



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

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

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

Inspection Report

Permit Number:	C0150032
Inspection Type:	COMPLETE
Inspection Date:	Thursday, February 10, 2005
Start Date/Time:	2/10/2005 9:00:00 AM
End Date/Time:	2/10/2005 1:00:00 PM
Last Inspection:	Tuesday, January 11, 2005

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Cloudy, Temp 31 Deg F

InspectionID Report Number: 531

Accepted by: pgrubaug
 2/16/2005

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

Current Acreages

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

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

Pending Amendments: South Crandall Lease Revision Task ID #2084 was received by the Division on 12/9/04 and is currently under review. South Crandall IBC Modification to Lease U-68082 Task #2132.

Inspector's Signature

Date Thursday, February 10, 2005

Karl Houskeeper, Environmental Scientist III
 Inspector ID Number: 49

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

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

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

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit is effective 05/13/2003 and expires 05/13/2008. Other documents include the following:

- Certificate of Insurance issued 07/01/2004 and terminates 07/01/2005.
- Reclamation agreement is dated April 1998 and is signed by both parties.
- UPDES permit UT0024368 effective 09/01/2000 and expires midnight 08/31/2005.
- Air Quality permit DAQE-AN0225003-03, issued 03/20/2003.
- SPCC Plan dated 09/18/2004. Pending Amendments:

South Crandall Lease Revision Task ID #2084 was received by the Division on 12/9/04 and is currently under review. South Crandall IBC Modification to Lease U-68082 Task #2132.

2. Signs and Markers

The Mine ID sign is posted at the entrance to the permit area from the forest service road. The sign contains the name, permit ID #, address, and phone number of the operator. All other signs and markers observed during the inspection met the coal rules.

4.a Hydrologic Balance: Diversions

All diversions are currently snow covered.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond is covered by an ice cap. The last quarterly inspection was conducted on 12/20/04 for the fourth quarter of 2004. The annual report will contain a report of the annual inspection/first quarter 2005 inspection by a registered P.E. The inspection has already been conducted, but the report still needs to be generated.

4.d Hydrologic Balance: Water Monitoring

Third quarter 2004 water monitoring information is in the EDI website and uploaded. Information for the fourth quarter 2004 water monitoring is in the EDI website, but has not been uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

The December 2004 discharge monitoring reports were reviewed during the inspection. No parameters were exceeded.

5. Explosives

The signs identifying the powdered and cap magazines are in place. Explosives are being used on a frequent basis to develop an underground air shaft.

20. Air Quality Permit

Approval Order DAQE-827-01 was modified on March 20, 2003. This modification allowed additional coal handling equipment (conveyors) for the South Crandall Portals. The new approval order, DAQE-AN0225003-03, is effective March 20, 2003.

21. Bonding and Insurance

Insurance is provided through Federal Insurance Co. policy #3710-95-29. The policy meets the minimum coverage requirements, has explosion coverage, contains the proper language in the notification clause, and shows the State of Utah as the certificate holder.

The bonded amount for the Crandall Canyon Mine is \$1,654,000, bond # 14-96-15.

22. Other

The SPCC plan has been reviewed by the permittee and re-certified by a registered P.E. on September 18, 2004.