



Suzanne Steab <suzannesteab@utah.gov>

Fwd: Crandall Canyon Permit Request

Daron Haddock <daronhaddock@utah.gov>

Wed, Apr 27, 2016 at 3:06 PM

To: Lisa Reinhart <lreinhart@utah.gov>, Suzanne Steab <suzannesteab@utah.gov>, Steve Christensen <stevechristensen@utah.gov>, Steve Demczak <stevedemczak@utah.gov>

Forwarded–FYI

----- Forwarded message -----

From: **Jensen, PJ** <pjensen@coalsource.com>

Date: Wed, Apr 27, 2016 at 2:55 PM

Subject: Crandall Canyon Permit Request

To: "jsalow@fs.fed.us" <jsalow@fs.fed.us>

Cc: "Falk, Stephen" <sfalk@blm.gov>, Daron Haddock <daronhaddock@utah.gov>, "Hibbs, David" <dhibbs@coalsource.com>, "Madsen, Karin" <kmadsen@coalsource.com>

Hello Mr. Salow –

We met at the Carbon and Emery County Collaborative Meeting yesterday, April 26.

This email is regarding the Crandall Canyon Mines surface facilities in Emery County, Utah. The mines are owned by Genwal Resources, Inc. which is an operating division of UtahAmerican Energy, Inc., the company that employs me.

UtahAmerican Energy relinquished some of our federal coal leases for the Crandall Canyon Mines in 2013. In the process, we lost our legal access to the northern portion of our surface facilities. We believed that we had maintained the legal access to the facilities that were on Federal Lease #SL-062648 when it was relinquished. Unfortunately, access to the northern portion of the surface facilities “slipped through the cracks” and we lost our legal access even though we are currently using the facilities.

With this email, UtahAmerican Energy is requesting a special use permit for the northern portion of the surface facilities at the Crandall Canyon Mines. Attached is a PDF that includes the following:

1. Narrative of the Current Conditions and reason for the need of the permit
2. Proposed Metes and Bounds of the Proposed Permit Area
3. Figure 1 – Location Map

4. Plate 5-2 – Crandall Canyon #1 and Princess Mine Plans
5. Plate 5-3 – Surface Facilities Map (with Proposed Permit Area)
6. Figure 2 – Permit Area on Section Plat Map

We are currently using the facilities in question to dewater and treat the water from the Crandall Canyon #1 Mine. Therefore, we are hopeful that an expedited review process can be achieved so we can resolve this legal access issue as quickly as possible.

Please feel free to contact me if you have any questions or need any further information. Thank you for your time and assistance with this matter.

Best Regards,

PJ Jensen

Engineering Technician

UtahAmerican Energy, Inc.

794 North 'C' Canyon Road

P.O. Box 910

East Carbon, Utah 84520

Phone: 435.888.4018

Fax: 435.888.4002

Email: pjensen@coalsource.com

–

Daron R. Haddock

Coal Program Manager

Utah Division of Oil, Gas & Mining

(801) 538-5325

Crandall Canyon Permit Request.pdf

4/28/2016

State of Utah Mail - Fwd: Crandall Canyon Permit Request



2228K

Proposed U.S. Forest Service Special Use Permit for the Crandall Canyon Mines' Surface Facilities

Introduction

UtahAmerican Energy, Inc. is requesting a Special Use Permit for the northern portion of the surface facilities at the Crandall Canyon Mines (UDOGM Permit Number C/015/032), located within the Manti-La Sal National Forest. The mine site is positioned in northwest Emery County, Utah. After recent federal lease relinquishments, UtahAmerican Energy has learned that we no longer have the legal right to enter the northern portion of our surface facilities at the Crandall Canyon mine complex. These facilities are currently maintained by UtahAmerican Energy and used for operations to dewater the Crandall Canyon Mine. After discussions with the Bureau of Land Management (BLM) and the Utah Department of Oil, Gas and Mining (UDOGM), it was determined that a special use permit from the U.S. Forest Service is needed by UtahAmerican Energy to continue use of the northern portion of the existing facilities.

History

Coal mining has been conducted in Crandall Canyon since 1939, with a lull from 1955 to 1983. In 1997, a major expansion of the surface facilities was performed in order to accommodate longwall mining at the Crandall Canyon #1 Mine by Genwal Resources, Inc. A second mine, the South Crandall Canyon Mine, commenced mining operations shortly thereafter in the southern slope of Crandall Canyon. The Crandall Canyon #1 and South Crandall Canyon Mines utilized the same surface facilities for their respective operations. Due to economic conditions, the South Crandall Canyon mine was idled in 2006, while the Crandall Canyon Mine continued mining operations.

