

a

#3997
K

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

April 17, 2012

TO: Internal File

THRU: Daron Haddock, Coal Program Manager

FROM: Steve Christensen *SKC*

RE: Construction of Burma Evaporation Basin, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Task #3997

SUMMARY:

On January 12, 2012, the Utah Division of Oil Gas & Mining (the Division) received an application for an amendment to the Mining & Reclamation Plan (MRP) of the Crandall Canyon Mine from Genwal Resources, Inc. (the Permittee). The application seeks approval to construct an evaporation basin which is needed to dispose of the iron sludge from the Crandall mine-water treatment facility. The following memo provides a review of the Administrative section of the State of Utah R645-Coal Mining Rules.

The amendment should not be approved at this time. The following deficiencies must be addressed prior to final approval:

R645-301-112: The Permittee must revise page 1-1 of the amendment to identify the new resident agent for Genwal Resources, Inc. As Mr. David Shaver is no longer employed by the company, a new resident agent must be identified.

R645-301-117.200: The Permittee must submit a copy of the Emery County Progress affidavit of publication (dates of publication February 14th, 2012 thru March 8th, 2012) for incorporation into the MRP.

TECHNICAL MEMO

TECHNICAL ANALYSIS:

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The amendment does not meet the Identification of Interests requirements of the State of Utah R645-Coal Mining Rules.

On page 1-1 of the amendment, the Permittee identifies David Shaver as the resident agent for Genwal Resources, Inc. As of April 13th, 2012, Mr. Shaver no longer works for the company.

The Permittee must revise page 1-1 of the amendment to identify the new resident agent for Genwal Resources, Inc. As Mr. David Shaver is no longer employed by the company, a new resident agent must be identified.

Findings:

The amendment does not meet the Identification of Interests requirements of the State of Utah R645-Coal Mining Rules.

R645-301-112: The Permittee must revise page 1-1 of the amendment to identify the new resident agent for Genwal Resources, Inc. As Mr. David Shaver is no longer employed by the company, a new resident agent must be identified.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

The amendment meets the Violation Information Requirements of the State of Utah R645-Coal Mining Rules.

An AVS check was run on January 24th, 2012. No outstanding violations were identified at that time. An additional AVS check will be conducted prior to granting final approval of the project.

Findings:

The amendment meets the Violation Information Requirements of the State of Utah R645-Coal Mining Rules.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

The amendment meets the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

The Permittee provides the access agreement with SITLA for the proposed Burma Evaporation Pond site in Appendix 1-16 (Special Use Lease Agreement No. 1708). The access agreement identifies a lease term of November 1st, 2011 thru October 31st, 2041.

Findings:

The amendment meets the Right of Entry requirements of the State of Utah R645-Coal Mining Rules.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

The amendment meets the Legal Description and Status of Unsuitability Claim requirements of the State of Utah R645-Coal Mining Rules.

On page 1-9 of the amendment, the Permittee has revised the Legal Description of the Crandall Canyon permit area. The SITLA Special Use Lease (Burma Evaporation Basin) acreage and legal description are provided: 7.32 acres located at T 17 S, R 8 E, Section 5:

TECHNICAL MEMO

Located within Lot 6. A more detailed legal description is provided in Appendix 7-66, Attachment 2, *SITLA SPECIAL USE LEASE 1708*.

Findings:

The amendment meets the Legal Description and Status of Unsuitability Claim requirements of the State of Utah R645-Coal Mining Rules.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

The amendment meets the Permit Term requirements of the State of Utah R645-Coal Mining Rules.

A 5 year permit term has been established since the date of approval (6/14/89) and has been successively renewed since that time. The next permit renewal submittal date is 1/13/13.

Findings:

The amendment meets the Permit Term requirements of the State of Utah R645-Coal Mining Rules.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

The amendment does not meet the Public Notice and Comment requirements of the State of Utah R645-Coal Mining Rules.

R645-301-117.200 requires that a copy of the newspaper advertisements for a significant revision be filed with the Division and be made a part of the application no later than 4 weeks after the last date of publication. Upon review of the amendment, it appears that the affidavit of publication is not provided.

Former resident agent, Mr. David Shaver, provided the Division with an electronic copy of the affidavit of publication from the Emery County Progress on March 8th, 2012. The

affidavit of publication identifies the 1st day of publication to be February 14th, 2012. The last day of publication was March 6th, 2012.

The Permittee must submit a copy of the affidavit of publication from the Emery County progress for incorporation into the MRP.

Findings:

The amendment does not meet the Public Notice and Comment requirements of the State of Utah R645-Coal Mining Rules.

R645-301-117.200: The Permittee must submit a copy of the Emery County Progress affidavit of publication (dates of publication February 14th, 2012 thru March 8th, 2012) for incorporation into the MRP.

MAPS AND PLANS

Regulatory Reference: 30 CFR 777.14; R645-301-140.

Analysis:

The amendment meets the Maps and Plans requirements of the State of Utah R645-Coal Mining Rules.

Appendix 7-66, *Burma Evaporation Basin*, provides numerous maps/drawings that depict the location and proposed layout for the evaporation basin. Drawing 1, *Location Map* depicts the location of the site. Drawing 2, *Surface Ownership* depicts the surface owners of the site and adjacent area. Drawing 5, *Evaporation Basin Cross Section, Typical* provides three cross-sectional views of the proposed basin. Drawing 6, *Evaporation Basin Undisturbed Drainage*, depicts the topography of the proposed site and adjacent area as well as the natural, ephemeral drainage channels.

Findings:

The amendment meets the Maps and Plans requirements of the State of Utah R645-Coal Mining Rules.

TECHNICAL MEMO

RECOMMENDATIONS:

The amendment should not be approved at this time. The aforementioned deficiencies must be addressed prior to final approval.

O:\015032.CRA\WG3997\WG3997skc.doc