

Inspection Report - Special

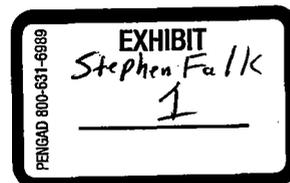
Printed On: 1/24/2005

Period

Inspection Number: SWF110404

Mine Name: Genwal
Mine Owner: Andalex/IPA
Inspector: Steve Falk
Operator: Genwal
Operator Rep: /

Fiscal Year: 2005
Period Type: Quarterly
Period End Date:
Active Faces: 4
Accompanied By:
Finalize Date: 1/24/2005



Remarks: On Thursday, November 4, 2004, I (Stephen Falk) inspected the Crandall Canyon Mine, operated by Genwal Resources, Inc., a subsidiary of Andalex, which is a 50 percent owner/lessee along with 50 percent Intermountain Power Agency (IPA). James Sorenson, Mine Engineer for Andalex, was my company rep.

On October 27, 2004, John Lewis, Mining Engineer for Andalex, called and informed me that Genwal would need to seal off the west portion of the Main West mains at the Crandall Canyon Mine. Conditions were deteriorating and access through the area near impossible. I informed him that I would be up the next week to inspect the area. On the 4th of November, I arrived at the mine and James Sorenson was there for the inspection. We went directly to the section with the idea to note conditions and a final inspection of the area before sealing to assure if materials are left or taken out.

Main West is in use up to crosscut 92 where South Mains intersects and accesses 6th East pillar area. Main West continues back west from crosscut 92 to 105 where 1st Right submains drove north to access longwall panels 7-12. This is sealed off. From crosscut 107 to the Joe's Valley Fault at 167, Main West was used as access to the bleeder for longwall panels 13-18. Now this bank of panels is sealed off and use is no longer needed. A number of years ago, BLM inspected Main West after the north longwall block was mined out and the first few panels to the south were mined out. The barrier planned on both sides looked like it was designed to only hold up for only a short while. The north entry was taking weight and extra roof supports and rebolting had to be done. Now the situation is even worse. Genwal plans to seal at 116. At 116, the depth of cover is about 1500 feet and rises to 2000 feet by crosscut 127 and stays 2000+ feet to 143. The depth is between 1500 and 2000 feet from 143 to 154 and drops off to 1000 feet at the fault, 167. It was apparent from traveling down the intake that the area is taking unacceptable weight. Main West is a 5 entry main entry system that was mined to the Joe's Valley Fault back in 1995. The entries were on 90 foot entry and crosscut centers, leaving a 80 x 80 foot pillar. However, the crosscuts from the belt (middle) entry to the left intake (number 2) entry, were driven on an angle off of 90 degrees due to the need for the continuous haulage system then in use to have a easier turn for gathering the track mounted belt. The end result of cutting this crosscut on an angle is that the intersections have tended to be wider and irregular and they are caving in under the pressure. I traveled down the number 1 or left most intake entry and noted the inside pillar rib rash that was occurring past crosscut 123. I peeked past check currents at crosscut 141, 142 and 149 and noted large intersection caves. Genwal is maintaining the left intake but is being told by MSHA that if Main West is to be used in the near future for access, then all travel ways need to be cleaned up and supported against any future caves. It is very apparent that pressure arches from both side gobs are sitting right down on the main entry pillars. At this depth, the pillars are failing. Genwal tried to split a pillar around an intersection cave and could not hold the top and side pillar failures were occurring.

The situation in Main West is untenable for future pillar recovery. No mining company in the area has ever pulled pillars in main entries with mined out sides and under 1500+ feet of cover. That Genwal had thoughts and plans to try pillar recovery was wishful thinking and was more wanting to extend mine life when they failed to get the Mill Fork lease and the need to blend off high sulfur coal from West Ridge.

At the same time, I noted the area for any materials left before sealing. All equipment in the travelable areas had been removed. Belt structure had been also taken out except for a 50 foot section that had been caved on in an intersection. No other materials were noted that had been left. James will file out the haz-mat certification sheets and get them to me.

Close Out Discussion:

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After the inspection, the following items were noted and agreed on. First, Main West past crosscut 116 is no longer of any use and sealing off would release the extra ventilation air for other use. Second, the pillars in Main West are failing over time with greater than 1700 feet of cover. Caves are occurring at intersects compounded by irregular intersection dimensions. Third, attempts to split pillars under this depth could not hold the top and prevent pillar outbursts.

