



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
 Utah State Office  
 P.O. Box 45155  
 Salt Lake City, UT 84145-0155  
<http://www.blm.gov>



IN REPLY REFER TO:  
 SL-062648, UTU-78953, (UT-923)

FEB 17 2006

Certified Mail-Return Receipt Requested

Mr. John C. Lewis  
 Senior Mining Engineer  
 Genwal Resources, Inc.  
 P. O. Box 1077  
 Price, Utah 84501

*Choung*  
*2/17/2006*  
*Copy Waiver H*  
*Kell*

Re: Minor Modification, Resource Recovery and Protection Plan (R2P2), Blind Canyon Seam, South Crandall Mine

Dear Mr. Lewis:

The Bureau of Land Management (BLM) has received from Genwal Resources a modification to the subject R2P2. The modification plans to abandon the Blind Canyon Seam. This coal seam in the South Crandall Mine is located on Federal coal lease UTU-78953.

Genwal has requested to cease development mining in the Blind Canyon Seam of the South Crandall Canyon Mine and plans no further expansion in this seam. The R2P2 modification cites adverse mining conditions (thin seam heights, poor coal quality, and adverse roof and floor conditions) as justification for abandonment. A certified mine map showing coal thicknesses, measured coal sections and coal quality results, was submitted with the modification. The current approved R2P2 had full extraction longwall panels planned for much of the lease. The proposed abandonment of the Blind Canyon Seam will reduce the recoverable reserves of this lease by 4,007,000 tons.

An inspection of the area by BLM personnel was conducted on August 17, 2005, and the conditions were noted. Genwal had accessed the Blind Canyon Seam with rock slopes up from mine workings in the lower Hiawatha Seam. Initial development at the top of the rock slopes mined rooms and entries at a cutting height of between 5 and 6 feet. However, the seam consists of an upper clean bench which has an average thickness of less than 5 feet and a lower coal bench of a foot or less separated by a rock parting of 6 to 24 inches. These conditions as mapped were verified on the inspection. In addition the south advance at crosscut 9 showed the upper bench thinning to less than 4 feet and the parting increasing to 1.5 feet. The start of the first longwall gate entries to the east showed the parting increasing from 6 to 12 inches. Development of the lease is limited to the east and south.

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DEPT. OF OIL, GAS & MINING

The BLM agrees with Genwals' conclusions. Current mining equipment has a minimum operating height of 5 feet. With the upper coal bench less than 5 feet, Genwal is forced to mine either floor or roof rock. As the parting on the bottom of the seam is weak, the heavy mining equipment will typically break up the bottom rock and force the mining of the bench and parting. With so little clean coal in the upper bench, we recognize that ash content of the coal so far mined has been greater than minimum acceptable limits of 12 to 14 percent. As the seam conditions in both the south and east advance are not improving and are in fact deteriorating, further advance is not possible. As the lease had limited pre-mining seam thickness data, the existence of recoverable coal in other areas of the lease is now in question. Another set of rock slopes up to other areas of the Blind Canyon Seam would double the already spent development costs in the hopes that much of the remaining area of the lease in this seam has coal thicknesses of greater than 5.5 feet. We must conclude that the coal in the Blind Canyon Seam in Federal coal lease UTU-78953 is not economically recoverable with the current economic and mining conditions and the present equipment limitations.

During the inspection, we note no left equipment or materials in the area. It was unclear where and when these mine workings would be sealed off. The approved R2P2 calls for final sealing of the mine at the outcrop/portal location and the methodology of the seals. If this is to change, please submit final sealing plans to this office for approval. In addition, Genwal must certify that no hazardous materials are left underground by signing the attached certification forms.

The approval of a minor modification to an existing R2P2 is Categorically Excluded from National Environmental Policy Act (NEPA) analysis in that no new surface disturbance will occur from this action as stated in Overview of BLM's NEPA Process, February 1997, Appendix 2, page 2-7 (F)(7).

Genwal's proposed change to the R2P2 complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and will achieve maximum economic recovery of the Federal coal. The coal reserves in the Blind Canyon Seam of Federal coal lease UTU-78953 are no longer recoverable and Genwal is authorized to cease coal recovery operations. The recoverable reserves for this lease are reduced by 4,007,000 tons leaving 3,642,000 tons to be recovered. Approval for sealing the mine workings is contingent on the above explanation for sealing. A copy of the approved mine map is enclosed along with waste certification forms.

