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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0150032
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, August 30, 2016
Start Date/Time:	8/30/2016 10:00:00 PM
End Date/Time:	8/30/2016 11:00:00 PM
Last Inspection:	Thursday, August 04, 2016

Inspector: Steve Christensen
Weather: Sunny. Winds 0-5 mph. 80 degrees F.
InspectionID Report Number: 5623

Accepted by:

Representatives Present During the Inspection:	
OGM	Steve Christensen
OGM	Keenan Storrar
OGM	Priscilla Burton
Company	Karin Madsen

Permittee: **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: **INACTIVE**

Current Acreages

6,295.06	Total Permitted
34.47	Total Disturbed
11.89	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

The Division of Oil, Gas and Mining (the Division) conducted a partial inspection of the Crandall Canyon Mine's Burma Pond. The Burma Pond is the designed evaporation basin that receives the accumulated iron sludge material from the Crandall Canyon Mine's mine water treatment system located at the main surface facility. Questions had arose as to the extent of the accumulated iron sludge material in the Burma Pond as well as to sampling of the sludge itself for laboratory analysis. Refer to Dwg 5-3A for facilities layout.

Inspector's Signature

Steve Christensen,

Inspector ID Number: 54

Date Wednesday, August 31, 2016



Note: This inspection report is intended to be used as a reference only. It does not constitute an enforcement action or a determination of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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 performance 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	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Topsoil

Topsoil stockpile, grubbing topsoil stockpile and pond embankments were observed. The two piles are outside of the fenced pond area. Some vegetation, mostly saltbush, has established on the outslope of the pond berm and on the topsoil stockpile. Ms. Madsen is ordering seed this week to seed the grubbing /topsoil pile and the immediately surrounding disturbed area in late fall 2016.

