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**State of Utah**  
**DEPARTMENT OF NATURAL RESOURCES**  
**Division of Oil, Gas & Mining**

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

MICHAEL R. STYLER  
*Executive Director*

JOHN R. BAZA  
*Division Director*

February 20, 2008

Dave Shaver, Resident Agent  
Genwal Resources, Inc.  
P.O. Box 1077  
Price, Utah 84501

Subject: East Mountain Emergency Drill Hole Reclamation Plan, Genwal Resources, Inc.,  
Crandall Canyon Mine, C/015/0032, Task ID #2893, Outgoing File

Dear Mr. Shaver:

The above-referenced amendment has been reviewed and is being returned with this letter. Also enclosed are the deficiencies associated with the submittal received on December 21, 2007.

Several items presented in your cover letter dated December 21, 2007, must be addressed. In Items #1 and #7, you indicate there is no clear consensus for proceeding with reclamation and you question whether the emergency rescue efforts constitutes SMCRA criteria for surface effects of underground coal mining. The Division considers all surface disturbance associated with the emergency holes drilled for the rescue attempt to be "Coal Mining and Reclamation Operations," as defined by the R645 coal mining rules and as such, the disturbance must be permitted and bonded.

On August 30, 2007, the Division, consulted with the Bureau of Land Management (BLM), the United States Forest Service/ Manti La Sal National Forest (USFS), and the State Institutional Trust Lands Administration (SITLA) and consensus was reached that the Division would be the lead agency to permit the surface disturbance and bond for the reclamation work.

Items # 2, #3, and #4, describe the differences in future land use plans for the East Mountain surface disturbed area, developed by the land managing agencies, USFS and SITLA. This conflict was first explored through the NEPA process in 2004 and will not likely be quickly resolved. To ensure slope stability and erosion control, the Division has determined that the full reclamation of all roads and pads must be bonded for future reclamation. When the two surface land managing agencies resolve this conflict, the road might be re-opened.

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In Item #6, you allude to the legal question of a SMCRA bonding requirement for 2,573 ft. of blazed road on USFS land, beyond the existing Forest Road #244 and outside of the Crandall Canyon Mine existing permit area, as shown on Plate 1-1. First, the Division understands that existing USFS roads #145 and #244 that have been utilized to access the newly blazed road will be covered under a USFS Conditional Road Use Permit. As per the attached deficiencies, a copy of that road use permit must be included with your application. The road blazed through USFS managed land outside your lease area is part of the Crandall Canyon Mine disturbance and should be included in the MRP Disturbed Acreage Table in Section 112.

In items #2 and 3, you suggest that the SITLA lease ML-21568 bond and the Crandall Canyon Mine USFS road use permit bond be applied for reclamation bonding on the East Mountain Emergency drill sites and access roads. Subsequent discussions between the USFS and the Division have revealed that this is not possible for USFS lands. The \$150,000 SITLA bond could be applied towards the final bond amount of \$448,000, provided that the SITLA bond is made payable to DOGM. If agreement cannot be reached with SITLA on this issue, then Genwal Resources, Inc. must post a bond for the required \$448,000 amount.

In the conclusion to your letter of December 21, 2007, you request a good faith delay in producing a bond until the summer of 2008. The Division has already allowed that work completed during the fall 2007 would not be itemized in the bond. The Division expects that the remaining reclamation work will be completed during the summer of 2008 by Genwal Resources, Inc. The Division requires that Genwal Resources, Inc. immediately post \$448,000 in accordance with R645-301-820.112.

Please adequately respond to the attached deficiencies by March 20, 2008.

In accordance with, R645-300-211, Genwal Resources, Inc. may request a hearing before the Board concerning any decision outlined in this letter. If you have any questions, please call me at (801) 538-5325 or Priscilla Burton at (435) 613-3733.