In 2006, UtahAmerican Energy, Inc. acquired several local mines, including the Crandall Canyon Mines. UtahAmerican Energy continued mining operations at the Crandall Canyon site until August 2007, when an accident forced the closure of the Crandall Canyon #1 Mine.

In 2013, UtahAmerican Energy, Inc. relinquished all of the federal and state coal leases related to the Crandall Canyon #1 Mine, while retaining the coal leases for the South Crandall Mine, which has been renamed the Princess Mine. When the federal coal leases for the Crandall Canyon #1 Mine were relinquished by the Bureau of Land Management (BLM), the surface rights to the northern portion of the surface facilities and disturbance reverted back to the U.S. Forest Service. Due to circumstances beyond our control, the legal right to access the north portion of the surface facilities was included in the relinquishment, and UtahAmerican Energy's right to access and maintain the north portion of the Crandall Canyon Mines' surface facilities was removed. All entities involved with the lease relinquishments believed the surface facilities were excluded from the relinquishment, and UtahAmerican Energy would maintain the legal right to access and utilize the existing facilities. In reality, UtahAmerican Energy lost the legal right to enter our facilities due to these relinquishments.

Summary and Conclusion

Coal mining operations in Crandall Canyon, Utah have been occurring since 1939, with a major expansion of the surface facilities in 1997. The existing surface facilities utilized by two separate mines have been in existence for nearly twenty years. Recently, UtahAmerican Energy,

Inc. has learned that we no longer have the legal right to enter the northern portion of these facilities due to an oversight when federal coal leases were relinquished.

The existing Crandall Canyon surface facilities are currently used to dewater the sealed Crandall Canyon #1 Mine. The northern portion of the complex contains the portals and water treatment facility for the Crandall Canyon #1 Mine. Furthermore, several buildings and support facilities are located in the northern portion of the site. This is the portion where we have lost our legal access.