4.a Hydrologic Balance: Diversions

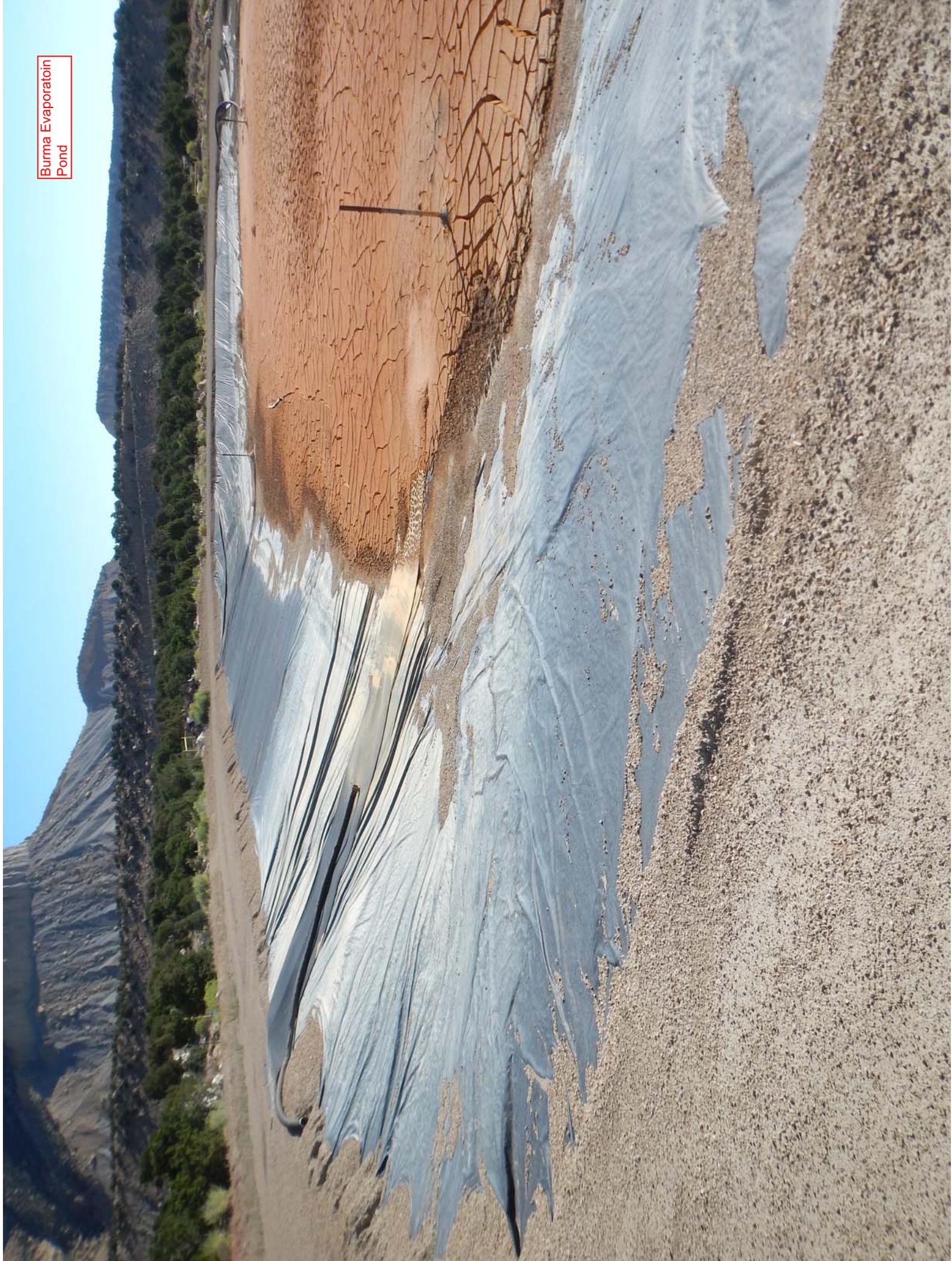
During the course of the inspection, Division staff walked the boundary of the evaporation basin. It was noted during the inspection that the undisturbed drainage ditch (B-UD1) was stable. However; a small deposition of coal fines (approximately 1/8-1/4" were noted in several portions of the diversion. As the Permittee is not storing any coal material at the site, it's clear that the material is being deposited on the site via wind from the adjacent property.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Burma Pond evaporation basin (the basin) was inspected during the field inspection. The basin was dry during the inspection. No standing water was observed. The bottom of the basin is somewhat uniformly covered with the accumulated iron sludge material from the Crandall Canyon mine water treatment facility. Karin Madsen indicated that the last cleaning of the mine water treatment facilities detention pond was conducted for six consecutive days during the month of July. No subsequent cleaning had occurred since that time which aided in drying out the remaining moisture in the basin. In addition to evaporation of the water from the basin, Ms. Madsen indicated that Scamp Construction (the contractor utilized for cleaning of the mine water treatment facility pond and transport of said material to the Burma Pond) had also pumped residual water from the basin and transported it back to the mine water treatment pond. Ms. Madsen further indicated that a professional survey of the accumulated sludge elevation has been scheduled and would be conducted within the next two weeks. Depth of sludge at the pond's edge was measured at 5 inches. The pond has been in operation since 2013. Additionally, Mt. Nebo has been contracted to sample the accumulated sludge material and submit the samples for laboratory analysis per the requirements of the Mining and Reclamation Plan (MRP). Mt Nebo will subcontract with Robert Long, a Certified Soil Scientist. Pond sampling is described in Appendix 7-66 Chapter 5, Item 2. During the inspection, the four sediment clean-out markers established in the basin were observed. It was unclear as to how the clean-out elevation (6,519.0') was discerned on the four markers. It was agreed that when the professional surveyor (Cody Ware) was on-site, the markers would be marked in some way (e.g. spray-paint) as to clearly identify the sediment clean-out elevation. Assigned inspector Steve Demczak will verify the establishment of the clean-out elevation on the markers in subsequent inspections.

The embankments of the basin and the liner were observed to be in good order. No signs of instability or erosion were noted with the embankments. The basin liner was also observed to be in good shape. No signs of excessive wear or issues were noted.

Burma Evaporatoin
Pond



Accumulated Iron
Sludge Material



Burma Evaporation Pond

