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MANTI-LA SAL NAT'L FOREST

Forest Supervisor's Office
 & Price Ranger District
 599 West Price River Drive
 Price, UT 84501

Phone: (435) 637-2817

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Incoming
c/015/0032 *OK*

*The letter is not
 Confidential*

Number: 801-359-3940

Date: 2 Oct 2007

To: Pam Grubaugh-Littig

From: Dale Harber

Subject: Genwall Mine

Total Pages (including cover page): 3

Comments:

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DIV. OF OIL, GAS & MINING

rec'd 9/26 002

UtahAmerican Energy, Inc.



Crandall Canyon Mine

**Hwy31 MP 33, Huntington, UT 84528
PO Box 1077, Price, UT 84501
Phone: (435) 888-4000
Fax: (435) 888-4002**

September 20, 2007

Confidential

This is not Confidential

Rod Player
Acting Forest Supervisor
US Forest Service
Manti-La Sal National Forest
599 West Price River Road
Price, Utah 84501

RE: Status Update
Crandall Canyon Mine and South Crandall Mine

Dear Mr. Player:

This letter is being written to update you on the status of the aforereferenced mines. The Crandall Mine has been idled since the seismic event that occurred on August 6, 2007. The South Crandall Mine was idle at the time of the seismic event.

The seismic event is being investigated by MSHA and several other studies are being conducted concerning the rock mechanics and geology of the mines. Genwal Resources, Inc. is proposing to idle the mines during the study and investigation periods. All equipment will be removed from the mines and power will be disconnected. Also, concrete block walls will be erected in the mine portals to protect the public. Pipes will be installed in the block walls to prevent water from being impounded against the block walls.

The portals will be fenced a minimum distance of 50' from the portals to provide additional protection to the public. Also, a security guard will patrol the area at all times.

All applicable information from the investigation and studies will be forwarded to US Forest Service when they are finalized. The US Forest Service will be kept informed of all developments that occur at the aforereferenced mines.

If you require additional information, feel free to call me at (435) 888-4016 or contact us at the address listed above.

Sincerely,

A handwritten signature in cursive script that reads "David W. Hibbs".

David W. Hibbs
Director, Engineering