State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0150032**
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, May 15, 2012
Start Date/Time:	5/15/2012 1:30:00 PM
End Date/Time:	5/15/2012 3:30:00 PM
Last Inspection:	

Inspector: Steve Christensen,

Weather: Winds 0-5 mph, sunny, approximately 70 degrees

InspectionID Report Number: 3104

Accepted by:

Representatives Present During the Inspection:	
OGM	Steve Christensen
OGM	Kenneth Hoffman
OGM	Daron Haddock
Company	JD Leonard
Company	Jay Marshall

Permitee: **GENWAL RESOURCES INC**
Operator: **GENWAL RESOURCES INC**
Site: **CRANDALL CANYON MINE**
Address: **PO BOX 910, EAST CARBON UT 84520-0910**
County: **EMERY**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

6,235.80	**Total Permitted**
27.15	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] Federal
- [ ] State
- [ ] County
- [ ] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

On May 15th, 2012, Division of Oil, Gas and Mining (the Division) representatives Steve Christensen, Daron Haddock and Ken Hoffman conducted a partial inspection of the Crandall Canyon Mine facility. Genwall representatives JD Leonard and Jay Marshall were on-site during the inspection.

No violations were identified during the inspection. Mr. Marshall and Mr. Leonard were instructed to: 1) Remove coal/rock debris from disutrbed drainage ditch DD-10 2) Follow up on the label for the flocullant injection rate shown in automated mine-water treatment display panel and 3) Initiate clean-out operations on the primary sediment pond.

Inspector's Signature:

Steve Christensen,
Inspector ID Number: 54

Date Friday, May 18, 2012

Note: This inspection report does not constitute an official finding of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	☐	☐	☐	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☐	☐	☐	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☐	☐	☐	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☐	☐	☐	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☐	☐	☐	☐
10. Slides and Other Damage	☐	☐	☐	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☐	☐	☐	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☐	☐

4.a Hydrologic Balance: Diversions

Upon inspection of disturbed drainage ditch DD-10 (located directly adjacent to the east end of the treatment basin), rock and coal material from the overhanging highwall was observed. Mr. Leonard and Mr. Marshall were instructed to remove the debris from the diversion.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

At the time of the inspection, the mine-water discharging from the treatment basin appeared clear. Material was not observed discharging with the treated mine-water. The highwall seep collection pipe was observed to be flowing at approximately 2-3 gpm.

It appeared that the treatment basin had been thoroughly cleaned recently. Accumulated iron sludge was noted in cells 1 and 2. Cells 3-5 were exceptionally clean with only limited accumulations of iron sludge noted in cell 3 on the extreme northern and southern ends of the cell. Cells 4 and 5 were extremely clean with virtually no iron sludge accumulations noted at the time of the inspection.
Mr. Leonard indicated that no debris had fallen from the highwall since the last inspection.

The primary sediment pond was observed during the inspection. A large accumulation of iron sludge material was observed at the inlet to the pond. The two sediment clean-out markers were observed to be buried by the accumulated sludge material. Mr. Marshall and Mr. Leonard were instructed to have the primary sediment pond cleaned as it appears that the clean-out level had been surpassed by the accumulated iron sludge material.

Additionally, Mr. Marshall and Mr. Leonard were informed that following the summer construction season of 2012, the Division will no longer allow the utilization of the primary sediment pond for storage of the mine-water treatment basin iron sludge material. Mr. Marshall indicated that he would confirm the sediment clean out levels with Cody Ware (surveyor who installed the sediment clean-out markers as well as the 10-year, 24-hour design storm level). A meeting has been arranged for May 22nd, 2012 to discuss the outstanding deficiencies associated with the proposed Burma Pond evaporation basin.

The primary sediment ponds 10-year, 24-hour design storm level was observed during the inspection. The water level in the primary sediment pond was approximately 8”-10” below the marker.

