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C/015/032 Incoming

3664

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October 27, 2010

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OCT 27 2010

DIV. OF OIL, GAS & MINING

Mr. Daron Haddock
Utah Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, Utah 84116

RE: *Amendment of Crandall Canyon Mine, Permit No. C/015/0032, Mining and Reclamation Plan ("MRP"), Chapter 7, Page 7-47*

Dear Daron:

Enclosed on behalf of Genwal Resources, Inc., is the form C-1 and C-2 regarding the amendment of page 7-47 of the Crandall Canyon Mine MRP. Also enclosed is a redline / strikeout of the proposed change and six copies for the Division's review. This amendment updates the MRP to reflect that, based on recent sampling, iron levels of the mine water discharge now appear to have stabilized. To address this situation, Genwal consents to revising the MRP, at the time of permit renewal, as necessary to assure that the discharge water meets UPDES standards.

Please let me, David Hibbs or Dave Shaver know if you have further questions or would like to discuss this matter further.

Very truly yours,



Denise A. Dragoo

DAD:jmc

Enclosures

Cc: Steve Alder, Esq.
David Hibbs
Dave Shaver
Michael McKown, Esq.
Kevin Anderson, Esq.

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 page 7-47						Mine: Crandall Canyon Mines
						Permittee: GENWAL Resources, Inc.

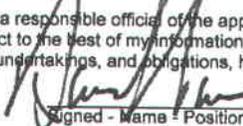
Description, include reason for application and timing required to implement:.

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.

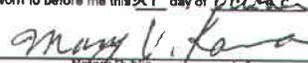
- | | | |
|---|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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 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 type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: |
| <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 checked="" type="checkbox"/> Yes | <input 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 type="checkbox"/> Yes | <input checked="" 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 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 type="checkbox"/> Yes | <input checked="" 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 officer 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 10/21/10

Subscribed and sworn to before me this 21 day of October, 2010


 Notary Public
 My Commission Expires: 5-16-2012
 Attest: STATE OF Utah
 COUNTY OF Carbon



Received by Oil, Gas & Mining

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OCT 27 2010

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

the treated water ends up reporting to the Crandall Canyon drainage (by way of the main bypass culvert) at the existing approved UPDES outfall point.

There is every reason to believe that water will permanently discharge from the Crandall Mine portals. The iron level of the mine water historically was very low, and began rising only after the water began to build up and impound within the mine workings following the mine collapse of 2007. **Iron levels now appear to have stabilized based on recent sampling.** ~~It is now the consensus that the elevated iron concentration will be a permanent situation, and that the reclamation plan must provide for a permanent means of treating the discharge water so as to meet UPDES requirements, even subsequent to final reclamation.~~ To address this situation, the company commits to revising the reclamation plan, **in the near future at the time of permit renewal, as necessary to assure that the discharge water meets UPDES standards.** Additional baseline data will be incorporated into this revised reclamation plan. This data will include: 1) flow quantities from the seep in the sandstone ledge above the treatment facility, 2) historical data concerning the iron concentration levels in the mine discharge water, and 3) performance data demonstrating the effectiveness of the existing treatment system methodology, i.e., oxidation/settling, as opposed to other treatment methods such as reverse-osmosis, fine-element filtration, chemical coagulants/flocculants, etc.

As part of the revised reclamation plan, the company commits to conducting the following monitoring and collection of additional information on the chemistry and flow of the mine-water discharge:

- a. Measurement of the discharge rate from the sealed portals; either continuously (e.g., using a data logger) or at a minimum, daily.
- b. Monthly whole water chemical analysis and field measurements of the untreated mine discharge as specified on Table 7-4(A).

7.42.22 Sedimentation Pond

Design

The sedimentation pond located in Crandall Canyon has been redesigned to control the additional storm runoff from the pad extension and from the designated undisturbed drainage areas above the pad extension associated with the proposed culvert expansion. The topography and watershed boundaries are shown on Plate 7-5 and 7-5C. Cross sections of the pond design are shown on Plate 7-3.