

C/015/032 Incoming  
cc: Steve C.  
Karl  
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United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
Western Region Office  
1999 Broadway, Suite 3320  
Denver, CO 80202-3050



December 23, 2010

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DIV. OF OIL, GAS & MINING

John R. Baza  
Division of Oil, Gas and Mining  
1594 West North Temple  
Salt Lake City, UT 84116

Mr. Baza,

I appreciate that the Division of Oil, Gas and Mining (Division) has kept my staff informed of the events involving the polluttional mine drainage emanating from Genwal Resources' Crandall Canyon Mine. We issued the Division a Ten Day Notice (TDN) X-09-140-182-002, on November 9, 2009, citing the failure to maintain adequate bond coverage at all times for the Crandall Canyon mine. In response to the TDN you issued Order C/015/0032-DO10A requiring Genwal Resources to increase the bond amount held for the Crandall Canyon mine to cover the cost of continual treatment of mine discharge water. Genwal Resources requested review of Division Order C/015/0032-DO10A by the Board of Oil, Gas and Mining.

The Office of Surface Mining (OSM) supports the Division's efforts to require an increased bond and to defend the Order before the Board. Utah's statute and regulations require a bond sufficient to ensure completion of reclamation if the work had to be performed by the Division. Bond amounts are required to reflect costs associated with reclaiming mine sites giving consideration to factors such as hydrology. Additionally, bond amounts must be adjusted when the cost of future reclamation changes. OSM firmly believes the bond must cover the costs of treating polluttional discharges.

Although it is over a year old, the TDN is still active because adequate bond has not yet been posted. The Division must continue to inform my staff regarding the outcome of the Order requiring an increase in bond.

Please contact Christine Belka at 303-293-5020 or [cbelka@osmre.gov](mailto:cbelka@osmre.gov) if there is anything further OSM can do to support the Division in this matter.

Sincerely,

James F. Fulton  
Chief, Denver Field Division