



**State of Utah**  
**Department of**  
**Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of**  
**Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

Representatives Present During the Inspection:	
Company	David Shaver Manager
OGM	Karl Houskeeper Environmental Scientist III

**Inspection Report**

Permit Number:	C0150032
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, May 28, 2008
Start Date/Time:	5/28/2008 10:00:00 AM
End Date/Time:	5/28/2008 12:00:00 PM
Last Inspection:	Thursday, April 24, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 62 Deg. F.

InspectionID Report Number: 1663

*OK* Accepted by: jhelfric  
 6/2/2008

Permittee: **GENWAL RESOURCES INC**  
 Operator: **GENWAL RESOURCES INC**  
 Site: **CRANDALL CANYON MINE**  
 Address: **PO BOX 1077, PRICE UT 84501**  
 County: **EMERY**  
 Permit Type: **PERMANENT COAL PROGRAM**  
 Permit Status: **ACTIVE**

**Current Acreages**

6,235.80	<b>Total Permitted</b>
10.70	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

**Mineral Ownership**

- Federal
- State
- County
- Fee
- Other

**Types of Operations**

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

Citation #10021 & #10022 were issued (see items 4a & 4c).

**Inspector's Signature:**

*Karl R. Houskeeper*

**Date**

Thursday, May 29, 2008

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The DOGM permit is effective 05/13/2008 and expires 05/13/2013. Other documents include the following:

- Certificate of Insurance issued 06/01/2007 and terminates 06/01/2008.
- Reclamation agreement is dated April 1998 and is signed by both parties.
- UPDES permit UT000024368 effective 12/01/2005 and expires midnight 11/30/2010.
- Air Quality permit DAQE-AN0225003-03, issued 03/20/2003.
- SPCC Plan dated 09/18/2004.

**2. Signs and Markers**

The Mine ID sign is posted at the entrance to the permit area from the forest service road. The sign contains the name, permit ID #, address, and phone number of the operator. All other signs and markers observed during the inspection met the coal rules.

**3. Topsoil**

(see item 4c)

**4.a Hydrologic Balance: Diversions**

Citation 10021 was issued for failure to maintain C-4 and C-12 culvert inlets. Both inlets were 50% covered with sediment and or coal. The referenced inlets were identified in the previous inspection as needing maintenance work. No work had been accomplished on either inlet at the time of the current inspection. The abatement deadline is June 18, 2008 to bring the inlets back into compliance with their approved design within the approved Mining and Reclamation Plan (MRP) and the coal regulations enforced by the State of Utah.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The last annual sediment pond inspection was done on 08/13/07. The inspection was P.E. certified by a register P.E. in the State of Utah. The first quarter 2008 sediment pond inspection was done on 01/14/08 and the second quarter 2008 sediment pond inspection was done on 04/05/08. No problems were noted.

**4.c Hydrologic Balance: Other Sediment Control Measures**

Citation 10022 was issued for failure to maintain sediment control measures (silt fences) at Topsoil Stockpiles #2, #3, & #4 and at the bas of the sediment pond dike. The referenced silt fences were identified during the previous inspection as needing maintenance work. No work had been accomplished on the identified areas at the time of the current inspection. The abatement deadline is June 18, 2008 to bring the siltation structures back into compliance with their approved design within the approved Mining and Reclamation Plan (MRP) and the coal regulations enforced by the State of Utah.

#### **4.d Hydrologic Balance: Water Monitoring**

First quarter 2008 water monitoring information is in the EDI website and uploaded. Water monitoring is current.

#### **4.e Hydrologic Balance: Effluent Limitations**

January 2008 discharge monitoring Reports (DMR) showed that outfall 001 exceeded TDS one time and that outfall 002 exceeded Fe and TDS three times. February 2008 DMR showed outfall 001 did not discharge and that outfall 002 discharged and met all parameters. March 2008 DMR showed that outfall 001 did not discharge and that outfall 002 exceeded Fe one time.

The referenced exceeded parameters were in conjunction with the mine water discharge from the north portals that have stoppings installed following the recent mine disaster. The Division of Water Quality DEQ has been notified of the discharge and subsequent exceeded parameters.

#### **20. Air Quality Permit**

Approval Order DAQE-827-01 was modified on March 20, 2003. This modification allowed additional coal handling equipment (conveyors) for the South Crandall Portals. The new approval order, DAQE-AN0225003-03, was effective March 20, 2003.

#### **21. Bonding and Insurance**

Insurance is provided through Federal Insurance Co. policy #37104410. The policy meets the minimum coverage requirements, has explosive coverage, contains the proper language in the notification clause, and shows the State of Utah as the certificate holder.

The bonded amount for the Crandall Canyon Mine was \$1,654,000 by bond #14-96-15. With the recent permit renewal an additional \$407,275 has been posted in an escrow account with Wells Fargo Bank. The additional amount is due to escalation and reclamation costs associated with the emergency drill holes that were constructed in efforts to rescue the trapped miners. The total bond amount is \$2,061,275.