

Inspection Report - IE/PV

Printed On: 7/12/2007

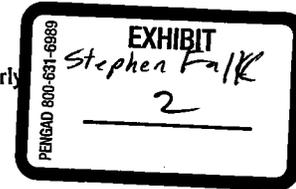
Period: 2007-Q2

Period End Date: ~~6/30/2007~~ 3/31/07

Inspection Number: SWF022707

Mine Name: Genwal
Mine Owner: Andalex/IPA
Inspector: Steve Falk *SWF*
Operator: Genwal
Operator Rep: *4*

Fiscal Year: 2007
Period Type: Quarterly
Active Faces: 1
Accompanied By:
Finalize Date: 7/12/2007



Remarks: On Tuesday, February 27, 2007, I (Stephen Falk) inspected the Crandall Canyon Mine, operated by Genwal Coal Company, a subsidiary of UtahAmerican Energy, Inc.. UtahAmerican is a 50 % owner along with Intermountain Power Agency, of the property and lessee of record. Tom Hurst, Senior Mine Engineer, was my company rep.

Just one section is at this mine and personnel are being transferred to other UtahAmerican mines. The section is in the north barrier to Main West. Very little of the coal remains. This section is trying to pull all the remnant coal in the Main West area. Besides the west main pillars and barriers, the only other coal blocks remaining is in the 2nd North area and only if they can mine 5 to 6 feet of clean coal and keep production rates up with one miner section. South Crandall Mine is idled but is ventilated and inspected. Total personnel is down to about 60. The one section is run on a 4 day 10 hour shift with 2 shifts going and a overlapping maintenance shift. Then they have one super weekend shift of 3 day 12 hours. But it seems that Genwal will just finish out with this one section until Lila Canyon comes on line.

The one mining section was visited. Conditions were noted and spot measurements were taken of the section working faces. These measurements will be compared with the submitted monthly production maps to verify volumes from monthly production verification. These spot measurements are shown on the attached maps to this report and will be transferred to the monthly production maps. Genwal is mining according to the approved mine plan and no incidents of non-compliance were noted. The section visited follows below:

North Barrier Section, West Mains, Hiawatha Seam, Federal Lease UTU-68082

This section finished driving 4 entries on 92 foot entry centers and 80 foot crosscut centers. These were driven in the north barrier pillar between Main West and mined out longwall panel # 12. The barrier pillar is 450 foot wide which accommodates the 4 entries. This leaves only 130 foot barrier to the north longwall panel. This section started out back at Main West crosscuts 108 - 110 and drove out to crosscut 158. Here the section starts to dip down to the west before the Joe's Valley Fault. At this place, the section experienced large inflows of water. They could not control it enough with pumps. We think this is water flowing through fractures close to the fault, draining the gob to the north. Crosscut 158 is about 400 feet short of the bleeder entries along the fault. With the water coming in too fast, the company stopped advance at this point and began pulling pillars back. They got a special pillar plan approved by MSHA to pull the south two of three pillars and have the return out the north most entry. So far, the crews have pulled 18 pillars or 9 rows. Currently they are pulling the pillars between crosscut 149 and 150. I have been concerned about pulling pillars in this environment with mining a narrow block with little coal barriers to mined out blocks on both sides. Fortunately, the beginning depth on the west end toward the Joe's Valley Fault is somewhat shallow starting at 1300 feet. So far no inordinate pillar stresses have been noted, though thing should get interesting soon. The face is under 1600 feet of cover now and will increase to over 2000 feet by crosscut 139. The working face looks ok and coal is good. There is some cap rock in the roof that is not holding up during mining. Coal height is running about 9 feet. The rate of retreat mining is well ahead of water build up as the seam has a incline down to the west fault starting with pillar row 144, so the water is running down to the end of the entries. Measurements are noted on the attached map.

