



Daron Haddock  
 Permit Supervisor  
 Utah Division of Oil, Gas and Mining  
 P.O. Box 145801  
 1594 West North Temple, Suite 1210  
 Salt Lake City, Utah 84114-5801

April 6, 2009

Re: Crandall Canyon Mines, C/015/032  
 Change to Drainage Control Plan, Water Aeration Treatment Area

Dear Mr. Haddock:

Enclosed are six copies of changes to Mining & Reclamation Plan for the Crandall Canyon Mines. These changes reflect the proposal to utilize the old loadout area as a treatment area for the mine discharge water. This is needed in order to treat the iron through aeration to comply with the UPDES discharge permit. As you are aware, we are now in a violation situation with DWQ due to the high iron. This aeration treatment system is being proposed to abate the violation.

This treatment area will also treat the mine-induced seepage from the ledge below the portals, which is now reporting to the sediment pond. Based upon on-site discussions with Division personnel it was determined that we should implement the treatment of the mine water and seepage water on an operational basis, and then, after seeing how well this works, address the final reclamation plan as required by Division Order DO08A (Task 3092). As you will recall we submitted a response to the Division Order, but the submittal was rejected, primarily on the grounds that additional operational data from the seepage area, and the water treatment requirements, would need to be factored into a final reclamation plan regarding how to handle the long-term mine discharge water. We will submit a revised reclamation plan to address this situation in the near future, as per our recent discussion.

File in:  
 C/015/0032 2009 Incoming  
 Refer to:  
 Confidential  
 Shelf  
 Expandable  
 Date 4/6/09 For additional information

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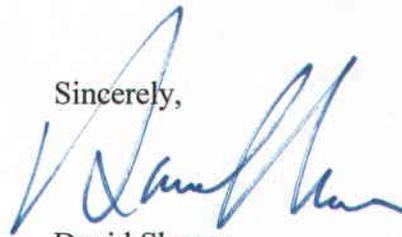
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We also to plan to extend the existing French drain near the old portals to collect some of the mine seepage water which is currently reporting to the sed pond.

Because we need to abate the DWQ violation as soon as possible I would like to request an expedited review of this change.

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

Sincerely,



David Shaver  
Resident Agent

# APPLICATION FOR PERMIT PROCESSING

|  |                                     |                                  |                                   |                                      |                                       |                               |
|--|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|-------------------------------|
| <input type="checkbox"/> Permit Change | <input type="checkbox"/> New Permit | <input type="checkbox"/> Renewal | <input type="checkbox"/> Transfer | <input type="checkbox"/> Exploration | <input type="checkbox"/> Bond Release | Permit Number: <b>015/032</b> |
|--|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|---------------------------------------|-------------------------------|

|  |  |
|--|--|
| Title of Proposal<br><b>Change to Drainage Control Plan, Water Aeration Treatment Area</b> | Mine: <b>Crandall Canyon Mines</b><br>Permittee: <b>GENWAL Resources, Inc.</b> |
|--|--|

Description, include reason for application and timing required to implement.

**Instructions:** If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

|   |  |  |
|---|--|--|
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order?   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: <i>DWQ violation</i>                                   |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?  |
| <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?   |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 17. Does the application require or include construction, modification, or removal of surface facilities?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 18. Does the application require or include water monitoring, sediment or drainage control measures?   |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 19. Does the application require or include certified designs, maps, or calculations?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?  |
| <input type="checkbox"/> Yes            | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for?  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? <i>UPDES</i>  |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No            | 23. Does the application affect permits issued by other agencies or permits issued to other entities? <i>DWQ</i>                                       |

Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

Signed: *[Signature]* Name - Position - Date *\_\_\_\_\_ 3/17/09 \_\_\_\_\_ agent*

Subscribed and sworn to before me this *17<sup>th</sup>* day of *March*, 2009.

*[Signature]*  
Notary Public  
My Commission Expires: *04.06.09*  
Attest: STATE OF *Utah* COUNTY OF *San Juan*



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ASSIGNED TRACKING NUMBER

