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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 29, 1991

CERTIFIED RETURN RECEIPT
P 074 979 107

Mr. James W. Buck, Manager
AMAX Coal Industries, Inc.
One Riverfront Place
20 North West 1st Street
Evansville, Indiana 47708-1258

Dear Mr. Buck:

Re: Proposed Assessment for State Violation No. N91-18-1-1, Castle Gate Mine, ACT/007/004, Folder #5, Carbon County, Utah

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under R614-401.

Enclosed is the proposed civil penalty assessment for the above-referenced violation. The violation was issued by Division Inspector, Dave Darby on June 28, 1991. Rule R614-401-600 et. sec. has been utilized to formulate the proposed penalty. By these rules, any written information which was submitted by you or your agent, within fifteen (15) days of receipt of the Notice of Violation, has been considered in determining the facts surrounding the violation and the amount of penalty.

Under R614-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within 30 days of receipt of this letter. This conference will be conducted by the Division Director. This Informal Conference is distinct from the Assessment Conference regarding the proposed penalty.

P 074 979 107

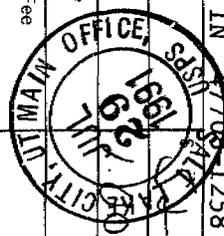
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

DOGM JBE ACT/007/004 PA N91-18-1-1

PS Form 3800, June 1985

JAMES W BUCK MANAGER AMAX COAL INDUSTRIES INC ONE RIVERFRONT PLACE 20 NORTH WEST 1ST STREET EVANSVILLE IN 47708-1258	
Postage	
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	1.00
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 2.50
Postmark or Date	



STICK POSTAGE STAMPS TO ARTICLE TO COVER FIRST CLASS POSTAGE, CERTIFIED MAIL FEE, AND CHARGES FOR ANY SELECTED OPTIONAL SERVICES. (see front)

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached and present the article at a post office service window or hand it to your rural carrier. (no extra charge)
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make inquiry.

U.S.G.P.O. 1988-217-132

2. If you wish to review the proposed penalty assessment, you should file a written request for an Assessment Conference within 30 days of receipt of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph 1, the Assessment Conference will be scheduled immediately following that review.

If a timely request for review is not made, the fact of violation will stand, the proposed penalty(ies) will become final, and the penalty(ies) will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Vicki Bailey.

Sincerely,



Joseph C. Helfrich
Assessment Officer

jbe
Enclosure

**WORKSHEET FOR ASSESSMENT OF PENALTIES
UTAH DIVISION OF OIL, GAS AND MINING**

COMPANY/MINE AMAX Coal Co/Castle Gate Mine
(Castle Gate Coal Company)

NOV # N91-18-1-1

PERMIT # ACT/007/004

VIOLATION 1 OF 1

ASSESSMENT DATE 07/26/91

ASSESSMENT OFFICER Joseph C. Helfrich

I. HISTORY MAX 25 PTS

A. Are there previous violations which are not pending or vacated, which fall within 1 year of today's date?

ASSESSMENT DATE 07/26/91

EFFECTIVE ONE YEAR TO DATE 07/26/90

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS
<u>N90-13-5-1</u>	<u>12/18/90</u>	<u>1</u>
<u>N90-18-2-1</u>	<u>03/17/91</u>	<u>1</u>

1 point for each past violation, up to one year;
5 points for each past violation in a CO, up to one year;
No pending notices shall be counted.

TOTAL HISTORY POINTS 2

II. SERIOUSNESS (either A or B)

NOTE: For assignment of points in Parts II and III, the following applies. Based on the facts supplied by the inspector, the Assessment Officer will determine within which category, the Assessment Officer will adjust the points up or down, utilizing the inspector's and operator's statements as guiding documents.

Is this an Event (A) or Hindrance (B) violation? Event

A. Event Violations Max 45 PTS

1. What is the event which the violated standard was designed to prevent?
Environmental Harm

2. What is the probability of the occurrence of the event which a violated standard was designed to prevent? Unlikely

... PROBABILITY	RANGE
... None	0
... Unlikely	1-9
... Likely	10-19
... Occurred	20

ASSIGN PROBABILITY OF OCCURRENCE POINTS 6

PROVIDE AN EXPLANATION OF POINTS

The inspector's statement revealed that the probability of environmental harm occurring as a result of the violation would be unlikely, thus 6 point are assigned.

