

Inspection Report - IE/PV

Printed On: 9/14/2007
 Period: 2007-Q3
 Period End Date: 9/30/2007

Inspection Number: SWF061307

Mine Name: Genwal
 Mine Owner: Andalec/IPA
 Inspector: Steve Falk
 Operator: Genwal
 Operator Rep: **6**

Fiscal Year: 2007
 Period Type: Quarterly
 Active Faces: 1
 Accompanied By:
 Finalize Date: 8/17/2007



Remarks: On Wednesday, June 13, 2007, I (Stephen Falk) inspected the Crandall Canyon Mine, owned by 50 percent UtahAmerican and Intermountain Power Agency (IPA) and operated by Genwal Resources, Inc., a wholly owned subsidiary of UtahAmerican Energy, Inc.. Boodie Allred, Mine Superintendent, was my company rep.

Only one section remains mining at this operation. This continuous miner section is in the Crandall Canyon Mine while the South Crandall Mine is idle. This one section is going for the full week with weekday and weekend shifts. This section is developing 4 entries down the south barrier block between Main West and the south longwall block. They moved over to this section from the north barrier block at the end of March when pillar pulling in the north barrier block was halted about half way through due to damaging bumps and outby pillar loading. Since the first of April, the crew is developing these four entries with the hopes to drive out to but not connect to the back end bleeder entries near the Joe's Valley fault, some 4800 feet inby. This plan was submitted by Genwal back in March when they were having the tough conditions in the North Barrier and asked to leave the rest of the pillars. I gave approval then (see SWF031507) to leave the rest of North Barrier and to start South Barrier development. This approval of South Barrier was only a technicality since only the north entry of the 4 entry system was on lease UTU-68082 while the rest of the three entries were driven along the lease line inside State Coal Lease ML-21568. Written approval is coming to the company as we are trying to rectify the recoverable reserves for the Federal lease as they have already mined over the estimated 13 million recoverable originally thought of.

Future thought for this mine is in flux as it has been reported that Genwal will supply the crews and equipment for when Lila Canyon comes on line. South Crandall Mine plan is put off until 2010 in their plan to allow for feasibility if they ever can mine this low coal. Right now the South Crandall main entries are being ventilated and maintained. This I witnessed. Current work force is down to less than 60 and they are trying to go with little overhead employees.

I traveled to the working face with Boodie Allred. Spot measurements were taken and recorded. Conditions were noted. Spad numbers were noted to correspond to the mine map. These are shown on the attached map and will be transferred to the monthly production maps for product verification. Genwal is mining according to the limited Federal portion of the mine plan. The section visit follows:

South Barrier Section, West Mains, Hiawatha Seam, State Lease ML-21568 and Federal Lease UTU-68082

This 4 entry development section has mined out to crosscut 137. Advance has been rapid and production has been nearly 50,000 tons per month. Boodie said that he thinks they are meeting the companies production goal but was unsure that this was truly mining a profit. Conditions are not too bad considering the depth and mined out to the south and Main West entries to the north. Coal height is running at about 7.5 feet and the miner is trying to cut close to the roof rock but not dilute the product. They were not sure they had their pillar plan approved by MSHA yet. Here again little of this section is on Federal lease but I took measurements of all faces and recorded them in the field book. I will transfer them to a mine map as the strip map got run over in the section.

Leases

Lease Number	Lessee	Assignee	Status
ROW-UTU-6683			Terminated
ROW-UTU-7797			Terminated
SL-062648	Intermountain Power Agency &	Genwal	Active Mine Works
State ML-21568			Producing

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State ML-21569

Active Mine Works

U-54762	Andalex	Genwal	Active Mine Works
UTU-68082	Andalex	Genwal	Producing
UTU-78953	Andalex	Genwal	Producing

Was approved plan reviewed? Yes
Was I&E plan reviewed?
Was PV plan reviewed?
Was previous inspection reviewed? Yes
Was mine status reviewed with MSHA? No
Was approved plan followed? Yes
Was a noncompliance encountered? No
Was an undesirable event encountered? No
Was the reported production acceptable? Yes

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