



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Table with 2 columns: Representative Name, Title. Includes Gary E. Gray (Resident Agent) and Karl Houskeeper (Environmental Scientist III).

Inspection Report

Table with 2 columns: Field Name, Value. Includes Permit Number (C0150032), Inspection Type (COMPLETE), Inspection Date (Tuesday, June 20, 2006), Start Date/Time (6/20/2006 9:00:00 AM), End Date/Time (6/20/2006 1:00:00 PM), Last Inspection (Tuesday, May 30, 2006).

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp 82 Deg. F.

InspectionID Report Number: 986

Accepted by: pgrubaug
7/11/2006

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

Table with 2 columns: Value, Description. Includes Total Permitted (6,235.80), Total Disturbed (10.70), and Phases I, II, III.

Mineral Ownership

- Checked: Federal
Unchecked: State, County, Fee, Other

Types of Operations

- Checked: Underground
Unchecked: Surface, Loadout, Processing, Reprocessing

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

Pending Amendments: There are no pending permit amendments.

A midterm review of the Crandall Canyon Mine Permit C/015/0032 is currently in progress.

Inspector's Signature:

Date: Tuesday, June 20, 2006

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.

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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit is effective 05/10/2005 and expires 05/13/2008. Other documents include the following:

- Certificate of Insurance issued 07/01/2005 and terminates 07/01/2006. Gary was reminded of the upcoming expiration date.
- Reclamation agreement is dated April 1998 and is signed by both parties.
- UPDES permit UT000024368 effective 12/01/2005 and expires midnight 11/30/2008.
- Air Quality permit DAQE-AN0225003-03, issued 03/20/2003.
- SPCC Plan dated 09/18/2004.

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.

3. Topsoil

New silt fences have been installed around the base of the topsoil piles.

4.a Hydrologic Balance: Diversions

The diversion adjacent to the mine access road near the permit boundary of the main facilities needs to be cleaned. Gary Gray contacted site personnel to have the inlet cleaned.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond has been cleaned. Work was completed on May 26, 2006. The pond needs to be re-surveyed and submitted to the Division. Gary Gray committed to having the pond surveyed.

The annual inspection was done on December 15, 2005. The inspection was compiled into a report dated March 7, 2006. The report showed that the pond needed to be cleaned since the sediment elevation was at the 60% sediment level. The report was P.E. certified, dated, stamped, and signed on March 7, 2006.

4.d Hydrologic Balance: Water Monitoring

First quarter 2006 water monitoring information has been entered into the EDI website, but has not been uploaded. Water monitoring is current.

4.e Hydrologic Balance: Effluent Limitations

April 2006 discharge monitoring reports were viewed during the inspection. The mine water discharge exceeded the TMDL limit. DEQ has been contacted and will probably require mitigation.

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, was 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 explosive 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.