4.e Hydrologic Balance: Effluent Limitations

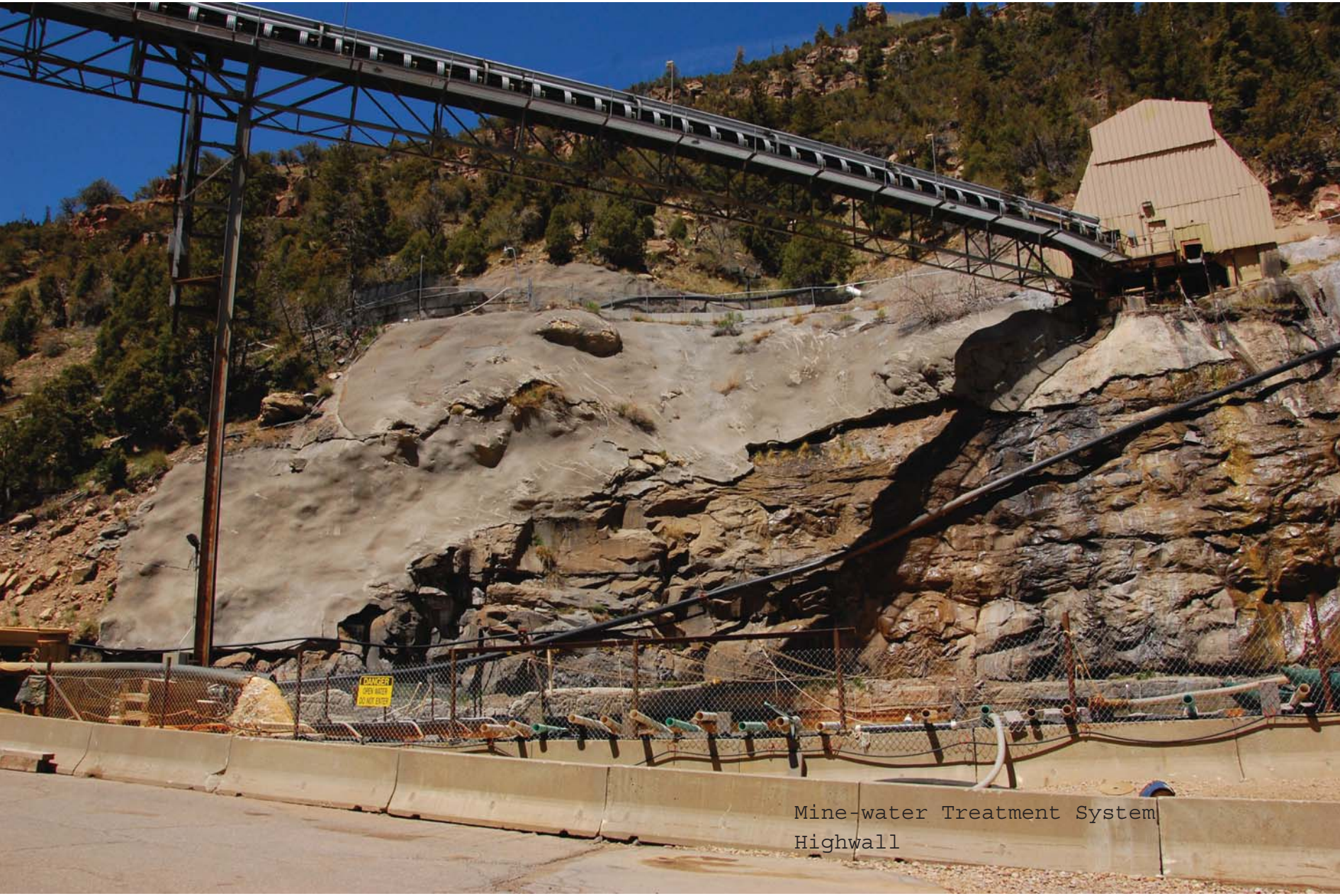
At the time of the inspection, the flow rate was approximately 340 gpm. The chemical injection rates were as follows: 6.39 ppm flocculant and 16.1 ppm coagulant. As the NSF60 standard for the flocculant is 3.0 ppm, monthly residual polymer testing is conducted. Mr. Leonard indicated that the May results were 0.92 ppm and that the results will be submitted to the Division by the end of the month.

As part of the continued automation of the mine-water treatment system, a new display panel was installed in the mine-water treatment system shed approximately 3-4 weeks ago. It appears that the display cell for the flocculant injection level may be mislabeled. Currently, the cell is labeled “Tank Level” but it appears that the value corresponds to the flocculant injection level. Mr. Leonard said that he would follow up with the mine representative who installed the system.

Mr. Leonard indicated that clean-out operations were being performed on the mine-water treatment basin approximately twice a week (4-6 hours each time). According to Mr. Leonard, the company was in the process of having Mr. Jerry Cripps (Scamp Construction) work on the mine-water treatment system on a full time basis.

Mr. Leonard indicated that the mine-water treatment system has not experienced any interruption due to power failure or system maintenance that would require down time (i.e. cessation of mine-water treatment).

A pre-treatment mine water sample was collected for total iron (T-Fe) and sulfate (SO4). The sample port was purged for over an hour prior to obtaining the sample.



Mine-water Treatment System
Highwall

Mine-water Treatment System
Highwall