

0040

*James F
C/015/0032*

From: "Shaver, Dave" <dshaver@coalsource.com>
To: <James_Kohler@blm.gov>, "Tom Faddies" <TOMFADDIES@utah.gov>, <steve_rigb...>
Date: 9/26/2007 3:56 PM
Subject: Crandall drillhoe plugging plan
Attachments: BLM Drillhole Plan.pdf; SITLA drillhole plan.pdf; FS drillhole map.pdf; 09072007Meeting Notes.doc; 09192007Meeting Notes.doc

Ladies, Gentlemen....Attached is the plugging plan for the Crandall Canyon Mine rescue drillholes. The letters have been addressed to Jim Kohler of BLM and Tom Faddies of SITLA. Also attached is the Forest Service map of the drillhole locations, and the notes of the reclamation plan from DOGM. Please note that the drilling company will be on-site to start work next Wednesday (Oct 3) so your expedient review and approval is appreciated. Thanks

Dave Shaver



Jim Kohler
Branch Chief, Solid Minerals
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

September 26, 2007

Re: Genwal Resources, Inc., Crandall Canyon Mine
Drillhole Plugging Plan

Dear Mr. Kohler:

As part of the recent efforts to rescue the trapped miners at the Crandall Canyon Mine, seven drillholes were drilled from the surface down to the mine workings. As you are aware, these holes were drilled under emergency conditions. A map of the drillhole locations, prepared by the Forest Service, is enclosed. The following is a summary of the physical information for each of the holes:

Hole #1: Latitude 39° 28' 02.16"N Longitude 111° 13' 20.53"W Collar elev. 10147.9'
Section 2, T16S, R6E
Depth to mine 1871' Hole dia. 2" 50' surface casing only
Date drilled: Aug 7-9, 2007
Mine Intercept: Crosscut 138, Entry #2
Surface Ownership: Utah School and Institutional Trust Lands Admin. (SITLA)
Coal Lease: State Lease ML-21568 (SITLA)

Hole #2: Latitude 39° 28' 01.36"N Longitude 111° 13' 18.87"W Collar elev. 10147.9'
Section 2, T16S, R6E
Depth to mine 1886' Hole dia. 8" Cased entire length
Date drilled: Aug 8-11, 2007
Mine Intercept: Crosscut 137, Entry #2
Surface Ownership: Utah School and Institutional Trust Lands Admin. (SITLA)
Coal Lease: State Lease ML-21568 (SITLA)
Note: This hole was drilled from the same pad as Drillhole #1

Hole #3: Latitude 39° 28' 03.00"N Longitude 111° 13' 35.68"W Collar elev. 9655.9'
Section 35, T15S, R6E
Depth to mine 1414' Hole dia. 8" 50' surface casing only
Date drilled: Aug 13-15, 2007
Mine Intercept: Crosscut 147, Entry #4
Surface Ownership: Forest Service
Coal Lease: Federal Lease UTU-68082

- Hole #4: Latitude 39° 28' 02.98"N Longitude 111° 13' 29.06"W Collar elev. 9976.0'
Section 35, T15S, R6E
Depth to mine 1587' Hole dia. 8" 50' surface casing only
Date drilled: Aug 16-18, 2007
Mine Intercept: Crosscut 143, Entry #4
Surface Ownership: Forest Service
Coal Lease: Federal Lease UTU-68082
Note 1: The "robot" was stuck in this hole at an obstruction approximately 60'
down from the surface. It is unknown at this time whether the robot is
presently lodged at this location or if it has fallen back down deeper into
the hole.
Note 2: The drill pad for this hole straddles both Forest Service and SITLA land.
- Hole #5: Latitude 39° 28' 00.57"N Longitude 111° 13' 12.24"W Collar elev. 10317.9'
Section 2, T16S, R6E
Depth to mine 2039' Hole dia. 8" 50' surface casing only
Date drilled: Aug 19-22, 2007
Mine Intercept: Crosscut 133, Entry #1
Surface Ownership: Utah School and Institutional Trust Lands Admin. (SITLA)
Coal Lease: State Lease ML-21568 (SITLA)
- Hole #6: Latitude 39° 28' 00.59"N Longitude 111° 13' 21.36"W Collar elev. 10051.1'
Section 2, T16S, R6E
Depth to mine 1783' Hole dia. 8" 50' surface casing only
Date drilled: Aug 23-25, 2007
Mine Intercept: Crosscut 138.5, Entry #1
Surface Ownership: Utah School and Institutional Trust Lands Admin. (SITLA)
Coal Lease: State Lease ML-21568 (SITLA)
- Hole #7: Latitude 39° 28' 03.20"N Longitude 111° 13' 22.06" W Collar elev. 10142.8'
Section 35, T15S, R6E
Depth to mine 1865' Hole dia. 8" 50' surface casing only
Date drilled: Aug 27-30, 2007
Mine Intercept: Crosscut 137.5, Entry #2
Surface Ownership: Forest Service
Coal Lease: State Lease ML-21568 (SITLA)
Note: The drill pad and collar for this hole is located on Forest Service land
(Section 35), but the hole was angle-drilled and intercepted the mine
within the SITLA lease (Section 2).