Sincerely,



Daron R. Haddock  
Permit Supervisor

PWB:an

Enclosures

cc:

Price Field Office

Jim Kohler, BLM

Tom Faddies, SITLA

Howard Sargent, USFS

Jim Fulton, OSM

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## Deficiencies List

Task ID #2893

**PB**= Priscilla Burton

**DD** = Dana Dean

**JH** = Joe Helfrich

**WW** = Wayne Western

**R645-301-121.100**, Update the Disturbed Acreage Table in the MRP, Section 112 to include 7.91 disturbed acres associated with the East Mountain drill holes. [PB]

**R645-301-114**, Provide the USFS conditional road use permit that includes the access route to East Mountain, including the Cottonwood Canyon road and forest roads #145 and #244, from Tanner Flat. [PB]

**R645-301-333, -301-342, -301-358**, The application needs to include information about exclusionary periods for wildlife species. The proposed reclamation area is known habitat for Mule Deer, Elk and Goshawks. The applicant should provide information about these species that addresses periods in their life cycles that may need to be avoided during reclamation activities. [JH]

**R645-301-412 and R645-301-542.600 and R645-301-121.200**, There has been no post mining land-use management plan change requested by this application. The post mining land-use is described in Section 4.12.1 as wildlife and grazing, "solely at the discretion of the USFS." The Permittee has also acknowledged responsibility for reclamation of the full length of the road with the following statement on page 10 of App 5-22A, "*This said, Genwal acknowledges that since the company constructed the road in the rescue attempt, it has the responsibility to reclaim it...*" However, to be perfectly clear that full reclamation of the roads and drill pads is Genwal Resources, Inc.'s intent, the remainder of that sentence must be deleted from the application. In addition the entire paragraph following that statement must be deleted, in which Genwal describes agreements to perform "some additional work next summer" on the 4,959 ft of SITLA road. [PB, WW]

**R645-301-542.310, R645-301-542.320 and R645-301-553.110**, The Permittee must give the Division certified maps and cross-sections of the reclaimed areas. If possible, the Permittee will include predisturbance maps and cross sections. ●The maps must show where the seeps and springs are located and the final constructed drains. ●The maps must show the length of all cutslope remnants, if any will remain after final reclamation. At a minimum, the Permittee must include the height, length and approximate angle of each cut slope remnant. ●In addition, the Permittee must give a narrative about the stability of each cutslope, which should include a description of how much of the cut slope remnant is in bedrock and how much is in unconsolidated material. ●The Permittee will provide cross sections to show the reclaimed areas will be stable. [WW]

**R645-301-551**, The Permittee must demonstrate that all drill holes have been plugged so that no significant amount of surface water will be lost and that no significant cross-aquifer contamination will occur. [WW, DD]

**R645-301-553.130**, The Permittee must demonstrate stability by either showing that the reclaimed sites have a static safety factor of 1.3 or showing that due to site conditions, a safety factor of 1.3 would be impossible to obtain. If the Permittee cannot show that the reclaimed slopes will have a static safety factor of 1.3, then the Permittee must describe how the slopes will be constructed to maximize stability. In addition, the Permittee must show that the reclaimed slope angles will not exceed the angle of repose. [WW]

**R645-301-751**, The Permittee must show that the sediment control measures for the Emergency Drill Hole reclamation comply with all applicable State and Federal water quality laws and regulations and with the effluent limitations set forth in 40 CFR Part 434. [DD]

**R645-301-742**, The Permittee must provide specific plans and/or calculations to demonstrate that they are using the best technology currently available to prevent, to the extent possible, additional contributions of sediment to stream flow or to runoff outside the permit area; meet the effluent limitations under R645-301-751; and minimize erosion to the extent possible. [DD]

**R645-301-830.200**, The bond amount associated with this reclamation is \$448,000. As noted in the letter accompanying this deficiency list, the SITLA lease bond in the amount of \$150,000 could be used to decrease the amount of reclamation liability, if it is made payable to DOGM. [WW]