

Suzanne Steab - Crandall, C/015/0032, Outgoing Correspondence

From: Suzanne Steab
To: Dave Shaver; ddragoo@swlaw.com
Date: 12/16/2010 4:08 PM
Subject: Crandall, C/015/0032, Outgoing Correspondence
CC: Daron Haddock
Attachments: 12152010d.pdf; 12152010c.pdf

Originals mailed 12/15/10.

Thanks



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0150032
#3614
R

December 15, 2010

Denise A. Dragoo
Snell & Wilmer Law Offices
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

Subject: Request for Extension to Address Deficiencies in Midterm Review, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032 and Task ID #3614

Dear Ms. Dragoo:

On December 15, 2010, the Division of Oil, Gas and Mining received your request for additional time to respond to the deficiencies identified in the Mid-Term Review sent to Genwal on November 18, 2010. We are somewhat perplexed as to the need for the additional time that you are requesting. There were only two deficiencies identified in the midterm. The first one, **R645-301-121.100**, required an update to Section 2.31.4 of the MRP and should be able to be addressed within a few minutes or at the most a couple of hours. The second deficiency, **R645-301-800** required updating the direct cost estimates for the demolition, backfilling and grading, and revegetation work associated with the disturbed area located within the permit boundary. Our engineer was careful not to include any requirements associated with the post-mining treatment and bonding requirements of Division Order -10A.

The requested information is essentially asking for updated unit costs for the reclamation plan that is already in place (albeit out of date) in Genwal's plan. **R645-301-830.410** provides for the adjustment of the bond amount from time to time and the Division typically does this during the midterm permit review. This adjustment should be able to be completed regardless of the pending issue before the Board.

We feel that the December 18th date for responding to the deficiencies was reasonable; however, in light of the many issues that Genwal has had to deal with, we have agreed to allow for a one time extension to December 23, 2010 as a gesture of good will.

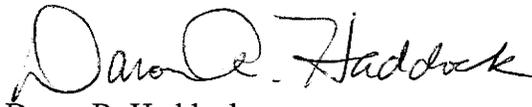


Page 2
Denise A. Dragoo
December 15, 2010

Please make every effort to address the requirements of the midterm review by the December 23rd date.

If you have any questions, please call me at (801) 538-5325 or Steve Christensen (801) 538-5350.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is written in a cursive style with a large initial "D" and "H".

Daron R. Haddock
Permit Supervisor

DRH/SKC/sqs
cc: Dave Shaver
O:\015032.CRA\midterm.doc

d



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0150032
#3710
OK

December 15, 2010

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

Subject: Change to Page 7-47, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Task ID #3710

Dear Mr. Shaver:

On December 14th, 2010, the Division of Oil, Gas and Mining received an amendment from Genwal Resources, Inc. to revise the Crandall Canyon Mine's Mining and Reclamation Plan (MRP). The amendment proposes to revise language on page 7-47 relative to the iron concentrations in the mine-water discharge. Previously, a similar amendment to revise page 7-47 was submitted on October 27th, 2010 and returned deficient on November 29th, 2010 (Task ID #3664). The following deficiency was identified as part of the technical review:

R45-301-120, -130, -150, 728: *The Permittee must provide technical data and/or a scientific justification for the proposed changes to the approved MRP relative to the iron concentrations in the mine water discharge and revise the probable hydrologic consequences (PHC) determination.*

In response to the deficiency, the most recent amendment references a November 2010 revision to the PHC in Appendix 7-15 of the approved MRP. The PHC revision (Task ID #3704) was received by the Division on November 30th, 2010, reviewed and returned deficient on December 7th, 2010. As the revised PHC was returned deficient, the Division finds that it does not provide the "technical data and/or a scientific justification" for the proposed text revisions.

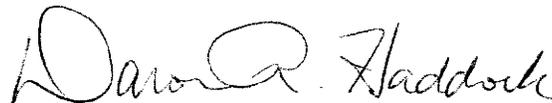
Additionally, the amendment proposes to address the reclamation plan relative to the mine-water iron concentrations at the time of permit renewal. The Division has made a finding that the elevated iron concentrations in the mine-water are a potential long-term problem. As a result, the State of Utah R645-Coal Mining Rules do not allow for such a postponement in revising the reclamation plan. The State must assure that the plans for the discharge of water meet UPDES standards now and cannot defer this determination until some later date. The amendment is denied.



Page 2
Dave Shaver
December 15, 2010

If you have any questions, please call me at (801) 538-5325 or Steve Christensen
(801) 538-5350.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is written in a cursive style with a large initial "D" and "H".

Daron R. Haddock
Permit Supervisor

DRH/SKC/sqs
cc: Denise Dragoo
O:\015032.CRA\WG3710\WG3710_Def_Ltr.doc