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P.O. Box 1077, Price, Utah 84501 794 North "C" Canyon Rd, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

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

October 26, 2009

Re: Crandall Canyon Mines, C/015/032
Change to Reclamation Plan, East Mountain Emergency Drillpads (Appendix 5-22A)

Dear Mr. Haddock:

Enclosed are six copies of changes to Mining & Reclamation Plan for the Crandall Canyon Mines, East Mountain Emergency Drillpads, Appendix 5-22(A). In particular, the language has been changed to omit the stipulation that the access road segments be reclaimed during the 2009 construction season. As you are aware from recent correspondence, the company has been denied authorization from SITLA to reclaim their segment of road, and Forest Service has not yet replied to the request to authorize reclamation of their segment. Apparently, the issue of the timing of reclamation of the road has not yet been resolved between the Forest Service and SITLA. Meanwhile, the winter season has set in on the mountain, further complicating the commitment for reclamation this year.

I have included pertinent agency correspondence regarding this matter to aid in the review of the request for change to the reclamation plan.

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

Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver", written over a light blue horizontal line.

David Shaver
Resident Agent

RECEIVED

OCT 29 2009

DIV. OF OIL, GAS & MINING



P.O. Box 910, East Carbon, Utah 84520
Telephone (435) 888-4000 Fax (435) 888-4002

Tom Faddies, Assistant Director, Minerals
Utah School and Institutional Trust Lands Administration (SITLA)
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

September 29, 2009

Pam Brown, Forest Supervisor
Manti-LaSal National Forest
599 West Price River Road
Price, Utah 84501

COPY

RE: Reclamation of East Mountain Drillhole Access Roads
Genwal Resources, Inc., Crandall Canyon Mine

Dear Mr. Faddies and Ms. Brown:

Attached is a copy of a letter from Utah Division of Oil, Gas and Mining, dated August 25, 2009, regarding the access roads to the East Mountain drillsites. The letter states, "you (Genwal Resources) should now proceed with final reclamation of the remaining segments of access roads on the SITLA and USFS managed lands."

Genwal Resources, Inc. acknowledges it's responsibility to reclaim these road segments which were constructed by the company under an emergency attempt to rescue the miners trapped during the August 6, 2007 collapse of the Crandall Canyon Mine. We have committed to this reclamation in the approved DOGM Mining and Reclamation Plan (c/015/032) and the Forest Service Road Special Use Permit (PRI108), and have posted the appropriate reclamation bonds with both agencies.

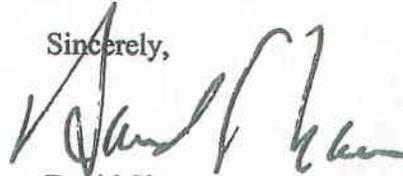
In light of DOGM's directive to reclaim this road, I hereby request written approval from both SITLA and Forest Service to begin reclamation of your respective segments. It is especially important that we have a consensus agreement from both agencies on this issue so that the reclamation can be done at one time as a single effort, and to avoid the potential for future disputation. We will not be in a position to commence work without the appropriate authorization. Also, due to the lateness of the season and the probability of the rapidly-approaching snow conditions on the mountain, I respectfully request an extension of time until next summer to implement the provisions of the reclamation responsibilities. Please note that during the week of September 21, 2009, construction crews conducted the necessary maintenance

Tom Faddies, SITLA
Pam Brown, USFS
Sept. 29, 2009
page 2

work on the road to stabilize it for the winter. This included cleaning out and/or replacing the sediment control devices (excelsior logs) and reworking the water bars. Therefore, the road is presently in adequate condition to make it through the upcoming winter season.

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

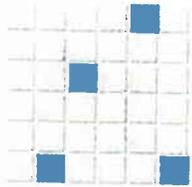
Sincerely,

A handwritten signature in black ink, appearing to read "David Shaver", written over a light blue horizontal line.

David Shaver
Project Engineer

COPY

cc: Daron Haddock, DOGM



State of Utah
School & Institutional
Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

801-355-0922 (Fax)
www.trustlands.com

Kevin S. Carter
Director

October 7, 2009

COPY

Genwal Resources, Inc.
Dave Shaver, Project Engineer
P.O. Box 910
East Carbon, UT 84520

RE: Reclamation of East Mountain Rescue Access Road, Crandall Canyon Mine

Dear Mr. Shaver:

In response to your letter Dated September 29, 2009 requesting permission to reclaim the East Mountain access road on SITLA lands, the Trust Lands Administration denies your request to reclaim this road.

SITLA granted Genwal use of trust lands in Emery County to expedite the rescue effort at the Crandall Canyon mine in 2007.

SITLA's position is that the roads and drillhole pads constructed on Trust Lands and adjacent Forest Lands in 2007 under the supervision of MSHA were not for the purpose of mining coal and deny that DOGM has jurisdiction of the roads. The Trust Lands Administration as owner of Section 2 authorized the reclamation of the drill pads but also requested that the rescue roads within Section 2 remain to facilitate future access. These roads should be removed from the DOGM mine permit because they serve no mining purpose covered under the Act.

