



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, October 29, 2008
Start Date/Time:	10/29/2008 7:15:00 AM
End Date/Time:	10/29/2008 12:00:00 PM
Last Inspection:	Thursday, September 25, 2008

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Clear, Temp. 38 Deg. F.

InspectionID Report Number: 1814

Accepted by: jhelfric

11/10/2008

Permitee: **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	Total Permitted
10.70	Total Disturbed
	Phase I
	Phase II
	Phase III

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:

Inspector's Signature: _____

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

Date Wednesday, October 29, 2008

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

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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 type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input 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 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 06/01/2008 and terminates 06/01/2009.
- 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.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The last Sediment pond inspection was done on September 29, 2008 for 3rdd quarter 2008.

4.d Hydrologic Balance: Water Monitoring

Second quarter 2008 water monitoring is in the EDI website and has been uploaded. Water monitoring is current.

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.