52 and Appendix 7-53. It is the findings of these investigations that groundwater discharging from Little Bear Spring is modern in origin (>50 years old), while groundwater from deep Star Point Sandstone groundwater systems in the Crandall Canyon Mine have a mean groundwater age of many thousands of years. Shallow Groundwater systems (that provide baseflow to upper Mill Fork Creek) are modern in origin. The solute composition of groundwater in Little Bear Spring and that of surface water and shallow alluvial groundwater in Mill Fork Canyon are similar.

The fact that the discharge in Little Bear Spring shows rapid seasonal variations in discharge rate suggests that the recharge is related to a shallow recharge source that is closely tied to seasonal recharge. The ancient groundwater systems encountered in the Star Point Sandstone in area coal mines do not exhibit seasonal variability.

Finally, in order to explore the assumption that Little Bear Spring may possibly be recharged from Mill Fork Canyon, a fluorescent dye tracing study was performed in 2001 (Appendix 7-57).

In this investigation, fluorescent dye was placed in the upper Mill Fork drainage immediately above the spring recharge location. A positive dye recovery occurred at Little Bear Spring within 40 days of the dye placement. Thus, a hydraulic connection between the alluvial system in upper Mill Fork Canyon was positively confirmed.

The elevation of the spring recharge location in upper Mill Fork Canyon is approximately 7710 to 7790 feet, while the elevation of Little Bear Spring is approximately 7475 feet. Thus, there is a substantial hydraulic gradient between the possible Mill Fork recharge location and Little Bear Spring. It is important to note that the possible recharge location for Little Bear Spring in Mill Fork Canyon is outside the boundaries of the South Crandall Lease area. Likewise, the groundwater flowpath connecting Mill Fork Canyon and Little Bear Spring is outside of the area of potential coal mining by GENWAL Resources.

While the flow mechanisms conveying water to Little Bear Spring are not completely understood, additional hydrologic studies performed since the Mill Fork EA was written have indicated that adverse impacts to the spring are not expected due to the vertical separation between the coal seams and flow. (Forest Service, BLM Joint Decision Notice/Finding of No Significant Impact, Coal Lease Application UTU-78953)

In conclusion, because mining occurs above the Panther Member of the Star Point Formation, the source of water of the Little Bear Spring; because the mine is relatively dry; and because age dating has shown that the water sampled underground from the Starpoint Sandstone and from Little Bear Springs are not the same age (: there is little, if any chance, that current or proposed future mine workings of the Crandall Canyon Mine could affect the Little Bear Spring. Operation of the mine should not adversely impact the Star Point aquifer or Little Bear Spring.

Mitigation for potential disruption to the Little Bear Spring will be accomplished though the construction of a water treatment plant which will provide replacement water for the spring. Construction of this water treatment plant will be done under the provisions of a water replacement agreement between GENWAL Resources, Inc. and the Castle Valley Special Service District who maintain culinary water rights to Little Bear springs. A copy of this water replacement agreement is included in Appendix 7-51. With construction of this water treatment plant an uninterrupted supply of culinary water will be assured irrespectively of whether mining can be conclusively shown to have affected Little Bear Spring. This is in compliance with special stipulation #17 of federal lease UTU-78953 (see Appendix 1-13).

Spring and Seep Interception.

There is a potential for impact to overlying seeps and springs through interception of the perched aquifers as a result of subsidence. Seeps and springs throughout the mine area and the South Crandall Lease area and the U-68082 lease mod area have been identified through intensive field and aerial surveys. These survey results are presented in Chapter 7, Section 7.24.1, associated appendices, and are shown on Plate 7-12. Water rights have also been researched and are provided in Chapter 7, Table 7-6.

An alternative water source plan has been developed in the event any water rights or springs/seeps impacted in a long-term manner by the mining operation or reclamation activities. This plan is detailed in Chapter 7, Section 7.27.

Surface Water Interception.

