



OGMCOAL DNR &lt;ogmcoal@utah.gov&gt;

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## Crandall Canyon Mine- Division Order (DO-19B)

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**Steve Christensen** <stevechristensen@utah.gov>

Mon, Feb 4, 2019 at 1:32 PM

To: Karin Madsen <kmadsen@coalsource.com>

Cc: "Efaw, Matt" <mefaw@coalsource.com>, PJ Jensen <pjensen@coalsource.com>, OGMCOAL DNR <ogmcoal@utah.gov>, Dana Dean <danadean@utah.gov>, Justin Eatchel <jeatchel@utah.gov>, Steve Alder <stevealder@agutah.gov>, "Dragoo, Denise" <ddragoo@swlaw.com>

Good afternoon Karin,

As we discussed last week, I've attached Division Order DO-19B. The Division Order calls for a revision to the final reclamation plan at the Crandall Canyon Mine. A hard-copy is on its way to you.

Please feel free to call me if you have any questions or if I can help in anyway.

Regards,  
Steve

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Steve Christensen  
Utah Division of Oil, Gas and Mining  
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GARY R. HERBERT  
Governor

SPENCER J. COX  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 4<sup>th</sup>, 2019

#### CERTIFIED MAIL RETURN RECEIPT

9590 9402 1618 6053 1298 57

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

Subject: Division Order to Address Mine Water Discharge (DO-19B), Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032

Dear Ms. Madsen:

The Utah Division of Oil, Gas and Mining (the Division) is issuing the attached Division Order (DO-19B) to address deficiencies in the current final reclamation plan for the Crandall Canyon Mine. As we have discussed previously, the current final reclamation plan in the Mining and Reclamation Plan (MRP) did not contemplate several factors that now exist at the mine site.

The State of Utah R645 Coal Rules requires that the MRP include a plan for the reclamation of the lands within the permit area that comply with the rules and the environmental protection performance standards of the State Program. Additionally, adequate bond coverage must be in effect at all times to assure the reclamation plan can be performed by the Division in the event of bond forfeiture. Given the unforeseen site conditions that have developed since the initial permitting of the Crandall Canyon Mine and the inadequacy of the current reclamation plan and associated bond; the Divisions finds the current MRP for the Crandall Canyon Mine deficient.

DO-19B provides the regulatory framework, timeline and context for the Division's action. It should be emphasized that DO-19B assumes that continued treatment of the mine water discharge will not be needed at the time of final reclamation. As a result, the Division is not in any way proposing to revisit the design/bonding considerations currently in place relative to the mine water treatment system.

Additionally, DO-19B is not in any way an attempt by the Division to initiate reclamation at this time. The timeline for final reclamation is unknown as it's the Divisions understanding that Genwal Resources, Inc. intends to resume mining activity in the Princess Mine should market conditions improve. The sole intent of DO-19B is to revise the current reclamation plan in the Crandall Canyon MRP to provide the requisite design information and associated bond



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coverage necessary to ensure successful reclamation of the site in the event of bond forfeiture.

Upon receipt of this Division Order, you will have 150 days to submit a revised final reclamation plan to the Division.

If you have any questions, please call me at (801) 538-5350.

Sincerely,



Steve Christensen  
Permit Supervisor

**STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING**

<p>PERMITTEE</p> <p>Karin Madsen Genwal Resources, Inc. P.O. Box 1077 Price, Utah 84501</p> <p>PERMIT NUMBER C/015/0032 DIVISION NUMBER DO-19B</p>	<p>ORDER &amp; FINDINGS OF PERMIT DEFICIENCY</p>
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PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Genwal Resources, Inc. (the Permittee) to make the requisite permit changes enumerated in the findings of Permit Deficiency in order to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

**FINDINGS OF PERMIT DEFICIENCY**

Upon review of the current Crandall Canyon Mine Mining and Reclamation Plan (MRP), the Division of Oil, Gas and Mining (the Division) has determined that the final reclamation plan for the site does not reflect conditions that developed since the initial permitting of the Crandall Canyon Mine and is therefore deficient. The State of Utah R645 rules require that these conditions be addressed in the MRP.

The conditions not contemplated in the currently approved final reclamation plan include: the Miner Memorial (and associated parking lot), the mine water discharge from the north portals and the seeping sandstone ledge located immediately below the mine portals. Additional final reclamation design concerns were also identified from stakeholders that must be addressed (See discussion below).