At this time we request approval from BLM to plug those drillholes involving Federal Lease UTU-68082. A similar request is being made to SITLA involving those holes on State Lease ML-21568. We have contracted with Boart Longyear Drilling to plug the holes. This is the same company that drilled the holes during the rescue attempt. They are presently scheduled to mobilize on October 2 and begin plugging operations on October 3. They will bring in a crane to lower the trim pipe into the holes, and will then plug the holes by pumping concrete and/or bentonite slurry. All plugging will be done according to BLM stipulations, namely:

- 1) A BLM representative has been notified and will be on-site to oversee all plugging operations. The authorized officer representing the BLM will be notified 24 hours prior to plugging each of the holes.
- 2) The holes will be plugged for as much of the full length as possible. Because most of the holes were not cased, and there has been movement within the mountain after the drillholes were installed, there is a high probability that many of the holes may now be obstructed. If the holes are intact to the mine void, a bridge plug will be installed immediately above the mine and the remainder of the hole will be plugged to the surface. In those holes where obstructions prevent the trim pipe from reaching the mine, plugging will begin at the obstruction and proceed to the surface.
- 3) Plugging will be done in stages by tripping-out of the hole 3-4 joints (60-80 ft.) and pumping again, as per BLM stipulations. This process will be repeated to the surface. (Note that Hole #1 is a 2" dia. hole and therefore will be plugged with a gravity feed.)
- 4) A brass identification tag will be placed in concrete at the top of each hole.
- 5) Gamma geophysical logs were done on holes #2 and #3. A copy of the two gamma logs will be provided to both the BLM and SITLA.

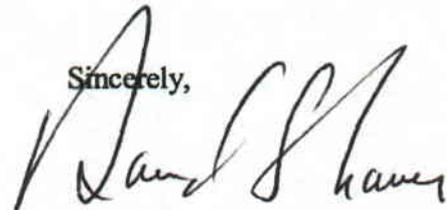
Scamp Excavation will be providing logistical support for the plugging operation by helping to move the crane into place and providing water for the concrete mixing. We plan to begin plugging the lower hole first (Hole #3) and then work up from the lower pad to the top. Reclamation of the lower pads will begin immediately as soon as the holes are plugged and the crane has moved to the next hole. Reclamation will be done in accordance with a plan approved jointly by Division of Oil, Gas and Mining, Forest Service, and SITLA. Reclamation will consist of regrading the disturbed areas to approximate original contour to the extent practicable, re-seeding and drainage and sediment control. Representatives of these surface management agencies have been on-site to evaluate the proposed reclamation of the drill pads and the associated access roads, and will be closely monitoring the reclamation work as it proceeds. An outline of the reclamation plan has been prepared by Priscilla Burton of DOGM, who has been

Jim Kohler
September 26, 2007
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assigned the lead in co-ordinating the reclamation effort. A copy of this plan outline is attached to this letter and is included as part herein by reference.

Because of the rapidly approaching winter snow season we wish to proceed with plugging/reclamation operations as soon as possible. Therefore, your expeditious review of this plan is greatly appreciated. If you have questions or comments please contact me a 435 888-4017.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver". The signature is written in a cursive style with a large initial "D".

David Shaver
Resident Agent

cc: Tom Faddies, SITLA
Rod Player, Forest Service
Steve Rigby, BLM
Pam Grubaugh-Littig, DOGM
Priscilla Burton, DOGM



P.O. Box 1077, Price, Utah 84501 794 North "C" Canyon Rd, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

Tom Faddies
Asst Director, Minerals
Utah School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

September 26, 2007

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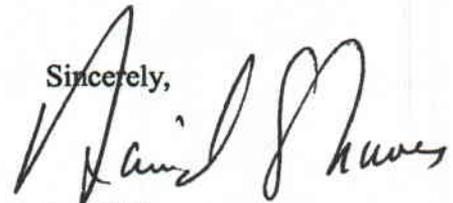
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Priscilla Burton, DOGM

Mine Rescue Road and Drilling Pads

Unofficial Forest Service Map