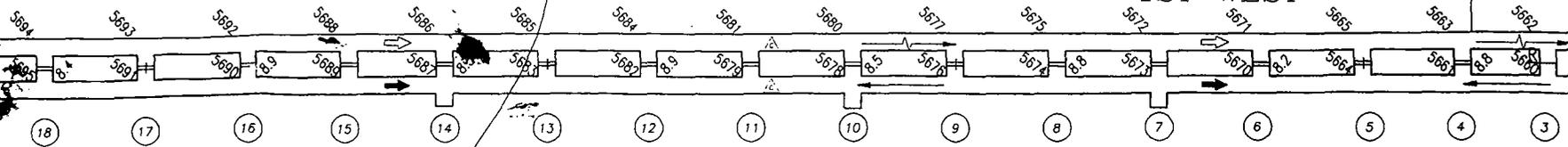
Conclusions: Main West was designed only to hold up until longwall panels were mined out on both sides. Depth of cover precludes pillar recover even if there were no mined out sections next door. Weight on the pillars is substantial and dangerous conditions are present. Mining any of the coal in the pillars will result in hazardous mining conditions such as pillar bursts and roof falls. Original mine plans called for pillar recovery only in general sense and recent plans conditioned recovery on favorable geologic conditions. If any further mining is to be in this area, MSHA will require making both intake entries travelable and some of the belt and structure would have to be replaced. I agree that further mining in this area would be dangerous and most likely too expensive to rehabilitate. The reserves left in the pillars and the two barriers were never included in the recoverable reserve base as far as I can determine and Genwal not required for further coal recovery in this area. The sealing should go forth and revisions to the R2P2 for this area will be covered in an approval for mine-wide revisions recently submitted.

Inspection Addenda

Entry Date: 1/24/2005

Comments: After the inspection was completed, a question about the in-mine water monitoring well MW-7, located near the back end of Main West, was raised. Upon inquiry, this well was stopped monitoring in 2002 with the consent and knowledge of DOGM due to dangered off area from pillar failure. The well was only 40 feet deep into the Starpoint sandstone and the well did not flow. A pipe cap was place on the well and no notes of any water inflow was recorded. We conclude that sealing Main West will not adversely affect any aspects of the abandoned monitoring well.

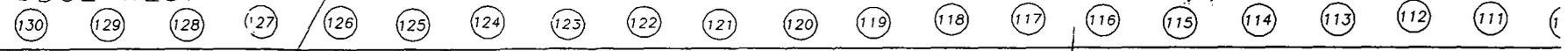
1ST WEST



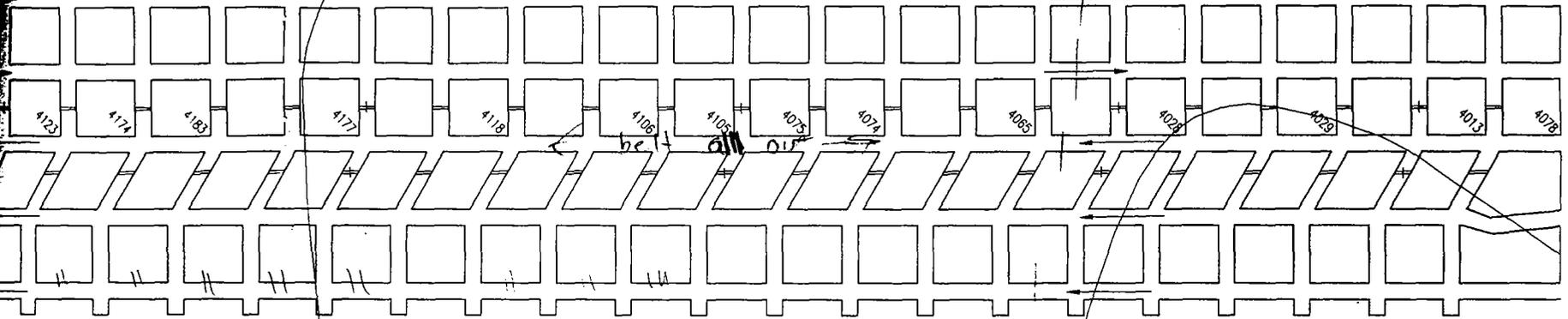
2000'

435' BARRIER

← DUE WEST

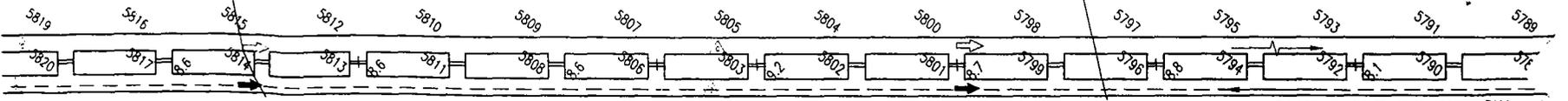


proposed seats



1500'

430' BARRIER



SECTION 35

