



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

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

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Outgoing
C0150032
#3582
α

July 12, 2010

Dave Shaver, Manager
Genwal Resources, Inc.
P.O. Box 910
Price, Utah 84520-0910

Subject: Temporary Iron Sludge Storage, Task ID # 3582, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032

Dear Mr. Shaver:

The above-referenced amendment is conditionally approved. The following three conditions have been identified:

- 1) Insert the following commitment into Appendix 7-65 (Mine Discharge Water Iron Treatment Facility) of the approved MRP:

Following the termination of the clean out testing period (ending October 30, 2010), the following revisions to Appendix 7-65, Mine Discharge Water Iron Treatment Facility, will be submitted to the Division of Oil, Gas and Mining by November 30, 2010:

- o *Deletion of any previously approved language, discussion or attachment that is no longer relevant or applicable based upon current conditions.*
- o *Revisions that reflect the design, as-built construction, operation, clean out and maintenance aspects of the Mine Discharge Water Iron Treatment System.*
- o *A summary/chronology of the experimental process that led to the final design including:*
 - *A summary of the various treatment methods that were examined/tested.*
 - *A discussion as to the chemical additives that were employed during the trial and error process. The discussion shall include the ratios of chemicals that were utilized in the various test configurations as well as the corresponding water quality results.*
 - *An up to date tabulation of the mine-water flow data that has been collected since the installation of the AVF Flow Meter*
 - *The field data and lab analytical results that were obtained during the various test configurations/water treatment approaches that were explored.*

- *A discussion of iron sludge disposal options as contingency in the event that the Wildcat Loadout facility is no longer available to receive the material.*
 - *An up to date summary of the operational costs for the final water treatment system configuration including: chemical costs, labor costs, maintenance costs, clean-out costs and equipment repair/replacement costs.*
- 2) Delete the first paragraph on page 11 of the submitted amendment (Task ID #3582).
 - 3) Provide eight complete copies prepared for incorporation (four of these copies must be paper, the other four can be on a CD).

Once these conditions have been met, final approval will be granted. At that time, a stamped incorporated copy will be returned to you for insertion into your copy of the Mining and Reclamation Plan. You may then proceed with your plans.

If you have any questions, please call me at (801) 538-5262 or Steve Christensen at (801) 538-5350.

Sincerely,



James D. Smith
Permit Supervisor