3. What is the extent of actual or potential damage?

RANGE 0 - 25*

*In assigning points, consider the duration and extent of said damage or impact, in terms of area and impact on the public or environment.

ASSIGN DAMAGE POINTS 0

PROVIDE AN EXPLANATION OF POINTS

No damage occurred as a result of the violation.

B. Hindrance Violations MAX 25 PTS

1. Is this a potential or actual hindrance to enforcement? _____

RANGE 0 - 25

Assign points based on the extent to which enforcement is actually or potentially hindered by the violation.

ASSIGN HINDRANCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS

TOTAL SERIOUSNESS POINTS (A or B) 6

III. NEGLIGENCE MAX 30 PTS

- A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? **IF SO - NO NEGLIGENCE;**
 OR Was this a failure of a permittee to prevent the occurrence of a violation due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? **IF SO - NEGLIGENCE;**
 OR Was this violation the result of reckless, knowing, or intentional conduct? **IF SO - GREATER DEGREE OF FAULT THAN NEGLIGENCE.**

... No Negligence	0
... Negligence	1-15
... Greater Degree of Fault	16-30

STATE DEGREE OF NEGLIGENCE Greater Degree of Fault

ASSIGN NEGLIGENCE POINTS 25

PROVIDE AN EXPLANATION OF POINTS

The record clearly indicates that the permittee had been previously requested to divert surface drainage from the crest and face of the coal processing waste pile. The first request was in writing from DOGM, stemming from the issuance of a Federal Ten-Day Notice, which DOGM perceived to be corrected through the permittee's submission and implementation of a permit revision. With no success, a Division Order was issued December 18, 1990, requiring the permittee to address the problem so noted in the Notice of Violation #N91-18-1-1, indicating that the violation occurred through knowing conduct, thus 25 points are assigned.

IV. GOOD FAITH MAX 20 PTS. (EITHER A or B) (Does not apply to violations requiring no abatement measures.)

- A. Did the operator have onsite the resources necessary to achieve compliance of the violated standard within the permit area?
 ... **IF SO - EASY ABATEMENT**
 Easy Abatement Situation
- | | |
|---|-------------|
| ... Immediate Compliance | -11 to -20* |
| ... Immediately following the issuance of the NOV) | |
| ... Rapid Compliance | -1 to -10* |
| ... (Permittee used diligence to abate the violation) | |
| ... Normal Compliance | 0 |

(Operator complied within the abatement period required)
 (Operator complied with conditions and/or terms of approved
 Mining and Reclamation Plan)

* Assign in upper or lower half of range depending on abatement
 occurring in 1st or 2nd half of abatement period.

B. Did the permittee not have the resources at hand to achieve compliance
 OR does the situation require the submission of plans prior to physical
 activity to achieve compliance?

... IF SO - DIFFICULT ABATEMENT

Difficult Abatement Situation

- ... Rapid Compliance -11 to -20*
- ... (Permittee used diligence to abate the violation)
- ... Normal Compliance -1 to -10*
- ... (Operator complied within the abatement period required)
- ... Extended Compliance 0
- (Permittee took minimal actions for abatement to stay within the
 limits of the NOV or the violated standard, or the plan submitted
 for abatement was incomplete)
- (Permittee complied with conditions and/or terms of approved
 Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? _____ ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS

Good faith, as well as information provided by AMAX through Parsons, Behle, and
 Latimer, will be given consideration upon termination of the violation.

V. ASSESSMENT SUMMARY FOR N91-18-1-1

I.	TOTAL HISTORY POINTS	<u>2</u>
II.	TOTAL SERIOUSNESS POINTS	<u>6</u>
III.	TOTAL NEGLIGENCE POINTS	<u>25</u>
IV.	TOTAL GOOD FAITH POINTS	<u>0</u>
	TOTAL ASSESSED POINTS	<u>33</u>
	TOTAL ASSESSED FINE	<u>\$ 460.00</u>