The possible surface water interception impacts may affect stream flows in Crandall Canyon, Blind Canyon, Horse Creek, the headwaters of Indian Creek, and drainages in the South Crandall Lease area and in the U-68082 lease mod area. These impacts would likely be the result of subsidence fractures intersecting the ground surface. If these fractures occur within or across a surface drainage channel, then a potential is created for the surface flow within the drainage to be temporarily intercepted. For the drainages within and adjacent to the Crandall Canyon Mine, all sections of the streams that are perennial will be protected from subsidence by limiting retreat mining activities within the area of the stream buffer zones as discussed in Section 5.25 of this permit.

The potential for significant water loss for these drainages is minimal. This conclusion is based on the existing hydrologic and geologic information presented in Section 7.24 and Appendices 7-2 and 7-23 and past mining experience within the Huntington Creek drainage. In addition, the streams in the majority of the surface area which overlies the current or proposed mine workings are ephemeral. However, due to the concerns raised by the U.S. Forest Service, regarding their uncertainty in supporting this conclusion, Genwal Resources Inc. has initiated extensive studies of within Blind and portion of Crandall Canyon to determine if mining through these drainages have an adverse affect on the surface or groundwater resources within the drainage. Until the results of these studies are determined, Genwal will continue to protect the those portions of the streams that have been proven to be perennial.

It is important to note that the geologic units located in the formations stratigraphically above the Blackhawk Formation and the Hiawatha coal seam at the Crandall Canyon mine are hydrologically isolated from the contiguous area. East Mountain is bounded on the north by the South (Left) Fork of Huntington Creek; on the west by Upper Joes Valley; on the south by Cottonwood Canyon; and on the east by Huntington Canyon. Data show that the regional aquifer is located below the Hiawatha Coal. Field data indicate that Blind Canyon is ephemeral and that Horse Canyon is perennial only in that area where it intersects or is below the regional aquifer. Based on the baseline data (Appendix 7-58), it is apparent that all of the surface-water drainages in the South Crandall Lease area are likely ephemeral or intermittent in nature. The drainages in the U-68082 lease mod area are all ephemeral or intermittent.

The perennial portion of Crandall Canyon extends above the regional aquifer. This occurs because the perched Price River and North Horn Formation cover a broader area of this watershed and because Crandall Canyon has a larger drainage area (and thus, more potential for recharge and increased runoff) than the other two canyons.

Flooding or Streamflow Alteration.

The potential for flooding is minimized by the design and installation of adequately sized diversions, sediment pond and velocity control structures as described in Chapter 7, Section 7.40. All diversions are sized for a 25 year - 24 hour storm event. Ditches, culverts and sediment pond are designed for a 10 year - 24 hour storm event. Ditches, culverts and sediment pond are designed for a 10 year - 24 hour storm event.

Crandall Creek will be culverted for a distance of about 1,100 feet through the expanded mine yard area. While a minimal short term impact will occur as the culvert is being installed, the long term affect will be to reduce the potential for sediment to flow from the disturbed area into the creek. It will also reduce the potential for flow within Crandall Creek to impinge upon the sediment pond embankment due to their close proximity. The slopes of the sediment pond will be 2:1 on the outslope. The toe of the sediment pond has been fortified with an additional 2 feet of 12.5 inch D-50 rip-rap for protection and stabilization. The culvert outlet downstream from the pond will minimize the potential for impact from running water to damage the sediment pond embankment. An analysis of the Crandall Creek flow and pond protection measures indicates that these measures are adequate for a return period in excess of 10,000 years (Section 7.42.22). A slope stability analysis has also been performed on the pond embankment, indicating it meets the required slope-stability safety factors (Chapter 7, Table 7-7).

R645-301-728.200 Basis for Determination

The PHC Determination for this operation is based on baseline hydrologic, geologic, and other information gathered specifically for this site and the surrounding area by the permittee. This includes information from the South Crandall Lease area and from the U-68082 lease mod area. Additionally, regional information has been provided through various published reports as noted in the plan.

