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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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Division Director

June 4, 2008

JK

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 #2970, Outgoing File

Dear Mr. Shaver:

On May 9, 2008, the Division of Oil, Gas and Mining (the Division) received a deficiency response for the above-referenced amendment from Genwal Resources, Inc. (the Permittee). An initial review was conducted, and the Division found that the application has not adequately addressed the deficiencies outlined in the Division's February 20, 2008 letter to the Permittee (see attached). As a result, the application is being returned along with this letter.

There were deficiencies outlined in the Division's February 20, 2008 letter that were adequately addressed by the application to warrant a technical review. However, the Division did find several deficiencies that were not adequately addressed. They are as follows:

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 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 4,958 ft of SITLA road. [PB, WW]*

The plan must explicitly outline the full reclamation of the entire SITLA road (in addition to the remaining drill pads and associated roads).

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 pre-disturbance 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 cut slope 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 cut slope, 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].*

With the exception of the cross-sections of the reclaimed areas, Division staff was unable to locate the additional information as requested.

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].*

The application does not appear to address the 1.3 static safety factor. If it is not possible to establish a static safety factor of 1.3, the application should address this.

R645-301-742, *The Permittee must provide specific plans and/or calculations to demonstrate that they are using the best technology 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]*

Given the Division finding that the SITLA road must be fully reclaimed, the application must provide the plans and methods to be utilized to prevent erosion and sediment transport off the SITLA road site during reclamation. The application provides discussion as to the erosion techniques to be implemented with the assumption that the SITLA road will be left in place.

R645-301-751, *The Permittee must show that the sediment controls 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].*

The application should provide a narrative/discussion as to how the reclamation plan satisfies this regulation.

Page 3
Dave Shaver
June 4, 2008

The Division is anxious that this reclamation plan gets finalized. There seems to be some confusion as to what needs to be addressed in the plan, but we feel that we have been very clear that the reclamation plan must first provide for full and complete reclamation of the disturbances caused during the emergency drilling project. We understand that there may be some differences of opinion from the surface managing agencies regarding whether facilities could be left for a post-mining land use, but these must be submitted as alternatives to the main plan, which is to reclaim. The alternatives could then be implemented afterward and contingent upon the agencies reaching consensus on how it was to be implemented.

Please correct the deficiencies in your plan and resubmit it by no later than June 30, 2008. Failure to submit the required information may result in enforcement action. 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, Priscilla Burton at (435) 613-3733 or Steve Christensen (801) 538-5350.

Sincerely,



Daron R. Haddock
Permit Supervisor

SKC:an
Enclosures

cc: Price Field Office
Jim Kohler, BLM
Tom Faddies, SITLA
Howard Sargent, USFS

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