

9008



State of Utah

Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT  
Acting Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

file In C 0150032 Outgoing  
Date: 01312005 Refer to:

Confidential  
 Shelf  
 Expandable  
For additional information

OK

January 31, 2005

Gary Gray, Resident Agent  
Genwal Resources, Inc.  
P.O. Box 1077  
Price, Utah 84501

Re: IBC Modification to Lease U-68082, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Task # 2128, Outgoing File

Dear Mr. Gray:

On October 22, 2004 the Division of Oil, Gas, and Mining (the Division) received from GENWAL Resources, Inc. a proposed Incidental Boundary Change (IBC) to the Crandall Canyon Mine's Mining and Reclamation Plan (MRP). The Division assigned Task #2057 to this IBC proposal. The IBC would incorporate a 120-acre modification of federal lease UTU-68082 into the MRP. The lease modification is located in the Manti-La Sal National Forest, in W/2NW/4, NW/4SW/4, Section 32, T. 15 S., R. 7 E. (USGS Rilda Canyon 7.5-minute quadrangle). OSM has determined that this 120-acre IBC is not a Mining Plan Modification. On December 17, 2004 the Division received a second response from Genwal Resources Inc. and on January 18, 2005 the Division received a third response from Genwal Resources Inc. These responses addressed deficiencies identified by the Division's technical analyses.

There is no surface disturbance associated with this IBC. The amendment contains no changes to the surface facilities and only minor changes to the permit area. Access to the Hiawatha Seam, which is the only seam to be mined, will be from existing workings in the Hiawatha Seam in the Crandall Canyon #1 Mine.

There is an unrelated, pending amendment to add the South Crandall Canyon Extension (lease UTU-78953) to the Crandall Canyon Mine (Division Task # 2084). The two extensions would increase the permit area of the Crandall Canyon Mine from 5367.74 acres to 6407.74 acres, a 16 percent increase.

The Division is developing, for each permitted mine, a current and comprehensive Master Technical Analysis (TA) to correspond with all requirements outlined in the R645 Coal Mining Rules. Subsequent permit modifications will build

Page 2  
Gary Gray  
January 31, 2005

on the same TA and eventually all sections of the TA will be modified to encompass the MRP as a whole—and not reflect specific permit modifications. As part of this Master TA effort, the accompanying TA is a continuation of the recently submitted South Crandall Lease modification TA. Therefore, this TA presents the Division's current technical review of the MRP, including all amendments currently under review for permit C/015/0032, and lists all outstanding deficiencies identified by the Division.

Specifics of the deficiencies are described in detail in the draft Technical Analysis provided on an accompanying CD in a redline-strikeout format. Also a clean, finalized version has been provided on the CD that includes all outstanding deficiencies in proposed amendments to the currently approved MRP.

The proposed 120-acre IBC modification to federal lease U-68082 (Division Task ID #2128) is considered deficient, and incorporation into the MRP is not recommended. Attached to this cover letter is a list of pertinent deficiencies/findings. Only the deficiencies in this attached list must be addressed prior to approval of Task ID #2128. In order for us to continue to process your application, please respond to these deficiencies by February 9, 2005.

If you have any questions, please call me at (801) 538-5286 or Joe Helfrich at (801) 538-5290.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor

an  
Enclosure  
cc: Price Field Office  
O:\015032.CRA\FINAL\WG2128\WG2128covltr.doc

## **Findings:**

Hydrologic Resource Information is not sufficient to meet the requirements of the Coal Mining Rules. Before the proposed amendment can be approved, the Permittee needs to provide the following information:

**R645-301-731.210, -731.220**, the Permittee needs to include a water monitoring plan for Shingle Creek that includes, at a minimum, quarterly monitoring for flow and field parameters of spring sites SP-18 and SP-22 and a stream site for Shingle Creek located just downstream of spring site SP-18 and the confluence of the left and right forks of Shingle Creek.

The Maps, Plans, and Cross Sections of Resource Information is not sufficient to meet the requirements of the Coal Mining Rules. Before the proposed amendment can be approved, the Permittee needs to provide the following information:

**R645-301-731.210, -731.220**, the Permittee needs to include the water monitoring sites in Plate 7-12 as identified in the water monitoring plan for Shingle Creek.

The information provided does not adequately address the minimum requirements of the General Contents – Right of Entry section of the regulations. Prior to approval, the following information must be provided in accordance with:

**R645-301-114.100**, Provide *signed* copies of the approved BLM lease modification (*Appendix 1-15*) and the BLM/U.S. Forest Service Joint Decision document (UTU-68082 Lease Modification) (*Appendix 1-15A*).