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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

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Division Director

Outgoing
C0150032
#3714
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February 3, 2011

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

Subject: Denial of Sediment Pond A Storage, Task ID #3713, Andalex Resources, Centennial Mine, C/007/0019 and DO-10A Response Appendix 7-65, Task ID #3714, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032

Dear Mr. Shaver:

On December 14, 2010 the Division received permit amendments for the Crandall Canyon Mine (C/015/0032 Task ID #3714) and the Centennial Mine (C/007/0019 Task ID #3713) which propose the transportation of treatment sludge from the Crandall Canyon mine to the Centennial Mine. The Division has reviewed these amendments and found that the amendments do not meet the requirements of the R645 Utah Coal Mining Rules.

The Division has determined that the mine water treatment sludge generated at Crandall Canyon Mine is a noncoal mine waste which must be managed and disposed accordingly. Rules R645-301-542.741 and R645-301-747 require noncoal mine waste to be placed and stored in a designated portion of the permit area, **and to be disposed of either in a designated disposal site within the permit area or at a state-approved solid waste disposal area.** Under the R645 Utah Coal Mining Rules, noncoal mine waste from the Crandall Canyon mine cannot be transported to or disposed of at other mine permit areas, including Centennial Mine and Wildcat Loadout.

The plans for treatment sludge management submitted November 30, 2010 are denied. Please submit a sludge disposal plan by March 10, 2011 which complies with the above-referenced regulations. Additional deficiencies related to Crandall Canyon DO-10A Response Appendix 7-65 (Task ID #3714) will follow under separate cover.

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Please don't hesitate to contact me at (801) 538-5325 if you have any questions or would like to schedule a meeting to discuss sludge disposal options.

Sincerely,

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

Daron R. Haddock
Program Manager

DRH/sqs
cc: Denise Drago
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