If you have any questions, please contact Stephen Falk of my staff at (435) 636-3605.

Sincerely,

JAMES F KOHLER

James F. Kohler  
Chief, Solid Minerals

Enclosures:

Approved Mine Map  
Waste Certification Forms

cc: Utah Division of Oil Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801 (w/encl.)  
Price, UT-070 (w/encl.) JM-SA approval letter 2-7-06



## Appendix "F"

### ENVIRONMENTAL AND CERCLA CERTIFICATION

The Environmental Protection Agency promulgated final regulations to implement requirements established in Section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended by Superfund Amendments Reauthorization Act (SARA). Under section 120(h), whenever a Federal agency enters into any contract/agreement for the sale or transfer of public land/real property, and on which any hazardous substance was stored for one year or more, or known to have been released or disposed of, the contract (conveyance document) must include notice of the type and quantity of such hazardous substance, and the time at which such storage, release or disposal was originated. This final rulemaking became effective October 17, 1990.

Federal coal leases, if developed, result in the operator conducting mining operations on all or parts of the Federal lands. The lessee/operator, under appropriate circumstances, may utilize hazardous substances on the surface or underground on Federal lands. At the time of lease relinquishment or at the time of any sealing operation conducted by a Federal lessee, it is necessary for the lessee to inform the BLM and any other surface managing agency of any activities of a lessee that might be subject to CERCLA notification. This information will be utilized to satisfy the requirements under Section 120(h) of CERCLA as amended by SARA.

BLM requires the following information to the extent it is applicable to the Federal coal lease relinquishment area or any time that a mining operation seals an area. BLM will make the company proprietary information public only upon transfer or exchange of the relinquished lands.

#### Explanation:

Items 1-5 deal with hazardous substances and environmental issues. Item 6 is a CERCLA certification by an officer of the lessee. Suggested formats follow.

#### Required Information:

1. A list of any hazardous substances as defined in SARA Title III Consolidated List (40 CFR 302.4) used on the lease (by date) or products that contain such substances. This shall include all hazardous substances and materials along with their Chemical Abstract Services Registry Numbers (CASRN), and petroleum based oil and other petroleum products that were used, stored or delivered to the lease. Quantities at this time are not necessary. This is for disclosure purposes only.
2. A copy of all reports of spills occurring on the lease or sealed area.
3. A copy of all reports submitted to the State of Utah listing any spill of petroleum based oil or other petroleum products on the lease exceeding 25 gallons or that cause a threat to human health or the environment.

4. A mine map covering the lease showing the location, type and model of any equipment or machinery that is known to be remaining underground. (This does not include materials and supplies, and hand tools). For every piece of equipment that will be left underground upon lease relinquishment, please list the quantities of oil, batteries, or other fluids that are remaining, or could be remaining in the equipment.

5. A summary analysis of water quality reports showing whether or not the water quality has been affected by mining. The data that has been collected throughout the years should be the basis for this summary report. The UPDES/NPDES discharge permit requirements for the mine and copies of certifications or samples to show that these requirements have not been exceeded should be part of this analysis. The analysis should compare the water quality at the time of relinquishment with the water quality that existed prior to mining in the base line analysis. This shall be for all waters that are affected by mining. The company should list any mitigation that was done to alleviate any water quality concerns.

6. An officer of the lessee shall sign and submit a certificate in the form attached for each lease or portion thereof relinquished.

a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there have been **no reportable quantities of hazardous substances** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.







**SUMMARY WATER ANALYSIS REPORT**

Lease(s) # \_\_\_\_\_

Mine Name and MSHA Mine # \_\_\_\_\_

Mine Section (if applicable) \_\_\_\_\_

Coal Bed \_\_\_\_\_

Submittal Date: \_\_\_\_\_

**CERCLA CERTIFICATION**

Lease(s) # \_\_\_\_\_

Mine Name and MSHA Mine # \_\_\_\_\_

Mine Section (if applicable) \_\_\_\_\_

Coal Bed \_\_\_\_\_

a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there have been **no** reportable quantities of **hazardous substances** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.

\_\_\_\_\_  
(Officer of the Lessee)

\_\_\_\_\_  
(Date)