Specific groundwater information is provided in Section 7.24.1 and Appendices 7-16, 7-17, 7-18, 7-19, 7-21, 7-24, 7-40, 7-41, 7-43, 7-46, 7-47, and 7-48 of Chapter 7. Surface water data is presented in Section 7.24.2 and Appendices 7-14, 7-23, 7-25, 7-26, 7-27 through 7-39, 7-43, 7-44, 7-45, and 7-48 of Chapter 7. Geologic information is provided in Chapter 6 and Section 7.24.3, while climatic information is provided in Section 7.24.4.

R645-301-728.300 Findings

7.28.310

Chapter 7, Sections 7.24.1 and 7.24.2, indicate the potential for adverse impacts to the hydrologic balance to be minimal in both the existing permit area and in the South Crandall Lease area, and in the U-68082 lease mod area. The basis for this determination is through extensive

studies, past and on-going groundwater and surface water monitoring, past history, and performance of the on-going operation, and various protection plans for operations and reclamation. A summary of potential impacts is provided in Table 1 of this PHC.

7.28.320

Waste rock is produced in limited quantities on a very infrequent basis during mining operations. When incidental quantities of rock are encountered, the rock is left in the mine and will not be removed in the future. These conditions, coupled with the fact that the waste rock does not have acid or toxic characteristics indicate that little potential exists for any impacts from toxic- or acid-forming materials.

Further, handling plans have been implemented for earth, refuse, and acid-toxic forming materials, which, if needed, will prevent or control discharge of pollutants to the hydrologic system (Section 7.31.1). This will be accomplished using the best technology currently available.

7.28.330

The following are expected impacts from the coal mining and reclamation operation:

7.28.331

Sediment yield does naturally increase on a temporary basis from areas disturbed for the operation. However, the majority of the disturbed area runoff is directed to the sediment pond. The pond is designed with a total storage volume of 0.98 acre feet, which allows for complete containment of sediment. The 7 small areas which do not drain to the sediment pond, as shown on Plate 7-5, are treated through the use of sediment traps, straw bale dikes, silt fences, and vegetation.

Genwal, in cooperation with the U.S. Forest Service, is conducting detailed sedimentation and erosion studies in the Blind Canyon watershed to determine the exact impact of mining and subsidence. To date, negative impacts to intermittent and perennial streams by sediment loading and increased turbidity has not been observed in the permit area.

7.28.332

Water quality parameters, including acidity, total suspended solids and total dissolved solids, are not expected to be impacted by the mining or reclamation operations. This determination is based on information provided in Chapter 7, Sections 7.24.1 and 7.24.2, and by results of the on-going water monitoring program detailed in Section 7.31.2.

It is unlikely that groundwater quality or quantity will be affected by the underground mining operation (as discussed in Section 7.24.1 and associated appendices, and Section 7.28.100). There exists a potential for impacts to the surface water. However, these potential impacts are expected to be minimal for the following reasons:

(1) Sediment controls are in place and maintained to minimize sediment loading to drainages;

(2) All discharges from the sediment pond (or mine) are conducted in accordance with requirements of a U.P.D.E.S. Permit;

(3) Historical data from this site (which is summarized in the Annual Report and Appendices 7-16, 7-17, 7-18, 7-19, 7-21, 7-24, 7-40, 7-41, 7-43, 7-46, 7-47, and 7-48) show no indication of mine related impacts on the hydrology of the area;

(4) The water monitoring program will continue to be followed as described in Chapter 7, Section 7.31.2. Results will continue to be analyzed and any problem areas noted will be corrected to prevent further impacts to the hydrology.

728.333

The potential for flooding of the surface facilities is minimized by the design and installation of adequately sized diversions, sediment pond and velocity control structures as described in Chapter 7, Section 7.40.

728.334

The Crandall Canyon Mine is expected to have little impact on groundwater. As mentioned earlier, the mine does not appear to have any hydrologic connection to surface water above the mine nor any connection to groundwater in the Star Point Sandstone below.

Monitoring of in-mine and surface monitoring wells drilled within and adjacent to the Crandall Canyon Mine, and completed in the regional Blackhawk-Starpoint aquifer indicate the potentiometric surface of this aquifer generally lies 50 to 60 feet below the top of the Star Point Formation in all but the westernmost portion of the mine. Thus, mining of the Hiawatha Coal Seam at the base of the Blackhawk Formation, overlying the Star Point Formation, will not intersect and drain any water from the regional aquifer. Nor would water from underground mining enter the Star Point Sandstone due to the relatively impermeable shale zone that lies between the Hiawatha seam and the sandstone below.

