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DIV. OF OIL, GAS & MINING

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

Utah Division of Oil, Gas & Mining  
Utah Coal Program  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

December 21, 2007

Attn: Pamela Grubaugh-Littig  
Permit Supervisor

Re: Change to the Mining and Reclamation Plan  
Addendum to the Reclamation Plan for the East Mountain Emergency Drillpads  
Genwal Resources, Inc., Crandall Canyon Mines, MRP C/015/032

*Incoming  
C/015/0032  
#2893*

Dear Ms. Grubaugh-Littig

Enclosed please find seven (7) copies of the addendum to the Reclamation Plan for the emergency drillpads and access roads that were constructed as part of the Crandall Canyon Mine rescue efforts.

As you are aware, much of the reclamation at this site has already been completed, and the remainder is scheduled to be completed next summer as soon as weather allows. We have been working in co-operation with the Division, as well as the BLM, Forest Service, and SITLA not only in the reclamation efforts thus far, but also in discussions involving bonding liability for the remaining work to be done. The issue is complicated by the fact that SITLA wants the road on its land left in place, while Forest Service wants its road segment reclaimed. This issue may take some time to resolve. In the meantime we have been asked by the Division to provide information on which to help base the posting of a reclamation bond for the remaining work.

Prior to establishing the requirements for future reclamation bonding we ask you to consider the following items;

1) Construction of the drillpads and access roads was done under the duress of an emergency rescue effort in an attempt to save the lives of six miners trapped below. Under these extraordinary conditions the normal requirements for permitting and bonding were bypassed. Only after the rescue efforts were formally called off by MSHA did the various land management agencies get together to try to figure out not only how to reclaim the mountain, but how to retrofit the process in an after-the-fact fashion into the regulations that are normally involved. There is still no clearcut consensus on how to proceed.

File in: C/015/0032, 2007, Incoming  
Refer to:  
 Confidential  
 Shelf  
 Expandable  
Date: 12/21/2007 For additional information

- 2) SITLA does not want its segment of road reclaimed, but to the extent that reclamation bonding is required SITLA is agreeable to using the existing performance bond on coal lease ML-21568 to cover any future reclamation liabilities for the road.
- 3) The Forest Service wants its road segment reclaimed but has (informally) indicated that the present bond on the existing Forest Service road in Crandall Canyon (leading to the Crandall Canyon Mine) may be applicable to the road reclamation liabilities for the East Mountain road.
- 4) SITLA has indicated that it would seek legal action to restrain the Forest Service from reclaiming its (Forest Service) segment because this would effectively block access to the SITLA section.
- 5) SITLA has informed us that it does not see the need to change the Post-Mining Land Use in the approved MRP and feels that leaving the road in place is in accordance with the presently approved land use of rangeland maintenance.
- 6) The Forest Service road segment lies outside of our existing SMCRA permit area. We cannot legally add it to our permit without authorized right-of-entry from the Forest Service. Since this road is presently without a legal basis of existence the Forest Service cannot give us right-of-entry at this time. Without being in the permit area, the legal question of a SMCRA bonding requirement for this road becomes unclear.
- 7) The question of whether emergency rescue efforts constitutes SMCRA criteria for surface effects of underground coal mining is still being debated among some of the agencies.

We have demonstrated a good faith effort to perform as much reclamation as possible in a timely manner. In fact on two separate occasions we were run off the mountain by snow storms, but went back in with snow-cats and four-wheelers to get as much done as possible. Had the winter season not closed in on us we would have the job finished by now. In light of the good faith effort we have shown so far, and the complicated road issue we wish to ask the Division to postpone the requirement for posting a reclamation bond until we have had a chance to get back on the mountain early next summer to complete to remaining work. This would also allow time for some of the legal issues involving the roads to be ironed out

We find ourselves caught in the middle of conflicting requirements on all sides. We have every intention of finishing the reclamation as soon as possible but obviously can't until the snows melt off. I believe our actions thus far reflect our sincerity. In your assessment of risk liability please keep in mind that the Intermountain Power Agency (IPA), which is a political subdivision of the State of Utah, owns half of the Crandall Canyon Mines and is paying its share of all reclamation costs. Please also keep in mind the extraordinary conditions that precipitated this most unusual

Pam Grubaugh-Littig  
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situation. What we are asking for is a grace period for the imposition of any reclamation bonding requirements for the drillpads/access roads until the summer of 2008, at which time we can demonstrate our commitment to continue with final reclamation.

Your consideration of this request is greatly appreciated. If you have any questions or comments regarding this request or the reclamation plan as submitted please contact me at 435-888-4017

Sincerely



David Shaver  
Agent/Project Engineer

## APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: <b>015/032</b>
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Title of Proposal: <b>Addendum to the Reclamation Plan for the East Mountain emergency rescue drillpads and access roads</b>	Mine: <b>Crandall Canyon Mines</b>
Permittee: <b>GENWAL Resources, Inc.</b>	

Description, include reason for application and timing required to implement: .

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? <b>8</b> acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? <i>maybe</i>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use? <i>maybe</i>
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities? <i>maybe</i>

Attach **3** complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-328)

Signed - Name - Position - Date  
*Tami L Wardle* *agent* *12/17/07*

Subscribed and sworn to before me this 17 day of December 2007

*Tami L Wardle*  
 Notary Public  
 STATE OF UTAH  
 COUNTY OF Carbo



**TAMI L WARDLE**  
 NOTARY PUBLIC • STATE of UTAH  
 1323 SOUTH 600 WEST  
 PRICE UT 84501  
 MY COMMISSION EXPIRES: 03-07-2010

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