



JON M. HUNTSMAN, JR.
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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
3603
OK

August 16, 2010

David Hibbs, President
Genwal Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Division Order to Address Mine Water Discharge and Provide Adequate Bonding, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032-DO10A, Outgoing File

Dear Mr. Hibbs:

In response to an unexpected and un-permitted post-mining discharge of water from the Crandall Canyon Mine, and subsequent pollution of that water with elevated iron levels, Genwal Resources, Inc. was issued two separate Division Orders. Those orders, DO08A and DO09A, have been revised as new information has been gathered regarding the discharge. The attached document, DO10 A, supersedes all versions of both DO08A and DO09A.

You must comply with this Division Order and all deadlines therein or you may be subject to issuance of a Cessation Order, pursuant to Administrative Code R645-400-300 and Utah Code §40-10-22(1)(b) and be subject to further enforcement actions and penalties.

We suggest that Genwal Resources, Inc. apply all possible resources in order to comply with this order. The Division does not anticipate granting any further extensions to the deadlines contained in this order. Upon determination of the amount of surety the Division will provide notice and opportunity for an informal conference as provided for by R645-301-830.420.

DO10A is issued pursuant to R645-303-212. Within thirty (30) days of your receipt of the order you may make a written appeal of the provisions therein to the Board of Oil, Gas and Mining, as provided for by Utah Administrative Rules R645-303-213 and R645-300-200.

File In C 0150032 Outgoing
Date: 08/16/2010 Refer to:

If you have any questions regarding this order, please contact Dana Dean at (801) 538-5320. If you have legal concerns, your counsel may wish to speak with Assistant Attorney General Steve Alder at (801) 538-5348.

Sincerely,



John R. Baza
Director, Division of Oil, Gas and Mining

JRB/DD/sqs

cc: Dave Shaver
Jim Fulton
Christine Belka
Denise Dragoo
Steve Alder

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