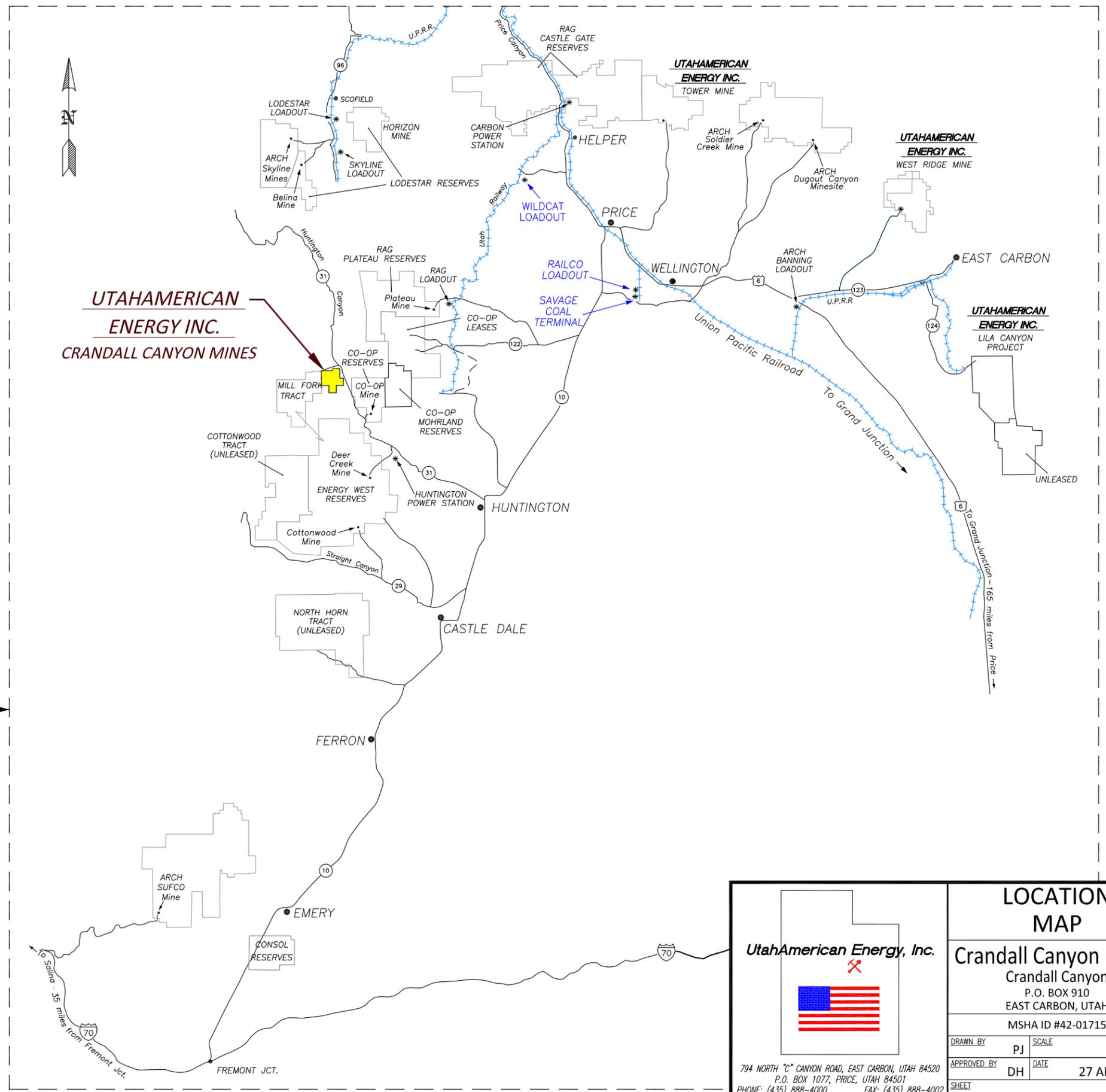
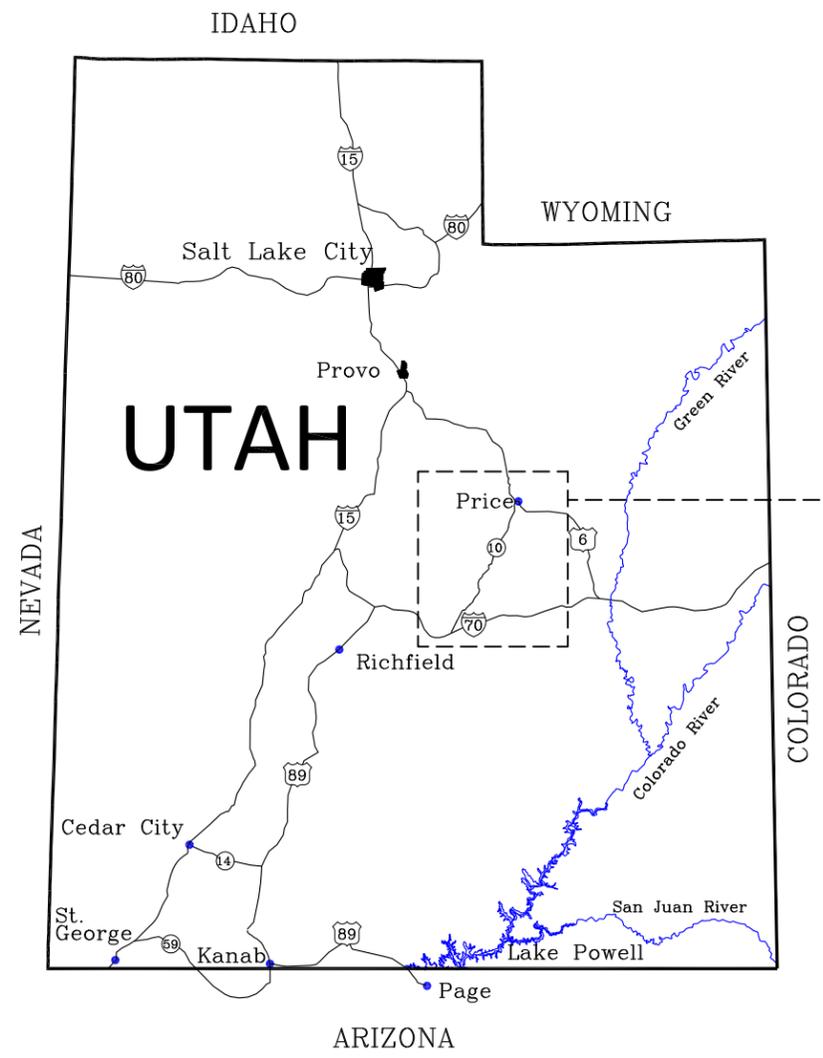
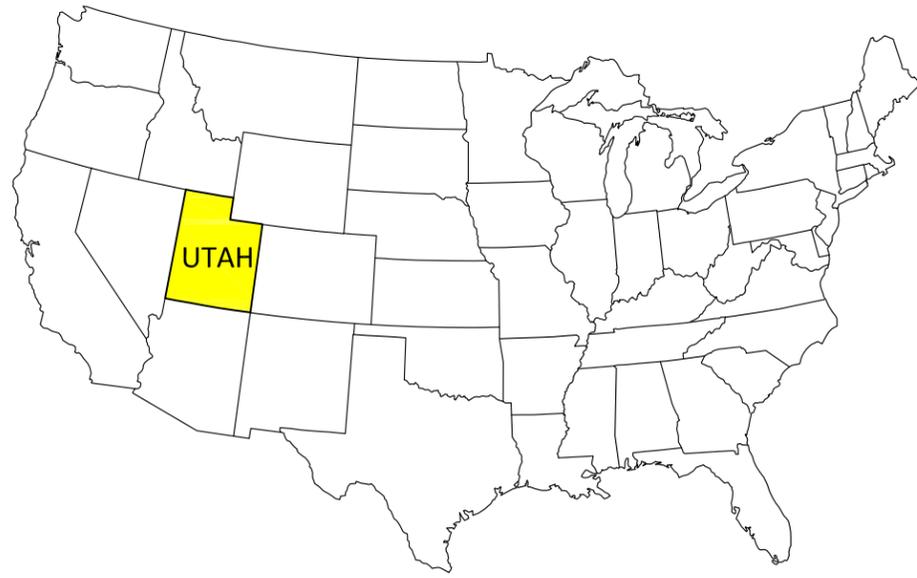
In addition, UtahAmerican Energy, Inc. plans to resume mining in the Princess Mine (formerly the South Crandall Mine) when economic and market conditions become more favorable. At that time, the existing surface facilities will become vital to the coal production at the Princess Mine. However, without the legal right to enter our facilities, UtahAmerican Energy cannot utilize this existing complex for its intended purpose, to support the mining operations. Thus, the need for a special use permit. Additionally, as the northern facilities are currently used by UtahAmerican Energy to dewater the Crandall Canyon #1 Mine, an expedited review for the permit is requested as continued operations are required.

