0053

Outgoing
C0150032
ok

From: Karl Houskeeper
To: dshaver@coalsource.com
CC: Angela Nance; Daron Haddock; Suzanne Steab
Date: 11/10/2009 3:35 PM
Subject: October 2009 Inspection Reports
Attachments: Centennial October 2009.pdf; Crandall October 2009.pdf

Dave,

Attached are the October 2009 inspection reports for Crandall and Centennial.

Thanks,
Karl

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

Inspection Report

Representatives Present During the Inspection:		
OGM	Steve Christensen	Environmental Scientist II
OGM	Priscilla Burton	Environmental Scientist III
OSM	Christine Belka	Environmental Protection Specialis
OGM	Karl Houskeeper	Environmental Scientist III
Company	David Shaver	Manager

Permit Number:	C0150032
Inspection Type:	COMPLETE OVERSITE
Inspection Date:	Wednesday, October 28, 2009
Start Date/Time:	10/28/2009 8:45:00 AM
End Date/Time:	10/28/2009 3:30:00 PM
Last Inspection:	Wednesday, September 09, 2009

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast/Windy/Snow, Temp. 28 Deg. F.

InspectionID Report Number: 2178

Accepted by: jhelfric
11/10/2009

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
27.15	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [ ] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Shane Campbell from SCAMP (Contractor) was present during the inspection. Mr. Campbell has been contracted to build the iron treatment facility by Genwal Resouces , Inc. Construction on this facility has begun. Workers are building the dikes for the impoundment. The treatment unit has been received and is on site.

Citation 10046 was issued as part of this inspection see item 4.b.

Inspector's Signature: Karl R. Houskeeper **Date** Wednesday, October 28, 2009

Karl Houskeeper, Environmental Scientist III
Inspector ID Number: 49

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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Permit Number: C0150032
Inspection Type: COMPLETE OVERSITE
Inspection Date: Wednesday, October 28, 2009

Inspection Continuation Sheet

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 performace 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	☑	☐	☑	☐
2. Signs and Markers	☑	☐	☑	☐
3. Topsoil	☑	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☐	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☑
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☑	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☑	☑	☑	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☑	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8. Noncoal Waste	☑	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10. Slides and Other Damage	☑	☐	☐	☐
11. Contemporaneous Reclamation	☑	☐	☐	☐
12. Backfilling And Grading	☑	☐	☐	☐
13. Revegetation	☑	☐	☐	☐
14. Subsidence Control	☑	☐	☐	☐
15. Cessation of Operations	☑	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☐	☐
17. Other Transportation Facilities	☑	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☐	☐
19. AVS Check	☑	☐	☐	☐
20. Air Quality Permit	☑	☐	☑	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☑	☐	☐	☐

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 06/01/2009 and terminates 06/01/2010.
·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. This report needs to be evaluated, updated and certified. Regulations require that this occur once every five years.

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 information from a survey conducted this summer has been compiled and was presented during the inspection. The information showed that the existing sediment level in the sediment pond is at an elevation of 7774.7'. The 60% clean elevation is 7769.0' and the maximum sediment elevation is 7770.0'. The sediment is 5.7 feet above the 60% clean elevation and 4.7' above the maximum sediment elevation. Prior reports have not shown a gradual trend toward this elevation, but indicated that the estimated sediment elevation was below the 60% clean elevation. The pond has been problematic in that the mine discharge entered the pond from the gravity discharge form the North Portals that was addressed in a previous Citation. The sediment current sediment level is way above the approved maximum sediment elevation. Citation 10046 was issued for failure to maintain the sediment pond sediment level according to the approved mining and reclamation plan (MRP) and the appropriate State Regulations. The abate time given is November 29, 2009 to clean or remove the sediment from the pond.

4.e Hydrologic Balance: Effluent Limitations

The third quarter sediment pond inspection was done on September 9, 2009.

5. Explosives

Explosive magazines have been removed from the site.

7. Coal Mine Waste, Refuse Piles, Impoundments

Work has begun on the iron treatment facility. Scamp (contractor) is constructing the impoundment dikes and compacting in 8" lifts. Proctors are to be pulled to show the compaction ratio. The malstrom unit has been received and is on site. Power needs to brought to the area where this unit is to be placed.

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 Lexington Insurance Co. policy #054197905. 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.