There may be some potential for impact to seeps and springs through subsidence. Genwal is currently monitoring the water flow rates and quality of the water rights associated with seeps and springs within and adjacent to the current mine permit area. No evidence of impacts have been identified; however, an alternative water source plan has been developed in the event any water rights or springs/seeps are adversely affected by the mining operation or reclamation activities.

The groundwater system that supports discharge at Little Bear Spring will not be subsided. As discussed above, the groundwater discharging from the spring is NOT derived from a regional Star Point aquifer. Rather, it is recharged from surface-water and alluvial groundwater losses in Mill Fork Canyon outside of the permit area. The significant fracture in the Star Point Sandstone from which the spring discharges serves primarily as a conduit for the conveyance of the Mill Fork water to the spring. Groundwater in the Star Point Sandstone that is not within the fracture system does not contribute appreciable quantities of groundwater to the spring. For these reasons, the potential for impacts to Little Bear Spring resulting from mining operations in GENWAL's permit area is considered extremely unlikely..

Impacts to the surface water quality and quantity are minimized through the installation and maintenance of surface runoff and sediment control structures, and a commitment (Section 7.24.2) to not pump from Crandall Creek at a rate that will cause the in-stream flow to decrease below the minimum required rate.

In addition, groundwater and surface water quantity and quality are monitored on a quarterly basis to determine seasonal flow conditions for the permit and adjacent areas. Further, handling plans have been implemented for earth, refuse, and acid-toxic forming materials, which will prevent or control discharge of pollutants to the hydrologic system. Implementation of these plans will be accomplished using the best technology currently available.

Based on the above, there is some potential for the operation to have an impact on the groundwater and surface water resources of the area; however, the impacts are expected to be minimal due to natural geologic and hydrologic conditions, and the implementation of control and protection systems. Therefore, the "Probable Hydrologic Consequences" of this operation are expected to be minimal, if not negligible.

7.28.335

Additional information will be provided if deemed necessary by the Division.

R645-301-728.340 N/A

This is an underground operation.

R645-301-728-400 **Updated PHC**

This document is provided as an up-dated PHC for the permit renewal in accordance with the State of Utah R645-Coal Mining Rules.

TABLE 1
POTENTIAL HYDROLOGIC IMPACTS

POTENTIAL IMPACT	POTENTIAL EFFECT	POTENTIAL MAGNITUDE OF IMPACT	PROBABILITY OF OCCURRENCE	MITIGATION MEASURES
Leaching of acid or toxic forming materials	Degradation of surface and groundwater quality	Low (no such materials present)	Low	Monitoring materials handled by approved methods
Groundwater Availability	Decrease in spring flow due to subsidence	Low to moderate depending on location	Low (No history of impact)	Monitoring
Groundwater Availability	Interception of groundwater by mine workings	Low	Low (on-going)	Monitoring
Groundwater Availability	Removal of water with coal	Low	Moderate (on-going)	Monitoring
Groundwater Quality	Decrease in quality due to hydrocarbons	Low	Low	SPCC Plan, monitoring inspections and maintenance
Sediment Yield	Increase in TSS	Moderate	Low	Sediment pond, diversions, sediment control, monitoring
Flooding	Damage to downstream area	Low	Low	Sediment ponds, diversions, and monitoring
Streamflow Alteration	Damage to streams due to subsidence	Low	Low	Protection of perennial streams, monitoring
Surface Water Quality	Decrease in quality due to hydrocarbons	Low	Low	SPCC plan, inspections, monitoring, maintenance
Surface Water Quality	Increase in TSS due to coal fines and dust	Low	Low	Sweeping of access road and pads, misting of coal
Surface Water Quantity	Decrease in flow in Crandall Creek below mine	Moderate	Low	Monitoring, maintaining baseflow