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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>



DEC 04 2007

IN REPLY REFER TO:

3482
UTU-68082, UTU-54762, SL-062648
(UT-923)

Certified Mail--Return Receipt Requested
Certificate No. 7006 3450 0001 6884 6927

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

McComick
12/15/0032

Re: Cessation of Operations, Crandall Canyon Mine

Dear Mr. Hibbs:

On September 20, 2007, the Bureau of Land Management (BLM) approved Genwal Resources, Inc. (Genwal) request to modify the subject R2P2 of Federal coal lease UTU-68082. The modification approved idling of the mine and a delay of Federal coal recovery at the Crandall Canyon Mine.

The following Federal coal leases were affected by this action: UTU-68082, U-54762, SL-062648.

With the cessation of operations, this documentation needs to be provided to provide a basis for inclusion with additional documents for possible future actions, i.e., lease relinquishments, final closure, etc. The forms required to be completed are enclosed. A map showing the location of equipment presently in the mine can be substituted for the ("Equipment Remaining Underground Report").

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DIV. OF OIL, GAS & MINING

Please fill out the forms and return them to the BLM State Office within the next 60 days.

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

Enclosures:

Temporary Mine Closure Forms

cc: UT-070, Price Field Office (w/ enclosures)
Utah Division of Oil Gas and Mining (w/o enclosures)
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Cessation of Operations 11-29-07 JM-SA

ENVIRONMENTAL AND CERCLA CERTIFICATION

The Environmental Protection Agency promulgated final regulations to implement requirements established in Section 120(h) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended by Superfund Amendments Reauthorization Act (SARA). Under section 120(h), whenever a Federal agency enters into any contract/agreement for the sale or transfer of public land/real property, and on which any hazardous substance was stored for one year or more, or known to have been released or disposed of, the contract (conveyance document) must include notice of the type and quantity of such hazardous substance, and the time at which such storage, release or disposal was originated. This final rule making became effective October 17, 1990.

Federal coal leases, if developed, result in the operator conducting mining operations on all or parts of the Federal lands. The lessee/operator, under appropriate circumstances, may utilize hazardous substances on the surface or underground on Federal lands. At the time of lease relinquishment, or at the time of any sealing or potentially sealing operation conducted by a Federal lessee, it is necessary for the lessee to inform the BLM and any other surface managing agency of any activities of a lessee that might be subject to CERCLA notification. This information will be utilized to satisfy the requirements under Section 120(h) of CERCLA as amended by SARA.

BLM requires the following information to the extent it is applicable to the Federal coal lease relinquishment area, area or any time that a mining operation seals or places structures possibly sealing an area. BLM will make the company proprietary information public only upon transfer or exchange of the affected lands.

Explanation:

Items 1-5 deal with hazardous substances and environmental issues. Item 6 is a CERCLA certification by an officer of the lessee. Suggested formats follow.

Required Information:

1. A list of any hazardous substances as defined in SARA Title III Consolidated List (40 CER 302.4) used on the lease (by date) or products that contain such substances. This shall include all hazardous substances and materials along with their Chemical Abstract Services Registry Numbers (CASRN), and petroleum based oil and other petroleum products that were used, stored or delivered to the lease. Quantities at this time are not necessary. This is for disclosure purposes only.
2. A copy of all reports of spills occurring on the lease or sealed area.
3. A copy of all reports submitted to the State of Utah listing any spill of petroleum based oil or other petroleum products on the lease exceeding 25 gallons or that cause a threat to human health or the environment.

4. A mine map covering the lease showing the location, type and model of any equipment or machinery that is known to be remaining underground. (this does not include materials and supplies, and hand tools). For every piece of equipment that will be left underground upon lease cessation of operations, please list the quantities of oil, batteries, or other fluids that are remaining, or could be remaining in the equipment.

5. A summary analysis of water quality reports showing whether or not the water quality has been affected by mining. The data that has been collected throughout the years should be the basis for this summary report. The UPDES/NPDES discharge permit requirements for the mine and copies of certifications or samples to show that these requirements have not been exceeded should be part of this analysis. The analysis should compare the water quality at the time of cessation of operations with the water quality that existed prior to mining in the base line analysis. This shall be for all waters that are affected by mining. The company should list any mitigation that was done to alleviate any water quality concerns.

6. An officer of the lessee shall sign and submit a certificate in the form attached for each lease or portion thereof where operations have ceased.

a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished, operations ceased or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished, operations ceased or sealed; and upon our knowledge of past operations, there have been no reportable quantities of hazardous substances (per 40 CFR 302.4) and Part 373 or used oil (per Utah State Management Rule R-3 15-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) for the specified lease or portion thereof relinquished, operations ceased or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished, operations ceased or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and Part 373 or used oil (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health ~ and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.

(Officer of the Lessee)

(Date)

CERCLA CERTIFICATION

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

a. Based upon a complete search of all known records of the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished, sealed or potentially sealed, and (ii) for the operations conducted on the specified lease or portion thereof relinquished, operations ceased or sealed or potentially sealed; and upon our knowledge of past operations, there have been **no** reportable quantities of **hazardous substances** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15), deposited or released within the lease, either on the surface or underground that will harm human health and the environment with respect to any such substances remaining on the property.

b. Based upon a complete search of all known records for the lessee(s), sublessee(s) and operator(s) (i) for the specified lease or portion thereof relinquished, operations ceased or sealed and (ii) for the operations conducted on the specified lease or portion thereof relinquished, operations ceased or sealed; and upon our knowledge of past operations, there has been a release or disposal of a reportable quantity of **hazardous substance** (per 40 CFR 302.4) and Part 373 or **used oil** (per Utah State Management Rule R-315-15) on the surface of the lease or underground, and all remedial action necessary has been taken to protect human health and the environment with respect to any such substances remaining on the property. This shall be documented with sample analytical data from the remediation or removal process.

(Officer of the Lessee)

(Date)

SUMMARY WATER ANALYSIS REPORT

Lease(s) # _____

Mine Name and MSHA Mine # _____

Mine Section (if applicable) _____

Coal Bed _____

Submittal Date: _____