



State of Utah
Department of
Natural Resources

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Division of
Oil, Gas & Mining

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October 27, 2006

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

Subject: Midterm Review, Genwal Resources, Inc., Crandall Canyon Mine,
C/015/0032, Task ID #2587, Outgoing File

Dear Mr. Gray:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. In order for us to continue processing the Midterm Review, please respond to these deficiencies by November 30, 2006.

A list of deficiencies is attached with the initials of the reviewer to aid you in your review and response. The reviewers are as follows:

Joe Helfrich	JCH
Priscilla Burton	PWB
Wayne Western	WHW
Steve Fluke	SMF

If you have any questions, please call me at (801) 538-5286 or Karl R. Houskeeper at (435) 613-1146, Ext 201.

Sincerely,

D. Wayne Hedberg
 Permit Supervisor

KRH/sd
 Enclosure
 cc: Price Field Office
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DEFICENCY LIST

Task ID #2587

- 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. **WHW**
- 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. **WHW**
- 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. **WHW**
- R645-301-521.121.200**, The Permittee must remove or update the bond summary sheet on page 5-48. **WHW**
- 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. **WHW**
- R645-301-112.300**, The acquisition of Andalex by Murray Energy Corp. makes the information outdated. The Crandall Canyon project is now jointly owned by the Intermountain Power Agency (IPA) and by Murray Energy Corp. •Corrections are necessary in several places in Chap. 1 where reference is made to "joint owners (Andalex and IPA)" or "IPA and Andalex," (i.e. pp. 1-12 and 1-13). •Changes to the principal shareholders listed under R645-301-112.300 are necessary and must include the following for Murray Energy Corp. (1) Ownership or control relationship to the applicant, (2) Percentage ownership, (3) Location in the organizational structure, (4) Addresses of the corporations within organizational structure, (5) Principal shareholders of all the above corporations, and (6) Ownership and control information must include officers and directors. **PWB**

R645-301-112.400, No sooner had the Permittee updated the requested information than the acquisition of Andalex by Murray Energy Corp. made it outdated. Utah affiliates such as the Horse Canyon Mine should now be included in Appendix 1-12. **PWB**

R645-301-113.300, With the acquisition of Andalex by Murray Energy Corp, the violations listed for the affiliated mine sites across the country Section 113.400 may need to be updated. **PWB**

R645-301-114, • In exchange for the relinquishment of lease SL-050655 (March 1, 1984), lease SL-062648 was adjusted to include Lot 4 Sec 5, and Lot 1 Sec 6 of T 16 S, R 7 E in 1984 (App. 1-1). Please correct the legal description of federal lease SL-062648 provided on page 1-16 in Sec. 114 of the application to include Lot 4 Sec 5 of T 16 S, R 7 E. •Please provide clarification of the following: The 1981 BLM modified lease document SL-062648 was adjusted to include Lot 4 Sec 5, but Lot 4 was not conveyed by Genwal Resources Inc. in the 1991 Assignment of Federal Coal Lease SL-062648 to Nevada Electric Investment Company (NEICO). The acreage of SL-062648 increased from 155.23 to 161.17 in the reassignment of the lease. **PWB**

R645-301-121.200, A commitment in the existing MRP on Page 2-8, 2nd paragraph requires that the Permittee provide as-built configurations of proposed topsoil pile #4 (Plates 2-5, 2-5A, and 2-5B), after construction of the south portal. These revised plates are overdue. **PWB**

NOTE:

The hydrology portion of the midterm review is complete under the *condition that the Permittee update the Chapter 7 table-of-contents*. SMF

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