**Proposed U.S. Forest Service Special Use Permit
for the Crandall Canyon Mines Surface Facilities**

Proposed Legal Description:

Beginning at a point located 310.0 feet N87°57'09"E from the quarter corner and along the south border of Lot 6 in Section 5, Township 16 South, Range 7 East, SLBM; thence N02°02'51"W 300.0 feet; thence N87°57'09"E 1015.48 feet to the border between Lots 6 and 9; thence N87°57'09"E 89.45' to the western boundary of an existing U.S. Forest Service Special Use Permit; thence S02°38'W 303.29 feet to the south border of Lot 9; thence S89°44'40"W 73.02 feet to the southwest corner of Lot 9; thence S87°57'09"W 1007.20 feet to the point of beginning.

Proposed permit area is 7.53 acres.



UtahAmerican Energy, Inc.

794 NORTH "C" CANYON ROAD, EAST CARBON, UTAH 84520
 P.O. BOX 1077, PRICE, UTAH 84501
 PHONE: (435) 888-4000 FAX: (435) 888-4002

LOCATION MAP			
Crandall Canyon Mines			
Crandall Canyon P.O. BOX 910 EAST CARBON, UTAH			
MSHA ID #42-01715			
DRAWN BY	PJ	SCALE	NONE
APPROVED BY	DH	DATE	27 APRIL 2016
SHEET	FIGURE 1		

G:\Current Drawings\MRP Maps\Crandall Canyon\2015 MR-Term Review\Task 5067 3-21-16\Special Use Permit\Location Map.dwg, Location Map, 4/27/2016 2:19:33 PM, 1:1

LEGEND

- Mined Out Areas
- Lease Boundary
- Permit Area
- Projected Subsidence
- Seam Iso-Pac
- Depth of Cover
- Surface Drill Hole

