
OK

UTAH OGM COAL PROGRAM MEETING NOTES

Date: November 16, 2007
Time: 9:30 am – 12:00 pm
Location: Price DNR Conference Room

To: Internal File, Crandall Canyon Mine, C/015/0032, Emergency Drill Hole Bonding

From: Priscilla Burton *PWB by ar*

Attendees: Steve Falk, BLM; Tom Lloyd, USFS; Adam Robison, SITLA; Shane Campbell, SCAMP Excavation, Ltd; Priscilla Burton, Wayne Western, Pam Grubaugh-Littig, DOGM; Dave Shaver, David Hibbs, Bruce Hill, Genwal Resources, Inc.

Purpose: Outline components of cost-estimate for bonding of remaining work on SITLA and USFS managed lands.

MEETING SUMMARY:

Work completed to date includes the regrading, seeding and mulching of drill hole pads #3, #4, #7 and #5 and the access road from pad #3 to pad #4. A new alignment, approximately 0.1 miles, was constructed along the saddle of East Mountain and the old alignment on the northeast side was reclaimed for approximately the same distance.

The remaining work to be done includes construction of a French drain along the access road above pad #4 and reclamation of pads #6 and #2 and associated access roads (all on SITLA); as well as complete reclamation of the main access road on SITLA and USFS managed lands.

A Record of Decision (ROD) was signed by the Forest Supervisor in 2004 authorizing road construction to access the SITLA lands but was successfully appealed by Utah Environmental Congress in court. The ROD was based on the East Mountain SITLA Access Environmental Impact Statement. As it stands now, the USFS has no authority to leave the emergency access road in-place and requires the road to be reclaimed back to the original contour and reseeded. If the FS did have the authority to leave the road, it would require reconstruction to safely accommodate anticipated commercial needs for logging and oil and gas drilling. SITLA requests their section of road be improved to handle commercial traffic, even if it is land locked.

The Division described the requirements for a postmining land use change, if the road is retained on SITLA managed land. Bruce Hill stated that the rescue holes were not mine related, therefore, he argued, that DOGM has no basis to make a post mining land use change and perhaps no basis to bond for a mining related disturbance. Adam Robison indicated that SITLA may ultimately offer the East Mountain parcel to the USFS as a land exchange.

Consequently, the Best Case Scenario would include the following items in the cost estimate:

- Construct French Drain along pad #4 access road with two-inch rock, perforated pipe, and filter fabric.
- Reclaim pads #2 and #6 and associated access using two rock trucks, two hoes, two dozers. No estimate of volume available. Seed and mulch with WoodStraw.
- Retain the permanent SITLA road with the following additional work
 - Compact outslopes and downslopes and seed
 - Install permanent rolling dips
 - Correct two wet spots with installation of collection box, 2-inch gravel and perforated pipe
- Reclaim the USFS access to SITLA managed land.
- Provide for annual noxious weed monitoring and control.

The WORST Case Scenario discussed would include the following items in the cost estimate:

- Reclaim the full length of SITLA and USFS roads.
- An alternate access to return to pads #3 and #4 to redrill and replug holes.

ACTION ITEMS:

Genwal Resources, Inc.:

1. Determine whether SITLA's \$150,000 lease bond can be applied towards reclamation of the SITLA land. In doing so, the bond will need to be transferred to the Division for bond release purposes.
2. Determine whether BLM lease bond can be applied towards the re-plugging of drillholes #3 and #4 (if required).
3. Provide the Division with a written proposal including cost-estimates for the Best Case Scenario and for reclamation of the full-length of the East Mountain road (first worst case scenario) by December 13, 2007, so that a bond could be figured by January 15, 2007.
4. Provide a written proposal for the re-plugging of drill holes #3 and #4 on by February 15, 2007, if required by the BLM and USFS (currently under review).

DOGM:

1. USFS road disturbance is off-lease and outside of the Crandall permit area. Of what consequence is this to bonding?
2. Determine whether requirements for Post Mining Land Use change apply and, if so, inform all parties of the requirements by letter.

Next Meeting set for November 22, 2007 to discuss cost estimation.

ADDITIONAL COMMENTS: (This section is intended to provide attendees the opportunity to contribute additional and significant information concerning the meeting content that may not have been mentioned during the meeting.)

PGL – Genwal Resources, Inc. will need to include the USFS road disturbance in the Crandall Canyon Mine permit area. This additional permit area would be a “cherry stem” area that would also be in the Deer Creek Mine permit area. PacifiCorp would have no responsibility for reclamation.

PGL – These drill holes are considered coal mining and reclamation operations by the Division.

PWB

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