

C/015/032 Incoming
OK



15 West South Temple
Suite 1200
Beneficial Tower
Salt Lake City, UT 84101
801.257.1900
801.257.1800 (Fax)
www.swlaw.com

Denise A. Drago, Esq.
(801) 257-1998
ddragoo@swlaw.com

RECEIVED
MAR 28 2011
DIV. OF OIL, GAS & MINING

DENVER
LAS VEGAS
ORANGE COUNTY
PHOENIX
SALT LAKE CITY
TUCSON

March 24, 2011

Ms. Dana Dean
Utah Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84116

RE: *Protocol re Crandall Canyon Water Monitoring: Division Order 10A, Crandall Canyon Mine, C/015/0032*

Dear Dana:

On behalf of Genwal Resources, Inc. (“**Genwal**”), we propose the following sampling protocol for water monitoring at the Crandall Canyon Mine during the period of settlement negotiations regarding Division Order No. 10A. The Utah Division of Oil, Gas and Mining (“**Division**”) and Genwal have agreed that additional sampling would be helpful during the settlement negotiations to help to establish a trend in water quality for iron in pre-treatment mine water discharge. Based on our discussions with you, the sampling protocol would be as follows:

1. The Division will notify Genwal 24 hours in advance;
2. The Division will check in with the security office before sampling;
3. Dana Morrelli or Scott Dimick will accompany the Division;
4. The Division will follow the same sampling protocol and location as used by Dana Morrelli;
5. Genwal will take a split sample at the time the Division takes its sample;
6. Although the parties may use separate labs, the lab reports will be sent to both parties;
7. Each party will pay for their own lab reports;

Ms. Dana Dean
March 24, 2011
Page 2

8. Unless otherwise agreed by the parties, the more frequent sampling will only be expected for the 90 day period of the settlement negotiations;
9. The more frequent sampling will not need to be reported by the operator to the Division's hydrologic data base.

Please let me know if you have any questions or comments on the protocol.

Very truly yours,



Denise A. Dragoo

DD:jmc
Enclosure

cc: David Hibbs (via e-mail)
Dave Shaver (via e-mail)
Farley Wood (via e-mail)
Erik Petersen (via e-mail)
Kevin Anderson, Esq. (via e-mail)
Steve Alder, Esq. (via e-mail)