I also note that on November 19, 2007, Mary Ann Wright, Associate Director, of Utah Division of Oil, Gas and Mining, approved retaining the road as a post mining land use. If Genwal wishes to rely on Ms. Wright's approval that is its choice, the land use is not an "alternate" post-mining land use. It remains the same and is unrelated to mining.

With regard to the adjacent sections of the road on USFS lands near the southern boundary of Section 2, the Trust Lands Administration believes that reclaiming the Forest road inseparably linked with the roads that are to remain open in Section 2 requires NEPA compliance and may not result in SITLA's loss of access to trust lands, constituting a taking.

Please feel free to call if you have questions need anything further.

Sincerely,

Thomas B. Faddies
Assistant Director/Minerals

Cc: Daron Harddock, DOGM
Pam Brown, Manti-LaSal
John Blake, Tom Mitchell,
Randy Harden



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: 015/032
Title of Proposal Change to East Mountain Reclamation Plan regarding commitment to reclaim access roads in 2009 construction season						Mine: Crandall Canyon Mines
						Permittee: GENWAL Resources, Inc.

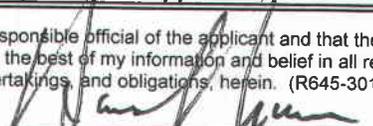
Description, include reason for application and timing required to implement.

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 checked="" type="checkbox"/> Yes	<input 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: SITLA vs FS
<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 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<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?

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 - Name - Position - Date Agent 10/26/09

Subscribed and sworn to before me this 26 day of October, 2009

My Commission Expires: May 16, 2012
 Attest: STATE OF Utah
 COUNTY OF Carbon



Received by Oil, Gas & Mining

RECEIVED

OCT 29 2009

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

NOTE TO REVIEWERS:

REPLACE THESE PAGES IN

RECLAMATION PLAN
EAST MOUNTAIN EMERGENCY DRILLPADS

APPENDIX 5-22(A)

RECLAMATION REMAINING TO BE COMPLETED AS OF DECEMBER 10, 2007

(Refer also to Attachment 11 for pre-reclamation photos)

As discussed above, much of the East Mountain rescue drilling area has already been reclaimed. Due to the unprecedented circumstances under which the drilling was done no formal reclamation plan was in place at the time. Therefore, reclamation done to date has been through a consensus agreement among the responsible state and federal land management agencies. The purpose of the following part of this plan amendment is to establish an approved written reclamation plan to be used for the remainder of the work. The proposed reclamation plan for the remainder of work to be done is essentially a continuation of the work that has already been done, using the techniques that have already been verbally agreed to, and which have meet with approval of all the agencies in terms of what has already been accomplished. The following areas remain to be reclaimed and/or stabilized, and will be discussed in detail individually

- 1) Drillpad #2 and its access road
- 2) Drillpad #6 and its access road
- 3) The "oops road"
- 4) The remainder of the access road from the ledge to the top of the mountain
- 5) The SITLA road
- 6) The Forest Service road

The primary focus of the 2008 construction season will be full reclamation of the drillpads and interconnecting roadworks (items 1 through 4 listed above). Upon consultation with the respective regulatory agencies, it was agreed that both the Forest Service and SITLA access road segments would not be reclaimed during the 2008 construction season. The road segments will remain open to: (1) access the reclaimed drill pad areas in order to evaluate/monitor the success of the reclamation effort and (2) based on the findings of the evaluation, provide access for machinery that may be required for additional earth work.

The Special Use permit for the Forest Service road segment (See Attachment 12 of Appendix 5-22A) states in Exhibit B, "*Conditions of Approval (Operating Plan)*", "Reclamation of the Forest Service road shall be completed immediately after it is evident that on-lease pad reclamation is determined to be stable and no earth moving equipment is needed".

At the onset of the 2009 construction season, a site visit will be conducted by the appropriate regulatory agencies as soon as weather/road conditions permit. The purpose of the site visit will be to evaluate the success of the reclamation efforts on the drill pads and associated road segments.

If it is determined during the site visit that the reclamation work has stabilized to a degree where additional work requiring earth moving equipment is no longer warranted, full reclamation of the remaining SITLA and Forest Service access road segments will be completed ~~during the 2009 construction season~~ as soon as authorization to proceed is granted by the land management agencies.

those steeper hillside areas (approximately 45' total disturbance), and less on the flatter areas where no cuts or sidecasts were involved (approximately 25' wide). Assuming an average width of 35' the SITLA road involves approximately 3.98 acres.

The primary focus of the 2008 construction season will be full reclamation of the drillpads and interconnecting roadworks.. Upon consultation with the respective regulatory agencies, it was agreed that the SITLA access road segment would not be reclaimed during the 2008 construction season. This road segment will remain open to: (1) access the reclaimed drill pad areas in order to evaluate/monitor the success of the reclamation effort and (2) based on the findings of the evaluation, provide access for machinery that may be required for additional earth work.

