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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Outgoing
C0150032
#3525
OK

May 18, 2010

Dave Shaver
Genwal Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: 2009 Annual Report Review, Crandall Canyon Mine, C/015/0032, Task ID #3525, Outgoing File

Dear Mr. Shaver:

The Division staff has completed the 2009 Annual Report Review. Enclosed is a copy of the review for Crandall Canyon Mine, C/015/0032 completed on May 18, 2010.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Permit Supervisor

sq
Enclosure
O:\015032.CRA\FINAL\reviewletter.doc

This Annual Report shows information the Division has for your mine. Please review the information to see if it is current. If the information needs to be updated please do so in this document. At the end of each section the operator is asked to verify if the information is correct. Please answer these questions and make all comments on this document. Submit the completed document and any additional information identified in the Appendices to the Division by April 30, 2010. During a complete inspection an inspector will check and verify the information. To enter text, click in the cell and type your response. You can use the tab key to move from one field to the next. To enter an X in a box, click next to the box, right click, and select properties, then the checked circle, then hit enter, or hit the unchecked circle if the X is to be removed.

GENERAL INFORMATION

Permittee Name	Genwal Resources, Inc.
Mine Name	Crandall Canyon
Operator Name (If other than permittee)	
Permit Expiration Date	May 13, 2013
Permit Number	C/015/0032
Authorized Representative Title	Dave Shaver, Resident Agent
Phone Number	(435) 888-4017
Fax Number	(435) 888-4002
E-mail Address	dshaver@coalsource.com
Mailing Address	P.O. Box 910, East Carbon, Utah 84520-0910
Designated Representative	Dave Shaver
Resident Agent	Dave Shaver
Resident Agent Mailing Address	Same as above.
Number of Binders Submitted	2

Operator, please update any incorrect information.

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-01715	Crandall Canyon Mine	N/A
		South Crandall Mine	
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UT0024368	UPDES Permit	11/30/2010
PSD Permit(s) (Air)	DAQE-N0225003-03	Crandall Canyon	

Other

Operator, please update any incorrect information.

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included	or	DOGM file location Vol, Chapter, Page
	Yes	No			
Excess Spoil Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Refuse Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		Sediment Pond Certification.
Other					
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

Operator Comments:**Inspector:**

Has the operator complied with this section? Yes No

Inspector Comments: The 2009 annual pond certification was done on December 18, 2009. The pond was last cleaned in December 2009 as a result of NOV 10046 (issued 10/29/2009). The Sediment clean elevation is @ 7769.0 and the existing sediment level after the pond cleaning is @ 7763.75.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If the particular section is blank, no commitment has been identified and no response is required for this report. If additional written response is required, it should be filed under Appendix B to this report.

Admin R645-301-100

Soils R645-301-200

Biology R645-301-300

Title: Macroinvertebrate Sampling

Objective: To monitor changes in the macroinvertebrates and stream impacts in Crandall Creek from mining related disturbances.

Frequency: Annually in the spring and fall beginning fall 2009

Status: Ongoing

Reports: Annual Report

Citation: Volume A Text, Chapter 3, pg. 3-17

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Report is included.

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments:

The macroinvertebrate study was conducted September 16, 2009 by JBR Environmental consultants. Three sample sites were selected in coordination with the Division and the USFS in the summer of 2009. Results from the sampling showed that neither the stream above the mine discharge point nor below the discharge point was in good condition. There were slightly worse conditions downstream of the mine water discharge, indicating that the discharge may be negatively impacting the stream conditions. Other consultants have sampled the stream in previous years, but there is a lack of information as to where the sample sites were located and how the data was interpreted. Overall, however, the data shows a degradation of macroinvertebrate community structure between 1980 and 2009 at both upstream and downstream sites. The report also summarizes that iron, specifically, has contributed to the degradation of the downstream portions of the stream. In future sampling, a 500-micron kick net will be used rather than a 1000micron surber sampler to increase the amount of specimens collected. Also, a full stream reach sample will be taken at each site as well as a targeted riffle sample in order to better analyze the differences between sites.

A field visit will be conducted on May 5, 2010 with all agencies. Spring and future macroinvertebrate sampling will be among the topics discussed.

Title: Raptor Surveys**Objective:** To monitor raptor activity and nesting within and adjacent to the permit area.**Frequency:** Every Three years, or annually if a.)UDWR recommends it, b.)it will not unduly harass raptors, and c.)if it is prudent to insure raptor safety and/ or habitat.**Status:** Ongoing**Reports:** In annual report**Citation:** Volume A Text, Chapter 3, page 3-17**Operator:** Has this commitment been acted on this year?Yes No Not required this year. If yes, comment;**Operator Comments:**

Mine idled since 2006, raptor survey completed in 2008.

Inspector:Has the operator complied with this commitment? Yes No **Inspector Comments:** Last done in 2008. Required every three (3) years. Not required this year.

The raptor surveys clearly show that an active territory exists in the area of Crandall canyon. The surveyed territory consists of at least two nests that have been either tended or active every year since 2001. Both nests are more than a ½ mile from the surface facilities and no other disturbance is occurring because the mine is in cessation. No disturbances to nests is expected from current operations.

