

February 9, 2005

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

Subject: South Crandall Lease Revision, Genwal Resources, Inc., Crandall
Canyon Mine, C/015/0032, Task ID# 2084, Outgoing File

Dear Mr. Gray:

The South Crandall Lease significant revision has been reviewed and the following deficiencies have been identified. The lease modification cannot be approved until all of these deficiencies are adequately addressed. Please submit your response by March 1, 2005.

If you have any questions, please call me at (801) 538-5268 or Joe Helfrich at (801) 538-5290.

Sincerely,

D. Wayne Hedberg
Permit Supervisor

an
Enclosure
cc: Price Field Office
O:\015032.CRA\FINAL\DEFCVRLTR2084.DOC

SUMMARY OF DEFICIENCIES

R645-301-121, The Permittee must remove the entire second paragraph on page 5-26b. That paragraph begins with: It should be noted that neither the Little Bear Spring nor its recharge fault system, is located....”.

R645-301-122.200, For clarity, the statement “It should be noted that neither the Little Bear spring, nor its recharge fault system, is located within the subsidence zone of the proposed South Crandall mine, nor are they even located within the South Crandall lease area.” at the end of section 525.25.16 should be deleted.

R645-301-121.200, The Permittee must clearly identify those areas where full extraction mining will not be used. If the Permittee does not know if an area will meet the first mining only criterion then they need to show the estimated areas.

R645-301-121.200 The Permittee must make the following changes to page 5-9, last paragraph, 3rd sentence. According to this plan full extraction mining (i.e. longwall mining) is not authorized in panels BC-4 and HIA-5 in areas with less than 600 feet of overburden unless it can be determined that those areas can be mined without adverse impacts to the Little Bear Canyon municipal watershed. The same changes must be made to the notes on Map 5-2(H) and Map 5-2(BC), above panels HIA-5 and BC-4, respectively.

R645-301-323, The permittee needs to include a copy of the wildlife map provided in the 1994 revision of the MRP or provide a reference to that particular map in the application. The applicant also needs to replace the outdated 1997 Forest Service vegetation map with a current vegetation map if available through the Forest Service.

R645-301-525, The Permittee will update the MRP to include any additional information that is required of the R2P2 for the South Crandall Lease, which may include map and text changes.

R645-301-525.420, The Permittee must show the location of the main power lines on each subsidence map including but not limited to Plate 5-2 (BC) and Plate 5-2 (H). If the yellow lines on the maps represent the power line then the Permittee must identify the lines. The Permittee must also update Map 5-5 to show the subsidence areas within the entire permit area. The Permittee must also update Map 5-5 to include all areas within the permit boundaries where subsidence has or could take place.

R645-301-525.420 and R645-301-525.490, The Permittee must update Map 5-5 to show the location of the permit boundaries, the cumulative area of maximum possible subsidence for all seams and the map must be at a scale of 1:24,000 or larger.

R645-301-525.460, The Permittee must state the anticipated effects of subsidence on the main power line. That information is needed to support the Permittee’s claim that subsidence

damage will not occur to the power line. In addition the Permittee must state what type of monitoring they will do for the power line, the triggers to take action and what that action would be. The power line plan must include at a minimum an inspection program for the power line in the event of a power failure.

R645-301-723, -731.200, the Permittee needs to clarify that conducting multiple seam mining beyond spring site LB-7 in Little Bear Canyon is contingent upon a monitoring plan approval by the Division in concurrence with the Forest Service at least two years prior to mining in that area. In addition, Section 7.31.21, Groundwater Monitoring Plan, needs to be updated to include springs LB-7, LB-7A, LB-7B, LB-7C, and LB-12, and the removal of spring LB-2.

R645-301-723, the Permittee needs to include spring monitoring sites LB-7, LB-7A, LB-7B, LB-7C, LB-5A, and LB-12 to Plates 7-12 and 7-18. Vegetation maps for the Little Bear Canyon monitoring plan are to be added to the M&RP following surveys to be conducted during the 2005 field season.

R645-301-728-300, the Permittee needs to change text in the PHC stating “Mitigation for potential disruption to Little Bear Spring will be accomplished ... if mining activity in the South Crandall lease tract affect the quality or quantity of the spring” to be consistent with the language of Stipulation #17 as it was in the M&RP text.

R645-301-724, R645-301-728.300, the Permittee needs to further discuss the potential for a northerly recharge component to Little Bear Spring in Chapter 7 and the PHC (Appendix 7-15). References to pre-1998 studies that address this recharge component should include:

- Vaughn Hansen Associates, *Water Quality and Hydrologic Study in Vicinity of Huntington Creek Mine No. 4 and Little Bear Spring*, Prepared for Swisher Coal Company, August 1977.
- 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 Associates, *Hydrologic Conditions in Huntington Canyon No. 4 Mine*, 1984.

The Permittee should state that these referenced studies would be available for review at the Division’s Public Information Center.