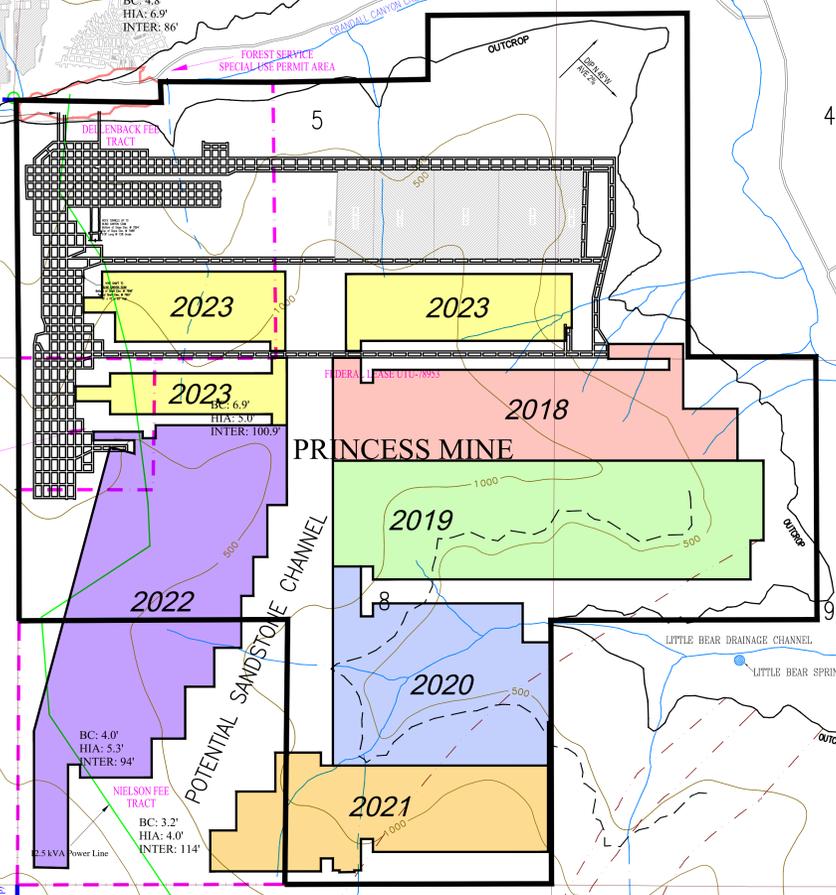
- NOTES:
1. CONTINUOUS MINING AREAS MAY BE INFLUENCED BY GEOLOGIC ANOMALIES WHICH MAY INCLUDE, BUT ARE NOT LIMITED TO COAL THICKNESS, COAL QUALITY, AND MINING CONDITIONS.
 2. NO SECOND MINING UNDER LITTLE BEAR DRAINAGE CHANNEL AS PER LEASE STIPULATION.
 3. SUBSIDENCE IS SUBSTANTIALLY COMPLETE AS OF THE DATE OF THIS DRAWING. ACCORDING TO THE 2014 SUBSIDENCE MONITORING REPORT, ALL MONITORING POINTS HAVE NOT RECORDED SUBSIDENCE GREATER THAN SIX INCHES SINCE 2012.

**CRANDALL CANYON #1 MINE
(HIAWATHA SEAM WORKINGS)
-- MINING COMPLETE --**

TRESPASS AREA SUMMARY

1. This area of the East Molemine is an unmined area...
2. The East Molemine is an unmined area...
3. On September 21, 1988, the Regional Coal Resource...
4. A previous assessment was made on the East Molemine...

Mine projections depicted in the fringe areas beyond the SMCR permit area are speculative and based on future reserve acquisitions. No mining will be conducted in these areas unless those reserves are acquired in the future and permitted according to federal, state, and local permitting requirements. Genwal Resources acknowledges that permission to mine within the permit boundary does not imply permission to mine beyond the permit boundary in the future.

