

0037

*OK Incoming  
C/015/0032*

**From:** "Shaver, Dave" <dshaver@coalsource.com>  
**To:** "Daron Haddock" <DARONHADDOCK@utah.gov>  
**Date:** 3/25/2008 2:19 PM  
**Subject:** East Mountain request for extension  
**Attachments:** DOGM East Mountain request for extension.pdf

Hi Daron....Attached is the request for extension for the East Mountain reclamation plan. Thanks for your consideration.

Dave



Daron Haddock  
Permit Supervisor  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

March 25, 2008

Re: Request for Extension  
Crandall Canyon Mines  
East Mountain Drillhole Reclamation Plan  
Task # 2893  
C/015/032

Dear Mr. Haddock:

The purpose of this letter is to request an extension of time to respond to the deficiencies of the East Mountain Drillhole Reclamation Plan. This request is based on the following:

1) The Forest Service has not yet issued a Road Use Permit for the access roads leading up to the reclamation site. The deficiencies ask for a copy of this permit.

2) The Forest Service has determined that they will issue a separate road use permit for the newly-constructed segment of road on their land, and will require their own reclamation bond. Therefore the reclamation of this segment will not involve DOGM as had originally been discussed. The Forest Service is presently processing the application for this use permit. We are confused at this time whether the FS road segment needs to be included in the DOGM permit area since it is off lease and will be covered under Forest Service performance, reclamation and bonding criteria under their Road Use Permit..

3) The BLM has not yet formally determined whether or not Genwal Resources will have to go back in and re-drill, and then re-plug the two previously reclaimed holes on BLM land. They are waiting on a determination from the Forest Service as to the effects on ground-water hydrology from the holes that we were unable to plug for the entire length. Forest Service has not yet made the determination and therefore, BLM has not abated the Notice of Non-Compliance. If we have to re-drill the holes we will have to take out much of the area that has already been reclaimed. This would result in a re-adjustment of the reclamation bond amount, and would involve a major re-write of the reclamation plan.

4) Also, one of the deficiencies refers to the determination of effects on the ground-water aquifers of the drilling. Since this issue is pending a determination by Forest Service and BLM we are unable to address it in the MRP at this time.

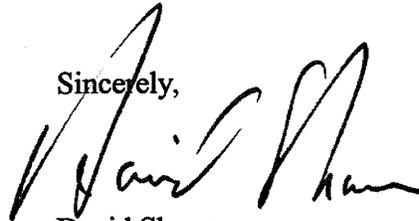
Daron Haddock  
DOGM  
page 2

5) SITLA has indicated its willingness to allow the lease bond for ML-21568 to be applied toward the reclamation of the SITLA portion of the access road. However, the mechanics of how this could be applied under DOGM's rules has not yet been ironed out, and will involve certain discussions directly between SITLA and DOGM. We are not sure where the agencies are on this issue at present.

As you can see, there is still a degree of uncertainty about the roles of the various agencies involved with the reclamation effort. Perhaps a meeting with some of the other agency officials might clarify some of the issues. There is no confusion on how to go about the reclamation as such, but only on how to handle the administrative questions. In the meantime, we ask for an extension of time to respond to Task # 2893 until some of these questions have been ironed out.

If you have any questions or comments regarding this request please contact me at 435 888-4017.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver". The signature is fluid and cursive, with a large initial "D" and "S".

David Shaver  
Resident Agent