



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:
 3484
 UTU-68082
 (UT-923)

OCT 01 2007

SEP 28 2007

Certified Mail--Return Receipt Requested
 Certificate No.

Mr. David Hibbs
 Land Manager/Geologist
 Genwal Resources, Inc.
 P. O. Box 1077
 Price, Utah 84501

Incoming
e/p/15/0032

Re: Crandall Canyon Mine, Drillhole Plugging Plan

Dear Mr. Hibbs:

Background: On September 27, 2007, the Bureau of Land Management (BLM) received from Genwal Resources a request to plug those drillholes involving Federal coal lease UTU-68082 that were drilled from the surface down to the mine workings in efforts to rescue the trapped miners at the Crandall Canyon Mine.

Affected Leases: The Federal coal lease affected by this action is UTU-68082.

Proposal: Hole numbers 3 and 4 were collared on the Manti-LaSal Forest Service (surface ownership) and intercepted the mine on the Federal Lease. Genwal has submitted a plan outlining the procedure to be followed in the plugging operation. Included in the proposed plan are the projected date for beginning the work and that the plugging will proceed according to BLM drill hole plugging regulations: CFR 43 § 3484.1(a)(3). Upon completion of the plugging, reclamation of drill site for hole numbers 3 and 4, surface reclamation will be done in accordance with a plan approved jointly by the Division of Oil, Gas and Mining, and the Manti-LaSal National Forest.

The BLM previously requested that an e-log or geophysical log be made on at least one of the holes in the immediate area. Drillhole logs have been recorded on two of the holes as a record of the subsurface features and copies of these documents shall be provided to the BLM.

Due to the location of the holes, the nature of the "emergency access roads", and the impending change in the weather, the need to begin the plugging and the subsequent reclamation work is paramount.

Approval: The BLM approves the plan as submitted. BLM must be notified in a timely manner so a representative from the BLM can be present during the plugging operations to witness the procedures.

* **Explanation & Conditions of Approval:** Regulations contained in CFR 43 § 3484.1(a)(3) state, "All exploration drill holes must be capped with at least 5 feet of cement and plugged with a permanent plugging material that is unaffected by water and hydrocarbon gases and will prevent the migration of gases and water in the drill hole under normal hole pressures. For exploration holes drilled deeper than stripping limits, the operator/lessee, using cement or other suitable plugging material approved by the authorized officer, shall plug the hole through the thickness of the coal bed(s) or mineral deposit(s) and through aquifers for a distance of at least 50 feet above and below the coal bed(s) or mineral deposit(s) and aquifers, or to the bottom of the drill hole. A lesser cap or plug may be approved by the authorized officer. Exploration activities shall be managed to prevent water pollution and mixing of ground and surface waters and ensure the safety of people, livestock, and wildlife." The plan submitted commits to fully meet these regulations,

Logical Mining Unit (LMU): The approval of this plan has no affect on the diligence requirement of the LMU.

Inspection: The Crandall Canyon Mine was last inspected on September 5, 2007 and on September 18, 2007, just prior to the final closure of the mine. Surface areas are currently accessible.

Maximum Economic Recovery (MER): The approval of this plan has no affect on enabling the mine to achieve the Maximum Economic Recovery of the Federal coal.

Recoverable Reserve Base: The updated recoverable coal reserve base for Federal coal lease UTU-68082 is reported by the company as 350,000 tons inby crosscut 35 and 700,000 tons outby crosscut 35 in the area known as Third North. This reserve base is not affected by this plan approval.

National Environmental Policy Act (NEPA): This approval is Categoricaly Excluded from NEPA analysis, as explained in the Department Manual (5 DM Part 516 11.5 (F) (8)).

Other Legal Compliances: This approval complies with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, and the lease terms and conditions. If you have any questions, please contact Stephen Falk in the Price Field Office at (435)636-3605, or Jeff McKenzie of my staff at (801)539-4038.

Sincerely,

JAMES F KOHLER

James F. Kohler
Chief, Solid Minerals Branch

cc: UT-070, Price Field Office
SITLA
Manti-LaSal National Forest
Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801