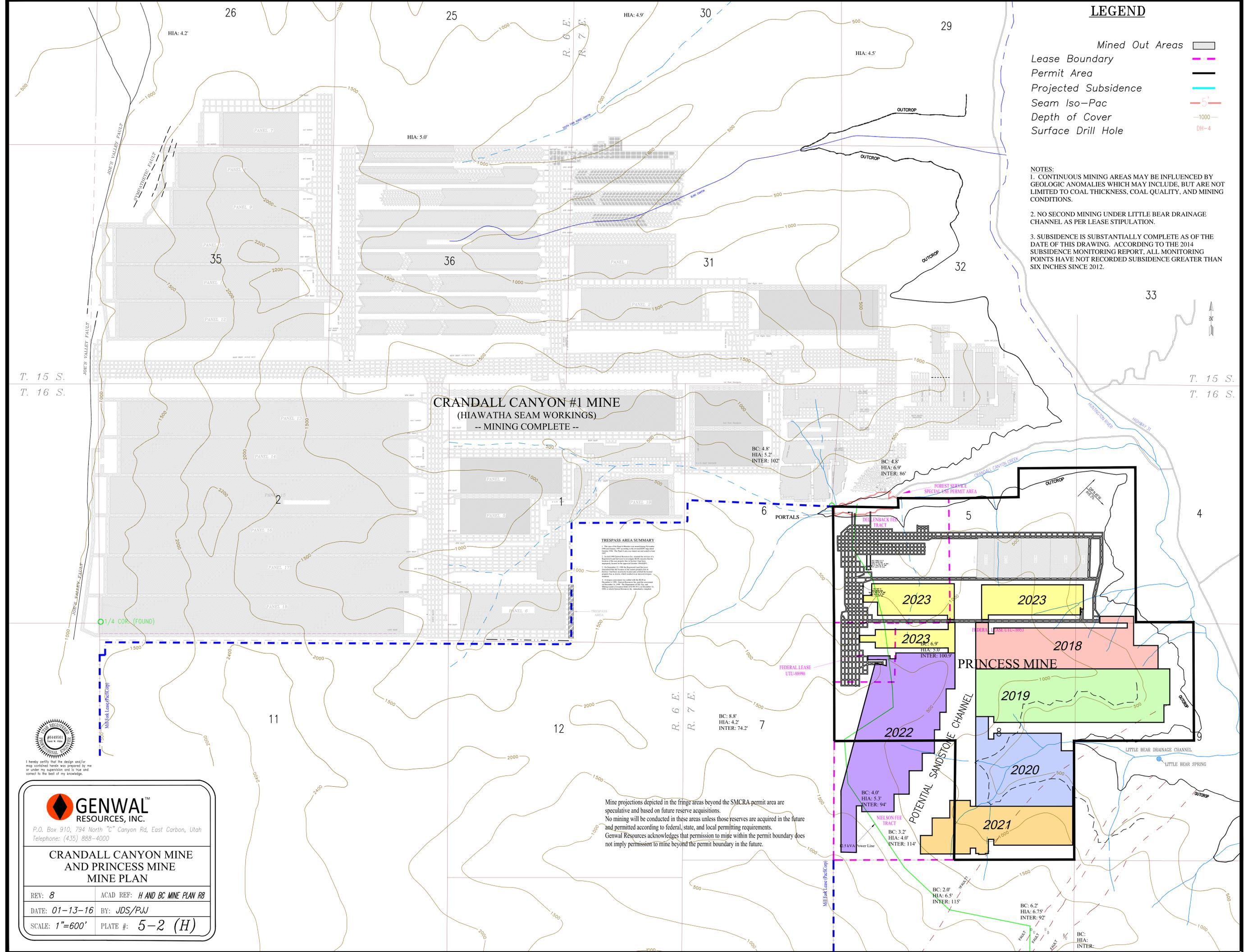


I hereby certify that the design and/or map contained herein was prepared by me or under my supervision and is true and correct to the best of my knowledge.

