

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

October 18, 2006

TO: Internal File

THRU: Karl R. Houskeeper, Environmental Scientist/Engineering, Team Lead *KRH by an*

FROM: Wayne H. Western, Environmental Scientist/Engineering, Bonding *W H W*

RE: Midterm Review; Genwal Resources Inc., Crandall Canyon Mine, C/015/0032, Task ID #2587

SUMMARY:

The Division initiated the midterm review on February 9, 2006. This memo addresses the engineering and bonding issues.

TECHNICAL ANALYSIS:

OPERATION PLAN

SUBSIDENCE CONTROL PLAN

Regulatory Reference: 30 CFR 784.20, 817.121, 817.122; R645-301-521, -301-525, -301-724.

Analysis:

Subsidence Control Plan

The Permittee did not meet the minimum requirements for the subsidence control plan. The subsidence control plan in the MRP is not complete. Page 5-20 of the MRP deals with blasting and page 5-21 is missing the beginning section of the subsidence control plan.

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Findings:

The information in the MRP is not adequate to meet the minimum requirements of this section. Before the Division can approve the midterm review, the Permittee must provide the following in accordance with:

R645-301-121.100, The Permittee must correct the material to be incorporated into the MRP. Page 5-20 of the approved MRP deals with blasting while page 5-21 begins midway into the subsidence section. Page 5-20 of the submittal deals with subsidence and thus replaces the blasting section. The Division could do a side-by-side with the Permittee to verify information in the MRP. The Division recommends that the Permittee conduct a side-by-side with the Division to ensure that all copies of the MRP are up to date.

MAPS, PLANS, AND CROSS SECTIONS OF MINING OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-512, -301-521, -301-542, -301-632, -301-731, -302-323.

Analysis:

Mining Facilities Maps

The Permittee did not meet the requirements of R645-301-521.150 and R645-301-521.151. The Permittee must show the contours or angle of inclination for all areas that are within 100 feet of the disturbed area boundaries on Map 5-3 or an equivalent map.

Findings:

The information in the MRP is not adequate to meet the minimum requirements of this section. Before the Division can approve the midterm review, the Permittee must provide the following in accordance with:

R645-301-521.150 and R645-301-521.151, The Permittee must show the contours or angle of inclination for all areas that are within 100 feet of the disturbed area boundaries on Map 5-3 or an equivalent map.

RECLAMATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Final Surface Configuration Maps

The Permittee did not meet the minimum requirements of this section. The Permittee must update all reclamation maps and cross sections in the MRP. Examples of maps that are out dated include but are not limited to Plate 5-16 and Plate 5-17. Those maps are dated July 30, 1997, which was before the culvert expansion. The disturbed area boundaries on the maps do not match those on Plate 5-3, which was incorporated on February 3, 2006. The reclamation cross sections were incorporated on April 2, 2003, which postdates the reclamation maps. In addition, the reclamation maps and cross sections must show the topography at least 100 feet outside of the disturbed area boundaries. The Division recommends that the Permittee and the Division do a side-by-side with the copies of the MRP.

Findings:

The information in the MRP is not adequate to meet the minimum requirements of this section. Before the Division can approve the midterm review, the Permittee must provide the following in accordance with:

R645-301-542.300, The Permittee must update all reclamation maps and cross sections in the MRP. Examples of maps that are out dated include but are not limited to Plate 5-16 and Plate 5-17. Those maps are dated July 30, 1997, which was before the culvert expansion. The disturbed area boundaries on the maps do not match those on Plate 5-3, which was incorporated on February 3, 2006. The reclamation cross sections were incorporated on April 2, 2003, which postdates the reclamation maps. In addition, the reclamation maps and cross sections must show the topography at least 100 feet outside of the disturbed area boundaries. The Division recommends that the Permittee and the Division do a side-by-side with the copies of the MRP.

R645-301-521.121.200, The Permittee must remove or update the bond summary sheet on page 5-48.

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BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Permittee did not meet the requirements for determining the bond amount. The Permittee must include revised bond calculations that are escalated to 2010. The Division will provide the Permittee with a copy of the revised bond calculations in either paper or electronic format. **Note: the revised bond calculations incorporated in February 3, 2006 did not escalate the bond to 2010.**

Findings:

The information in the MRP is not adequate to meet the minimum requirements of this section. Before the Division can approve the midterm review, the Permittee must provide the following in accordance with:

R645-301-830.110 and R645-301-830.300, The Permittee must include an updated reclamation cost estimate based on 2006-year unit costs and escalated 2011 costs. The Division will give the Permittee a copy of the revised reclamation cost estimate in either hard copy or electronic format.

RECOMMENDATIONS:

The Division should require the Permittee to increase the bond to \$1,698,000 and include updated bond calculations in the MRP. In addition, the Permittee must also include the missing information as mentioned above.