FILED

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SECRETARY, BOARD OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS, AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

In the Matter of the Petition of Genwal Resources, Inc. for Review of Division Order DO- 10A, Crandall Canyon Mine	**ORDER RELEASING OPERATIONS BOND** Docket No. 2010-026 Cause No. C/015/0032

The Utah Board of Oil, Gas and Mining, has considered the Petition of Genwal Resources, Inc. ("Genwal") for release of the operations bond, in the amount of $720,000, held by the Division of Oil, Gas & Mining ("Division") to secure the costs of operating a temporary mine water treatment facility at the Crandall Canyon Mine, Permit No. C/015/0032 for a three-year period. For the reasons stated herein, the Board grants the Petition, orders release of the bond and dismisses this matter.

FINDINGS OF FACT

1. On March 10, 2012, this Board issued its Findings of Fact, Conclusions of Law, and Order in this matter, requiring Genwal to post a surety bond in the amount of $720,000 to secure the costs of operating a temporary water treatment facility at the Crandall Canyon Mine. Findings of Fact, Conclusions of Law, and Order 29, Dkt. No. 2010-026 (Mar. 10, 2012) ("Order").

2. By the terms of the Order, Genwal may petition the Board for release of the bond after contaminant levels in the untreated discharge from the mine have been compliant with UPDES limits for a six-month period, or for such other period of time sufficient to show that water treatment is no longer necessary to achieve UPDES compliance. Order at 30.

3. To secure the cost of operating the temporary water treatment facility, on July 2, 2012, Genwal posted with the Division surety bond no. ISB-2992 in the amount of $720,000 issued by Rockwood Casualty Insurance Company. This bond was replaced by Indemnity National Insurance Company surety bond no. N-6000370 dated June 4, 2018.

4. On January 28, 2013, the Board modified its Order to require Genwal to file semiannual hydrologic monitoring progress reports with the Board. Mem. Decision and Order 5 (Jan. 28, 2013) ("Memorandum Decision").

5. The Board has retained exclusive and continuing jurisdiction of this matter. Order at 33, Mem. Decision at 5.

6. Genwal has filed hydrologic update reports with the Board semiannually as required by the Memorandum Decision.

7. Genwal's most recent report, prepared by Petersen Hydrologic on January 9, 2019 and filed with the Board on January 10, 2019, shows that the untreated mine discharge water remained below the UPDES discharge limit for total iron throughout 2018.

8. The January 9, 2019 Petersen Hydrologic Report shows that samples of the mine discharge water collected by the Division and analyzed by the Utah Public Health Laboratory for total iron were below the 1.24 mg/L UPDES limits for each of the 20 previous months (1.7 years). Report, Conclusion at p. 7.

9. Based on the conclusions of the January 9, 2019 Petersen Hydrologic Report, on January 15, 2019, Genwal filed with the Board a Petition for Release of Water Treatment Bond ("Petition for Bond Release").

10. The Petition for Bond Release was served on the Division on January 15, 2019 and is not opposed by the Division. On February 13, 2019, the Division and Genwal jointly filed a Motion to Submit Request for Board Order Releasing Operations Bond of Genwal Resources, Inc. Both pleadings were timely filed as subsequent written motions in these proceedings

pursuant to Utah Admin. Code R641-105-300 more than two weeks before the scheduled hearing and the Board may decide the matter at the February 27, 2019 Hearing. There are no other parties who are required to receive notice of the request.

11. Having considered the evidence supporting the Petition, the Board finds that the total iron concentration in the water discharged from the Crandall Canyon Mine has decreased to levels below the applicable UPDES permit limits.

CONCLUSIONS OF LAW

12. Pursuant to its Order in this matter, the Board has continuing and exclusive jurisdiction over this matter, including this Petition.

13. Genwal has met the requirements of the Board's Order necessary for release of the bond securing the cost of water treatment operations.

14. Genwal is entitled to a full release of bond securing the cost of water treatment operations and held by the Division pursuant to the Board's 2012 Order.

ORDER

Now therefore, it is hereby Ordered that:

1. The Division shall release in full Indemnity National's Surety Bond # N-6000370 no later than 30 days from the date hereof;

2. Genwal no longer has the duty to file semi-annual hydrologic monitoring reports with the Board; and

3. This matter is dismissed.

Entered this 25th day of February 2019.

BOARD OF OIL, GAS AND MINING

RULAND GILL, JR., CHAIR

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