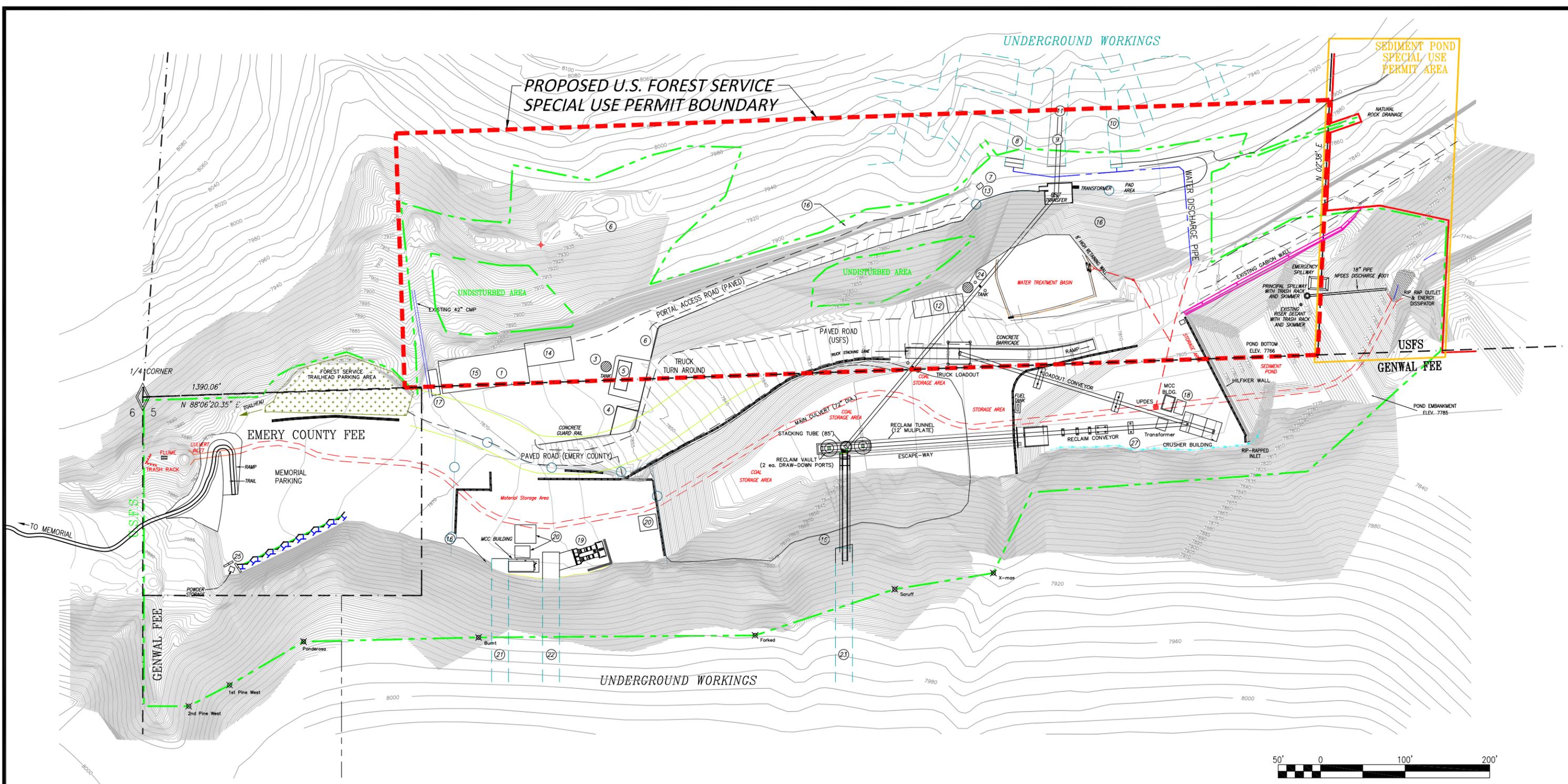
**GENWAL™
RESOURCES, INC.**
P.O. Box 910, 794 North "C" Canyon Rd, East Carbon, Utah
Telephone: (435) 888-4000

**CRANDALL CANYON MINE
AND PRINCESS MINE
MINE PLAN**

REV: 8	ACAD REF: H AND BC MINE PLAN R8
DATE: 01-13-16	BY: JDS/PJJ
SCALE: 1"=600'	PLATE #: 5-2 (H)



G:\Current Drawings\MRP Maps\Crandall Canyon\2015 MR-Term Review\Task 5067 3-21-16\Plate 5-3 REV 19.dwg, 11x17 Surface Facilities, 4/27/2016 2:24:42 PM, 1:1



LEGEND:

SEDIMENT POND (SPECIAL USE PERMIT AREA)	
EXTENT OF DISTURBANCE	
10' CONTOUR	
JERSEY BARRIERS	
RE-ESTABLISHED USFS ROAD (DOUBLE-LANE)	
SAFETY BARRIERS	
FENCING	

- FACILITY LEGEND:**
- | | |
|--------------------------------|---------------------------------------|
| 1. Shop | 14. New Warehouse and Office Building |
| 2. Ventilation Fan | 15. 4500 Gallon Cullinary Water Tank |
| 3. Rockdust Silo | 16. Shotcrete |
| 4. Concrete Dumpster Pad | 17. Parts Shed |
| 5. Power Center | 18. Portable Shed |
| 6. Power Pole | 19. Ventilation Fan |
| 7. Offices & Bathhouse (u'grd) | 20. Material Storage Sheds |
| 8. Intake Portal | 21. Intake Portal |
| 9. Belt Portal | 22. Return Portal |
| 10. Fan Portal | 23. Belt Portal |
| 11. Mine Belt | 24. Mag Tank |
| 12. Iron Treatment Shed | 25. Powder Storage |
| 13. Visual Disconnect | 26. Cap Storage |
| | 27. Concrete Ditch |





GENWAL[™]
RESOURCES, INC.
P.O. Box 1077, 794 North "C" Canyon Rd, Price Utah
Telephone: (435) 888-4000