At the onset of the 2009 construction season, a site visit will be conducted by the appropriate regulatory agencies as soon as weather/road conditions permit. The purpose of the site visit will be to evaluate the success of the reclamation efforts on the drill pads and associated road segments. If it is determined during the site visit that the reclamation work has stabilized to a degree where additional work requiring earth moving equipment is no longer warranted, full reclamation of the remaining SITLA access road segment will be completed ~~during the 2009 construction season~~. **as soon as authorization to proceed is granted by the land management agencies.**

a) Stabilization

Before beginning any reclamation and/or stabilization work the first priority will be to dress up the existing waterbars along the road.. The existing waterbars were installed last fall (2007) as equipment was being demobilized off the mountain at the close of the construction season. They were constructed primarily for runoff control and not for passage of vehicles. All waterbar locations were approved by the regulatory agencies. Prior to reclamation work during the summer of 2008 the waterbars will be deepened and extended to make them more easily traveled by the construction equipment and vehicles. The excelsior logs will be cleaned out and repaired as needed. Most waterbars now have at least one row of logs at the discharge to the outslope. Prior to any stabilization or reclamation, an additional row of logs will be placed at midslope, and a third row will be placed at the toe of the slope. This three-tier installation of excelsior logs will be done at all waterbar locations. This work will be done as soon as possible to make certain the sediment control devices are in place and functional prior to the late-summer rain season.

During the construction season the waterbars and excelsior log systems will be inspected on a regular basis and will be maintained and repaired as needed to provide maximum sediment control

The outslopes of the road will be stabilized through a combination of compaction and re-vegetation. The slopes will initially be compacted using a sheepsfoot rolling compactor affixed to the boom of a track-hoe. After compaction, the slopes will then be re-seeded with a permanent seed mix. A layer of wood straw will then be spread over the re-seeded slopes. The seed and straw will then be crimped into the soil using the same sheepsfoot attachment, but using a single upslope stroke of the back-hoe boom. As an added measure, near the end of the construction season, a second application of seeding will be done on all road outslopes.

map and/or provide GPS co-ordinates to the Division showing the location of the excelsior log placement after a final determination has been made in the field. Attachment 9 includes the calculations for the runoff potential from the reclaimed slopes. These engineering calculations show that excelsior logs will not normally be needed to control stability and sediment runoff on the typical stabilized/reclaimed slopes, but Genwal commits to placing these logs in any and all locations as determined by the Division based upon onsite conditions.

The SITLA road lies within the existing permit area of the Crandall Canyon Mining and Reclamation Plan, 015/032. Therefore, to cover the potential for full reclamation of this road segment, Genwal Resources, Inc. has posted a reclamation bond in the amount of \$95,279, as determined by the Division.

4) Forest Service road

A short segment of emergency access road was constructed on Forest Service land, measuring about 2573' long (see Attachment 2). Because most of this segment was constructed on a steep hillside the total disturbed width, counting cutslopes and sidecasts is about 45'-50'. This road segment lies outside the DOGM permit area. (Actually, this road segment lies within Energy West's Deer Creek Mine permit.) At the request of the Forest Service, Genwal Resources has recently signed Road Use Permit PRI-108 for this road (see Attachment 12). This permit spells out the reclamation responsibilities that Genwal Resources now has on this segment of road. Genwal Resources proposes to stabilize this segment of road next summer (2008) in accordance with the terms of the Road Use Permit, and to reclaim the road in the future at such time as required by the Forest Service. Genwal has posted a \$38,000 reclamation bond with the Forest Service for this road.

The primary focus of the 2008 construction season will be full reclamation of the drillpads and interconnecting roadworks. Upon consultation with the respective regulatory agencies, it was agreed that the Forest Service access road segment would not be reclaimed during the 2008 construction season. This road segment will remain open to: (1) access the reclaimed drill pad areas in order to evaluate/monitor the success of the reclamation effort and (2) based on the findings of the evaluation, provide access for machinery that may be required for additional earth work.

The Special Use permit for the Forest Service road segment (See Attachment 12 of Appendix 5-22A) states in Exhibit B, "*Conditions of Approval (Operating Plan)*", "Reclamation of the Forest Service road shall be completed immediately after it is evident that on-lease pad reclamation is determined to be stable and no earth moving equipment is needed".

At the onset of the 2009 construction season, a site visit will be conducted by the appropriate regulatory agencies as soon as weather/road conditions permit. The purpose of the site visit will be to evaluate the success of the reclamation efforts on the drill pads and associated road segments. If it is determined during the site visit that the reclamation work has stabilized to a degree where additional work requiring earth moving equipment is no longer warranted, full reclamation of the remaining Forest Service access road segment will be completed ~~during the 2009 construction season.~~ as soon as authorization to proceed is granted by the land management agencies.