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File



STATE OF UTAH  
NATURAL RESOURCES & ENERGY  
Oil, Gas & Mining

Scott M. Matheson, Governor  
Temple A. Reynolds, Executive Director  
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 6, 1982

CERTIFIED RETURN RECEIPT REQUESTED POS 7075386

Alan W. Smith  
North American Equities, N.V.  
Suite 1401 17th Street  
Denver, CO 80202

RE: Proposed Assessment for  
State Violation  
No. N82-2-8-2  
CEP/007/009

Dear Mr. Smith:

The undersigned has been empowered by the Board of Oil, Gas and Mining to act as the Assessment Officer and conduct informal conferences on violations and assessments.

Enclosed you will find the proposed civil penalty assessment for the aforementioned violation(s). The aforesaid violation(s) was issued by Division Inspector Sandy Pruitt on the 27th of October 1982. I have utilized Rule UMC/SMC 845.2 et seq to formulate the proposed penalty.

A request for an assessment conference must be submitted within thirty (30) days after receipt of this letter. Should you request an assessment conference you may contest either the occurrence of the violation, the proposed penalty or both.

If no timely request for an assessment conference is made, I shall review all pertinent data and make a final penalty assessment. The fine assessed must be paid to the Division of Oil, Gas and Mining within thirty (30) days of receipt of the proposed assessment. Failure to comply with the above-stated statutory requirements shall result in a waiver of your right of further recourse.

You should further be aware that a request, after an assessment conference, to appear before the Board of Oil, Gas and Mining will not

Mr. Alan W. Smith  
CEP/007/009  
December 6, 1982  
Page Two

be granted unless the proposed penalty monies are properly and timely  
escrowed with the Division of Oil, Gas and Mining.

Sincerely,



RONALD W. DANIELS  
ACTING ASSESSMENT  
OFFICER

RWD/lm

cc: Jodie Merriman, OSM, Albuquerque  
Joe Helfrich, DOGM  
Carolyn Driscoll, DOGM

## ASSESSMENT WORKSHEET

NOV# N82-2-8-2PERMIT# CEP/007/009Name of Company Blazon Company/Coal Exploration

Violation # <u>1</u> of <u>2</u>	<u>POINTS</u>
1. History of previous violations	<u>--</u>
2. Seriousness (either A or B)	
A. (1) Probability of occurrence <u>12</u>	
(2) Extent of potential or actual damage <u>20</u>	
B. Obstruction to enforcement <u>--</u>	
Total Seriousness	<u>32</u>
3. Negligence	<u>8</u>
4. Good Faith (Will be considered after complete information is received)	<u>--</u>
TOTAL POINTS	<u>40</u>
ASSESSMENT	<u>\$ 600.00</u>

Violation # <u>2</u> of <u>2</u>	<u>POINTS</u>
1. History of previous violations	<u>--</u>
2. Seriousness (either A or B)	
A. (1) Probability of occurrence <u>12</u>	
(2) Extent of potential or actual damage <u>16</u>	
B. Obstruction to enforcement <u>--</u>	
Total Seriousness	<u>28</u>
3. Negligence	<u>8</u>
4. Good Faith (Will be considered after complete information is received)	<u>--</u>
TOTAL POINTS	<u>36</u>
ASSESSMENT	<u>\$ 520.00</u>

ASSESSMENT EXPLANATION

NOV# N82-2-8-2

PERMIT# CEP/007/009

Name of Company Blazon Company/Coal Exploration

Violation # 1 of 2

History of previous violations: ---

Seriousness: (either A or B)

A. (1) Probability of occurrence: The violation, failure to recontour excavations and embankments in a prompt manner is deemed to result in the likely occurrence of erosion and increased sediment to streamflow. 12 points.

(2) Extent of actual or potential damage: Damage would leave the mine site or permit area. 20 points

B. Obstruction to enforcement: ----

Negligence: ORDINARY NEGLIGENCE 8 points

Good Faith: WILL BE CONSIDERED AFTER COMPLETE INFORMATION IS RECEIVED

ASSESSMENT EXPLANATION

NOV# N82-2-8-2

PERMIT# CEP/007/009

Name of Company Blazon Company/Coal Exploration

Violation # 2 of 2

History of previous violations: ---

Seriousness: (either A or B)

A. (1) Probability of occurrence: The violation, failure to permanently close drill holes is deemed likely to result in hazards to stock and wildlife, ground water pollution, and a recharge imbalance. 12 points.

(2) Extent of actual or potential damage: Damage would extend off the mine site. 16 points.

B. Obstruction to enforcement: ----

Negligence: ORDINARY NEGLIGENCE 8 points

Good Faith: WILL BE CONSIDERED AFTER COMPLETE INFORMATION IS RECEIVED