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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

June 28, 2016

Karin Madsen, Resident Agent
Genwal Resources, Inc.
P.O. Box 910
East Carbon, Utah 84520-0910

Subject: Midterm Completion Response, Genwal Resources, Inc., Crandall Canyon Mine, Task ID #5190, C/015/0032

Dear Ms. Madsen:

The Division has reviewed your midterm review response. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. Please resubmit the entire application by no later than July 28th, 2016

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150032
TaskID: 5190
Mine Name: CRANDALL CANYON MINE
Title: MIDTERM COMPLETION RESPONSE

General Contents

Right of Entry

Deficiencies Details:

The amendment does not meet the State of Utah R645-301-114 requirements for Right of Entry Information and is not clear and concise as required by R645-301-121.200.

The Permittee must provide the Special Use Lease which grants Right of Entry information for surface facilities and disturbance area located in Lot 6, of Section 5, T.16S., R.7E (approximately 6.278 acres) as shown as the red polygon on plate 2-3. The Division understands this is pending approval from USFS.

The Permittee must provide a description of the right of entry granted for access on the East Mountain Property as described on page 1-8 under the Emergency Drillholes and Access Roads heading.

The Permittee must provide a description of the right of entry for the Nielson Fee parcel.

The Permittee must organize the right of entry information in a clear and concise manner.

ireinhart

Legal Description

Deficiencies Details:

The amendment does not meet the State of Utah R645 requirements for describing the land subject to coal mining over the life of the operation.

The Permittee must update the legal description to include the Neilson Fee Parcel as shown on Plate 1-1.

ireinhart

Maps and Plans

Deficiencies Details:

The amendment does not meet the State of Utah R645-301-521 requirements for providing maps identifying the lands subject to coal mining and reclamation operations because the "Permit Boundary" does not adequately represent the correct permit boundary and/or disturbance areas.

R645-301-521: The Permittee must revise all plates, maps, and figures that depict the Permit Area Boundary includes the SUP which is currently pending issuance from USFS.

ireinhart

Reclamation Plan

Stabilization of Surface Areas

Deficiencies Details:

R645-301-142 and R645-301-244, The Permittee has partially met the requirements of the SITLA lease 1708, Article 10.2 (App. 1-16) which required leveling, seeding and other reasonably necessary steps to prevent soil erosion, ensure the establishment of suitable vegetation and control noxious weeds. The site was leveled and a drainage ditch UD -1 carries water away from the disturbed area to prevent erosion. The Permittee should provide a commitment to seed areas outside the fence which were disturbed by construction in the Fall of 2016 (at the same time as the topsoil/grubbed vegetation pile.

R645-301-234.230, The Permittee should provide a commitment to conduct a second seeding of the containment berm and the topsoil in the Fall of 2016, pending a joint evaluation of the vegetation growth on the stockpiles by the Division and UEI during the growing season 2016.

pburton

Bonding Determination of Amount

Deficiencies Details:

R645-303-211, R645-301-830.100 through -830.140, R645-301-830.410: The Permittee must submit detail cost quotes from a minimum of three parties to utilize a cost reference outside of published construction related cost reference manuals, e.g. R.S. Mean Heavy Construction, for concrete demolition.

cparker