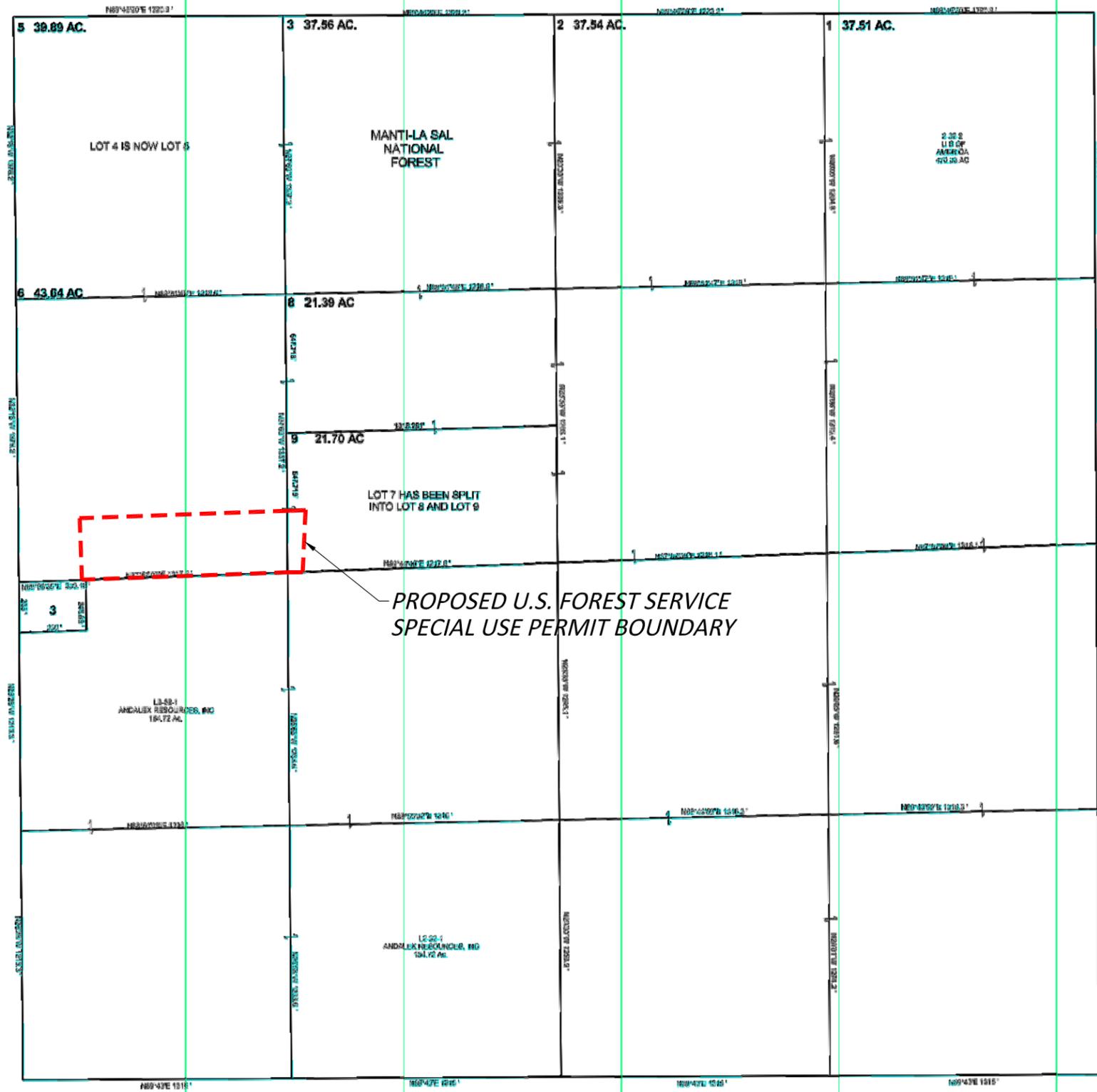
**CRANDALL CANYON MINE
SURFACE FACILITIES**

REV: 19	ACAD: 5-3 REV19
DATE: 04-27-16	BY: PJJ
SCALE: AS SHOWN	PLATE #: 5-3

T. 16 S., R. 7 E., SLBM

SECTION 5, T 16 S, R 7 E S.L.B. & M.

THIS PLAT IS MADE SOLELY FOR THE PURPOSE OF ASSISTING IN LOCATING THE LAND, AND THE RECORDER ASSUMES NO LIABILITY FOR VARIATIONS, IF ANY, WITH AN ACTUAL SURVEY.



SOURCE:
 ONLINE PLAT MAPS FROM
 EMERY COUNTY, UTAH
 (www.emerycounty.com/
 maps/index.htm)



P.O. Box 1077, 794 North "C" Canyon Rd, Price Utah
 Telephone: (435) 888-4000

PERMIT AREA
 ON PLAT MAP

REV: 1	ACAD: 5-3 REV19
DATE: 04-27-16	BY: PJJ
SCALE: AS SHOWN	FIGURE 2