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

Thursday, July 12, 2007

Page 1 of 2

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

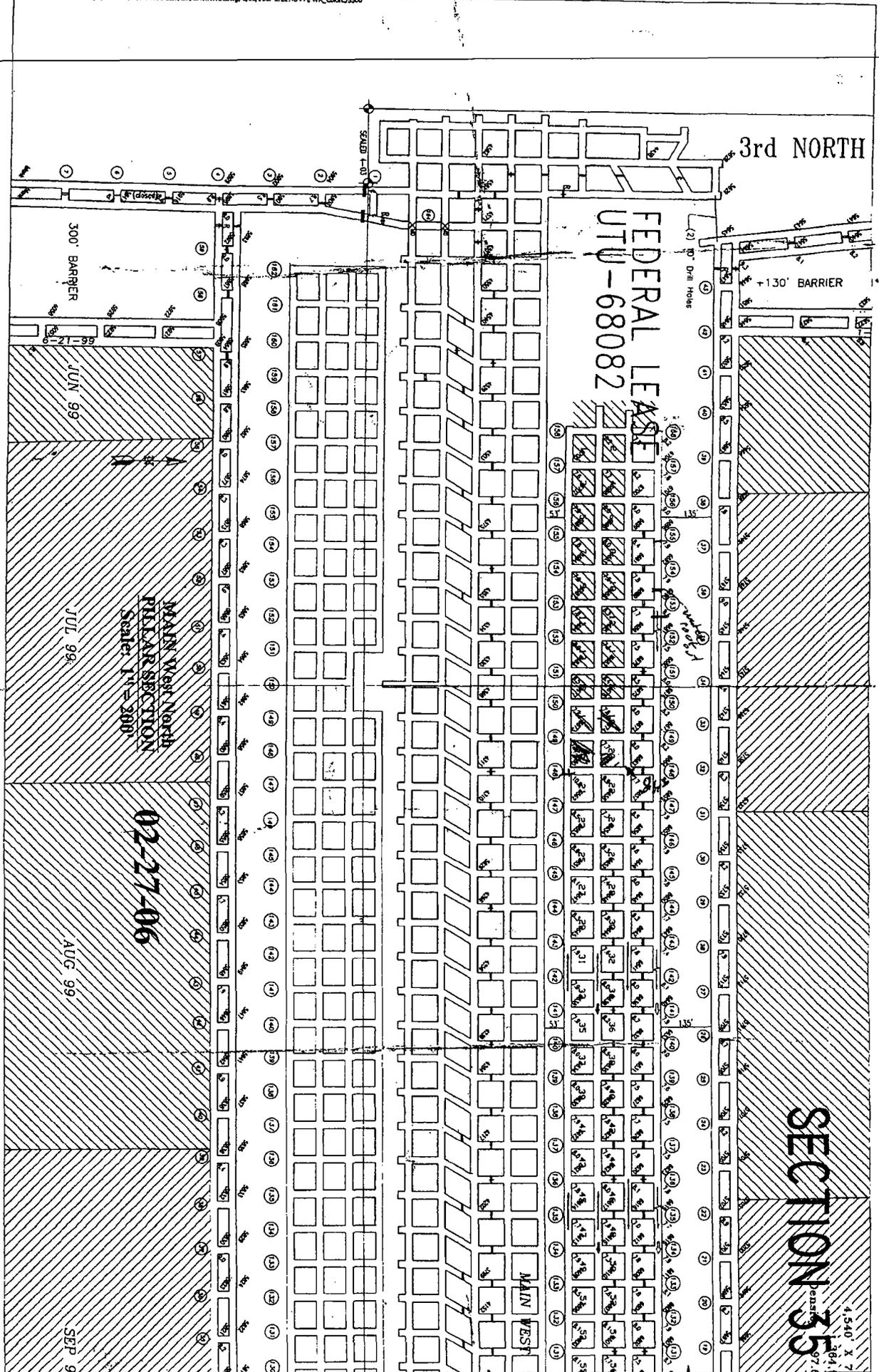
Was approved plan followed? Yes

Was a noncompliance encountered? No

Was an undesirable event encountered? No

Was the reported production acceptable? Yes

subrptfimages



3rd NORTH

FEDERAL LEASE
UTU-68082

+130' BARRIER

300' BARRIER

JUN 99

JUL 99

AUG 99

SEP 9

MAIN WEST NORTH
PILLAR SECTION
Scale: 1" = 200'

02-27-06

MAIN WEST

SECTION 35

4.540 X 7
1.384
0.976