As the current reclamation plan does not include the required designs, supporting calculations, narrative and associated bonding calculations to address these conditions, the Division finds the current Crandall Canyon Mine MRP deficient per R645-301-540 thru R645-301-560, R645-301-760 thru R645-301-765, and R645-301-800 thru R645-301-830. In order to remain in compliance with the State of Utah R645 Coal Mining rules, the MRP's final reclamation plan must be revised and additional bond coverage may be required.

## TIMELINE

The Division issued a division order (DO-16A) in 2016 to address the deficiencies of the current reclamation plan. The order was first issued on September 28<sup>th</sup>, 2016 with it being later revised on November 22<sup>nd</sup>, 2016. Following discussions with the Permittee and their legal counsel, it was agreed that DO-16A would be withdrawn and a revised reclamation plan would be submitted to the Division within 90 days. On March 13<sup>th</sup>, 2017, a revised final reclamation plan was submitted to the Division. The Division found the revision to be deficient on May 15<sup>th</sup>, 2017.

At that time, Division staff spoke with Genwal Resources, Inc. representatives and it was agreed that due to the complexity of issues associated with the final reclamation of the site and due to the number of stakeholders involved; soliciting input from stakeholders would be prudent in an effort to avoid wasting time and money formulating a reclamation plan revision that would not meet the requirements of the various stakeholders/agencies.

A stakeholder meeting was arranged by the Division and conducted on July 26<sup>th</sup>, 2017. In addition to Genwal Resources Inc. and the Division, representatives from the Bureau of Land Management (BLM), Emery County, USDA Forest Service (Forest Service), Utah Division of Water Rights and Utah Division of Wildlife Resources were in attendance. Following a presentation by PJ Jensen (Genwal Resources, Inc.) of several final reclamation options, the attendees were directed to provide comments to the Division in coming weeks. Comments from all of the stakeholders in attendance were eventually received several months later.

On February 21<sup>st</sup>, 2018, Division staff met with Genwal Resources, Inc. staff to discuss the comments that were received from the various stakeholders and the potential design options for the final reclamation of the Crandall Canyon Mine.

## **DESIGN CONSIDERATIONS**

After assessing the current conditions of the Crandall Canyon Mine site and receiving input from stakeholders, the following final reclamation design considerations were identified that must be addressed in the final reclamation plan revision:

1. The 72" undisturbed bypass culvert must be removed. The Forest Service and Division were in agreement that in order to insure long-term reclamation success of the property, the bypass culvert for Crandall Creek must be removed. The currently approved reclamation plan already calls for its removal; however, what is not contemplated in the MRP is that the removal of the bypass culvert will necessitate some type of structure be constructed in order to maintain access to the Miner Memorial. The removal of the bypass culvert and the re-establishment of the natural drainage pattern of Crandall Creek will require the removal and re-grading to approximate original contour of the Miner Memorial parking lot.

2. A fish barrier must be constructed within the newly constructed Crandall Creek channel. The Utah Division of Wildlife Resources is concerned about whirling disease positive fish migrating further up-canyon into unaffected areas of Crandall Creek.
3. The mine-water discharge from the north portals must be addressed in the final reclamation plan design. Several options were identified that would meet the State of Utah R645 requirements and address the concerns of stakeholders. The design options were discussed with the Permittee on February 21<sup>st</sup>, 2018.
4. The seeping sandstone ledge located immediately below the north mine portals must be addressed in the final reclamation plan. In order to return the highwall area to approximate original contour and ensure long-term stability, the water discharging from the sandstone ledge must be accounted for in the final reclamation design.

It should be emphasized that DO-19B assumes that continued treatment of the mine water discharge will not be needed at the time of final reclamation. As a result, the Division is not in any way proposing to revisit the design/bonding considerations currently in place for the mine water treatment system.

Additionally, DO-19B is not an attempt by the Division to initiate reclamation at this time. The timeline for final reclamation is unknown as it's the Divisions understanding that Genwal Resources, Inc. intends to resume mining activity in the Princess Mine should market conditions improve.

The sole intent of DO-19B is to revise the current reclamation plan in the Crandall Canyon MRP to provide the requisite design information and associated bond coverage necessary to ensure successful reclamation of the site in the event of bond forfeiture.

### ORDER

Genewal Resources, Inc. is hereby ordered to revise the final reclamation plan for the Crandall Canyon Mine in accordance with R645-303-220 and to submit to the Division a complete and adequate application for permit change to address the findings of permit deficiency within 150 days of the date of receipt of this order.

Ordered this 4<sup>th</sup> day of February, 2019, by the Division of Oil, Gas and Mining.



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Dana Dean, Associate Director  
Division of Oil, Gas and Mining