

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

March 9, 2007

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TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor *PGL*

FROM: Priscilla Burton, CPSSc, Environmental Scientist, III *PWB by ar*

RE: Mid-Term Review; Crandall Canyon Mine, C/015/0032, Genwal Resources, Inc., Task ID #2744

SUMMARY:

The mid-term review was initiated on February 9, 2006 as task #2431. Information received on August 1, 2006 was reviewed as Task 2587. Recent information received on February 2, 2007, is the subject of this task. This memo addresses the administrative and soils contents of the MRP. The mid-term review is complete and approval of amendments to the MRP is recommended.

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TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

Genwal Resources, Inc. is the Permittee and Operator (MRP, Sec. 112.300). The Permittee's address, telephone number, employer identification number and MSHA I.D. number are listed. The Resident Agent is Dave Shaver (Sec.112.220). The Permittee will pay the abandoned mine reclamation fee.

Andalex Resources Inc was acquired by Murray Energy Corp. in 2006. Appendix A contains the revised the ownership and control information for Murray Energy Corp and UtahAmerican Energy, Inc., owners in full of Andalex Resources, Inc. The Crandall Canyon project is now jointly owned by the Intermountain Power Agency (IPA) and by Andalex Resources, Inc. Current information was received on October 25, 2006 and is being reviewed under a separate Task 2686.

Appendix A lists affiliated coal mining and reclamation operations and their permit and MSHA numbers, together with dates of issuance. This appendix lists DOGM permits for the Centennial Mine, the Wildcat Loadout, Crandall Canyon Mine, and West Ridge Mine and the Horse Canyon Mine.

Land ownership is illustrated on Plate 4-4 and described in Section 112.500 and 112.600. The surface lands within the permit area are owned by the United States (administered by the U.S .Forest Service), the State of Utah, and Genwal Resources Inc. The subsurface is owned by the same three entities. The federal coal is administered by the BLM and the state coal is administered by the School and Institutional Trust Lands Administration (SITLA, see Plate 1-1).

Findings:

The information provided appears to meet the minimum requirements of the R645 Rules and is being reviewed under Task 2686.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

Appendix 1-11 contains a violation history for Utah permitted mine sites that is current through October 2006.

Findings:

The information provided meets the requirements for reporting violation information.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

Sec. 114 of the MRP lists the following state and federal leases within the permit area: ML-21568, ML-21569, U-54762; UTU-78953; UTU-68082; and SL-062648. The Permit Legal Description provided in Sec. 114 also includes a 50-acre BLM right of way UTU-77975. Plate 1-1 illustrates the locations of these leases. The legal descriptions of the lease areas are found in Sec 114 and Appendices 1-1, 1-13, 1-14, and 1-15.

Lease SL-050655 was relinquished on March 1, 1984. In exchange for this relinquishment, lease SL-062648 was adjusted to include Lot 4 Sec 5, and Lot 1 Sec 6 of T 16 S, R 7 E in 1984 (App. 1-1). However, current BLM lease maps do not show Lot 4, but do show lot 5 in Sec 5 as part of lease SL-062648. Consequently, Lot 4 was not conveyed by Genwal Resources Inc. in the 1991 Assignment of Federal Coal Lease SL-062648 to Nevada Electric Investment Company (NEICO). According to the BLM lease map, the acreage of SL-062648 is 161.17 acres, as described on p. 1-12 in Sec. 114 of the MRP.

Right of entry for the sediment ponds and topsoil piles are based upon Special Use permits from the U.S.F.S. provided in Appendices 1-3. All Special Use permits were renewed in 2003 and do not expire until 2022.

Findings:

The information provided meets the minimum requirements for Right of Entry.

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OPERATION PLAN

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-230.

Analysis:

Topsoil Removal and Storage

The disturbed area covers 15.264 acres (Sec. 112, Genwal Disturbed Acreage Table). Surface facilities are shown on Plate 5-3. Section 2.42 describes 12,912 yd³ of stockpiled topsoil in four locations and a redistribution depth of 12 – 16 inches over the site.

The Permittee has indicated with this amendment that tunnels from the mine yard were driven up to the coal seam to provide the South portal intake and fan portals. This construction was completed in 2003. Excavated material was sampled and analyzed for acid/toxic forming characteristics (see App. 2-11 for analyses).

Plates 2-5C provides the as-built configuration of topsoil pile #4, after construction of the south portal.

Findings:

The information provided meets the minimum requirements for Operation Plan Soil and Subsoil.

RECOMMENDATIONS:

The mid-term review is completed. Approval of amendments received in conjunction with this review is recommended.