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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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801-538-5340

September 8, 1989

CERTIFIED RETURN RECEIPT REQUESTED
P 075 063 196

Mr. William P. Balaz
Kaiser Coal Corporation
P O Box 99
Sunnyside, Utah 84539

Dear Mr. Balaz:

Re: Proposed Assessment for State Violation No. C89-25-2-1, ACT/007/007, 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 UMC/SMC 845.11-845.17.

Enclosed is the proposed civil penalty assessment for the above referenced violation. This violation was issued by Division Inspector, Tom Munson on April 19, 1989. Rule UMC/SMC 845.2 et seq. 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 this Notice of Violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Within fifteen (15) days after receipt of this proposed assessment, you or your agent may file a written request for an assessment conference to review the proposed penalty. The detailed brief should indicate the specific objections to the proposed assessment, stating the grounds for objection and what your assignment of points would be. (Submit a request for conference to Vicki Bailey, at the above address).

IF A TIMELY REQUEST IS NOT MADE, 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

jb
Enclosure
MN36/51

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

COMPANY/MINE Kaiser Coal Corporation

NOV # C-89-25-2-1

PERMIT # ACT/007/007

VIOLATION 1 OF 1

ASSESSMENT DATE _____ 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 9/8/89 EFFECTIVE ONE YEAR TO DATE 9/8/88

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS
<u>C88-19-1-1</u>	<u>01-11-88</u>	<u>5</u>
<u>N88-26-14-1</u>	<u>11-20-88</u>	<u>1</u>
<u>N88-30-2-1</u>	<u>03-21-89</u>	<u>1</u>
<u>N88-30-4-1</u>	<u>07-28-89</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 8

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 violation falls. Beginning at the mid-point of the category, the AO 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? Water Pollution
2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

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

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS

Water pollution to Grassy Trail Creek occurred.

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 25

PROVIDE AN EXPLANATION OF POINTS

See attached memo of April 25, 1989

B. Hindrance Violations MAX 25 PTS

1. Is this a potential or actual hindrance to enforcement? 45

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) 45

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 Ordinary negligence

ASSIGN NEGLIGENCE POINTS 10

PROVIDE AN EXPLANATION OF POINTS

Lack of diligence with respect to maintenance of surface facilities within the permit area.

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? N/A ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS

Multiple extensions requested, violation not terminated to date.

V. ASSESSMENT SUMMARY FOR C-89-25-2-1

I. TOTAL HISTORY POINTS	<u> 8 </u>
II. TOTAL SERIOUSNESS POINTS	<u> 45 </u>
III. TOTAL NEGLIGENCE POINTS	<u> 10 </u>
IV. TOTAL GOOD FAITH POINTS	<u> </u>
TOTAL ASSESSED POINTS	<u> 63 </u>
TOTAL ASSESSED FINE	<u> \$ 1620.00 </u>



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April 25, 1989

TO: Richard V. Smith, Acting Permit Supervisor
FROM: Darin Worden, Reclamation Hydrologist *DW*
RE: Oil Emulsion, Coal Fine and Mine Water Pond Sediment Spill,
Kaiser Coal Corporation, Sunnyside Mines, ACT/007/007,
Folder #5 and #7, Carbon County, Utah

Synopsis

Kaiser Coal Corporation (Kaiser) has had a continuation of events greatly degrading the water quality, fish and macro invertebrate habitats in Grassy Trail Creek. These events occurred March 24 (oil emulsion spill), April 8 or 9, (coal fine spill), and April 15, 1989 (second coal fine spill and Whitmore Mine water pond inlet break). Field inspections were made on April 6, 13, 18 and 19, 1989. This memo reviews these events and inspections.

Analysis - (Part I)

Please refer to the memo dated April 10, 1989 from Darin Worden to Richard V. Smith concerning the original oil emulsion spill.

On April 8 or 9, 1989, a pipeline carrying coal fine laden water developed a leak, directly discharging into Grassy Trail Creek (see attached map for location). This pipeline is within Kaiser's permit boundary, but owned and maintained by the City of Sunnyside, Utah (see Bill of Sale, copy attached). The pipeline which broke carried water from the twin towers storage facilities to the City for municipal use (refer to attached map).

This discharge subsequently turned Grassy Trail Creek into a conduit for coal fines. The initial contamination was identified by Karl Houskeeper, Environmental Technician for Kaiser Coal Corporation. Karl identified the source of the problem and took action to cease the discharge.

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Memo to R. Smith
ACT/007/007
April 25, 1989

A field inspection was conducted on April 12, 1989. An estimated 70 to 80 percent of the coal fines had been deposited within the reach of the stream from where the pipe broke to 1/8 to 1/4 mile below the permit boundary. Water samples were not taken. Visual inspection proved the water in Grassy Trail Creek to be relatively free of any suspended sediment (less than 5 mg/l).

Grassy Trail Creek is not a completely efficient stream, and cannot pass large quantities of sediment under normal flow conditions. Some portions of the stream are more efficient at transporting sediment than others. The coal fines were deposited in point bars, behind large boulders, and in the channel banks. Large pockets of coal fines (up to 1 ft³) were found.

The twin towers, in existence for 34 years, are used as mine water storage facilities for the coal preparation plant. Both are open-top tanks that act as settling basins for any material transported out of the mine. The pipeline breakage caused a rapid flushing of the tanks. Much of the stored sediment was flushed out and directly discharged into the stream. When the supply of water was shut down, large amounts of coal fines were deposited in the pipe system before the break.

On April 15, 1989, city representatives flushed out the pipeline, discharging all sediment laden water into Grassy Trail Creek at the UPDES 015 discharge point. This point is upstream 1/8 to 1/4 mile from the original pipe break.

The extra contamination added to the stream above the initial pipe break was discovered during the April 18, 1989 inspection, moreover, large quantities of coal fine material was observed blowing off the coal stockpile. UPDES 015 discharge was carrying large quantities of fines. Water samples were taken above and below the original pipe breakage. Additional water samples were obtained at 0730 on April 19, 1989, directly from the east twin tower, and Grassy Trail Creek below the 015 discharge point.

Coal fine sediment samples were taken from Grassy Trail Creek. They are presently being analyzed for possible toxic or toxic-forming constituents.