Land use, Cultural Resources, Air Quality R645-301- 400

Engineering R645-301-500

Title: SUBSIDENCE MONITORING**Objective:** Determine subsidence effects.**Frequency:** Annually.**Status:** On going.**Reports:** Submit surveyed monitoring data to Division by June 30, annually.**Citation:** MRP.**Operator:** Has this commitment been acted on this year?Yes No Not required this year. If yes, comment;**Operator Comments:**

Subsidence information provided.

Inspector:Has the operator complied with this commitment? Yes No **Inspector Comments:** Subsidence monitoring information is contained in the 2009 annual report. Ware Surveying and Engineering surveyed Stations A – P and has the elevations laid out for each year from 1999 to 2009. This report also shows the Northings and Eastings established in 2004.

Additional information is provided from an aerial survey by Olympus Aerial Surveys, Inc. information is given for points 101 to 2220. An elevation is given for 2003/2007 and 2009. The report shows the difference in these elevations and a Northing and Easting. There is not a map provided that shows the location for these points to compare any variations to the mining that has occurred to determine if the variations are mining related. During the review several locations showed substantial differences in elevation. The differences varied from increases in elevation at one point to a decreases in elevation on other points.

Information has been provided as required, but no direct conclusions can be ascertained for lack of coordination from the data to the mine map.

Hydrology R645-301-700

Title: Water Monitoring: North Portal Sandstone Seepage

Objective: Obtain monthly flow measurements from the sandstone seepage located directly below the north portals.

Frequency: The Permittee will submit the flow data to the Division via e-mail once a month until such time as the final reclamation plan is approved and the Division determines that the monitoring is no longer necessary.

Status: Ongoing

Reports: Monthly e-mails to the Division. Not included in Annual Report.

Citation: Page 7 of Appendix 7-65.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Seep flow readings have been provided by email (monthly)

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No information has been provided in the 2009 annual report. The operator indicates compliance by submitting the information to the assigned Division Hydrologist on a monthly basis as required.

Title: Additional Ground Mine Water Discharge Samples

Objective: Determine the effectiveness of the Maelstrom Oxidizer Unit in treating the total iron concentrations in the mine-water discharge.

Frequency: Permittee will collect additional water quality samples pre- and post-treatment by the Maelstrom Oxidizer Unit. Additional samples include: Iron (total, dissolved and ferrous), Manganese (total and dissolved), Aluminum (total and dissolved), Alkalinity, Sulfate, pH and Dissolved Oxygen.

Status: Ongoing

Citation: Page 8 of Appendix 7-65.

Operator: Has this commitment been acted on this year?

Yes No Not required this year. If yes, comment;

Operator Comments:

Additional pre-treatment sample analysis has been provided by email (monthly).

Inspector:

Has the operator complied with this commitment? Yes No

Inspector Comments: No information included in the 2009 annual report. The operator indicates that information has been provided on a monthly basis by email to the Division.

Other Commitments

*Reminder: If equipment has been abandoned during 2009, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as Appendix B to this report or currently on file with the Division.

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: No other technical data has been provided in the 2009 annual report.

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Change in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is Requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as Appendix C to the report.

Legal / Financial Update	Required		Included or Included	DOGM File location Vol, Chapter, Page
	Yes	No		

Department of Commerce, Annual Report Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Other				
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Operator Comments:

Inspector:

Has the operator complied with this section? Yes No

Inspector Comments: No information provided in the 2009 annual report.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2009, are to be provided to the Division as Appendix D to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential. (Please provide a CD.)

Confidential information is limited to:

R645-300-124.310. Information that pertains only to the analysis of the chemical and physical properties of the coal to be mined, except information on components of such coal which are potentially toxic in the environment.

R645-300-124.330. Information on the nature and location of archeological resources on public land and Indian land as required under the Archeological Resources Protection Act of 1979 (P. L. 96-95, 93 Stat. 721, 16 U.S.C. 470).

R645-301-322, Fish and Wildlife Information; R645-301-322.100, the scope and level of detail for such information will be determined by the Division in consultation with state and federal agencies with responsibilities for fish and wildlife and will be sufficient to design the protection and enhancement plan required under R645-301-333 and R645-301-322.230, other species or habitats identified through agency consultation as requiring special protection under state or federal law; R645-301-333.300, Include protective measures that will be used during the active mining phase of operation.

The Division will provide procedures, including notice and opportunity to be heard for persons both seeking and opposing disclosure.

Map Number(s)

Map Title/ Description

Map Number(s)	Map Title/ Description	Confidential	
		Yes	No
Annual subsidence map		<input type="checkbox"/>	<input type="checkbox"/>
Mine map		<input type="checkbox"/>	<input type="checkbox"/>
Other maps		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>

Operator Comments:

Subsidence information and mine map are included.

O:\AnnualReport\2009 Annual Reports\Active Mines\Crandall Canyon Mine C0150032.doc

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

APPENDIX B

Reporting of Technical Data

Including monitoring data, reports, maps, and other information
As required under the approved plan or as required by the Division

In accordance with the requirement of R645-310-130 and R645-301-140

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APPENDIX C

Legal Financial, Compliance and Related Information

Annual Report of Officers
As submitted to the Utah Department of Commerce

Other change in ownership and control information
As required under R645-301-110

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APPENDIX D

Mine Maps

As required under R645-302-525-270

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APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

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