



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 23, 1995

CERTIFIED RETURN RECEIPT
P 074 976 184

Mike Glasson, Sr. Geologist
Andalex Resources Inc
P.O. Box 902
Price, Utah 84501

Re: Proposed Assessment for State Violation No. N94-39-4-1, Andalex Resources, Centennial Mine, ACT/007/019, Folder #5, Carbon County, Utah

Dear Mr. Glasson:

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed is the proposed civil penalty assessment for the above-referenced violation. The violation was issued by Division Inspector, Steve Demczak on December 10, 1994. Rule R645-401-600 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 R645-401-700, 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.
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



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N94-39-4-1
ACT/007/019
March 23, 1995

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.

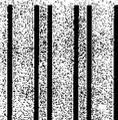
Sincerely,



Joseph C. Helfrich
Assessment Officer

blb
Enclosure
cc: Donna Griffin, OSM

UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS



PENALTY FOR PRIVATE USE, \$300

SENDER INSTRUCTIONS

- Print your name, address and ZIP Code in the space below.
- Complete items 1, 2, 3, and 4 on the reverse.
 - Attach to front of article if space permits; otherwise affix to back of article.
 - Endorse article "Return Receipt Requested" adjacent to number.

RETURN TO

Print Sender's name, address, and ZIP Code in the space below.

STATE OF UTAH
NATURAL RESOURCES
OIL, GAS, & MINING
3 TRIAD CENTER, SUITE 350
SALT LAKE CITY, UTAH 84180-1203



SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address. (Extra charge)
2. Restricted Delivery (Extra charge)

3. Article Addressed to: MIKE GLASSON SR GEOLOGIST ANDALEX RESOURCES INC PO BOX 502 PRICE UT 84501	4. Article Number: P 074 976 184
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and DATE DELIVERED.	
5. Signature - Address X <i>Mike Glasson</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery MAR 28 1995	

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

COMPANY/MINE Andalex Resources/Centennial Mine

NOV #N94-39-4-1

PERMIT # ACT/007/019

VIOLATION 1 OF 1

ASSESSMENT DATE 3/16/95

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 3/16/95

EFFECTIVE ONE YEAR TO DATE 3/16/94

PREVIOUS VIOLATIONS

EFFECTIVE DATE

POINTS

—

—

—

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 0

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? B

A. Event Violations Max 45 PTS

1. What is the event which the violated standard was designed to prevent?
—
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 0

PROVIDE AN EXPLANATION OF POINTS

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

B. Hindrance Violations MAX 25 PTS

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

Actual
RANGE 0 - 25

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

ASSIGN HINDRANCE POINTS 12

PROVIDE AN EXPLANATION OF POINTS

Review of the water monitoring data for the 3rd quarter of the calendar year, indicated that sample holding times had expired, sample bottles did not contain acid and all the parameters as required were not taken thus, actually hindering the inspector from evaluating compliance with the Utah Coal Rules.

TOTAL SERIOUSNESS POINTS (A or B) 12

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

ASSIGN NEGLIGENCE POINTS 8

PROVIDE AN EXPLANATION OF POINTS

Lack of diligence with respect to correct laboratory procedures.

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

The abatements require the permittee to merely continue compliance in accordance with the approved mining and reclamation plan.

V. ASSESSMENT SUMMARY FOR _____

I.	TOTAL HISTORY POINTS	<u>0</u>
II.	TOTAL SERIOUSNESS POINTS	<u>12</u>
III.	TOTAL NEGLIGENCE POINTS	<u>8</u>
IV.	TOTAL GOOD FAITH POINTS	<u>-0</u>
	TOTAL ASSESSED POINTS	<u>20</u>
	TOTAL ASSESSED FINE	<u>\$ 200.00</u>

blb

COMPANY/MINE ANDALEX RESOURCES NOV # 94-39-4-1
PERMIT # ACT\007\019 VIOLATION # 1 OF 1

HINDRANCE TO ENFORCEMENT VIOLATIONS INSPECTOR'S STATEMENT

A. Hindrance To Enforcement (Answer for hindrance violations only such as violations concerning record keeping, monitoring, plans and certification.)

1. Describe how violation of this regulation actually X or potentially (check one) hindered enforcement by DOGM and/or the public and explain the circumstances.

Upon reviewing the water monitor data for third quarter during a complete inspection, it was noticed that the samples holding times had expired, sample bottles did not contain acid, and all the parameters were not taken.

B. Degree Of Fault (Only one question applies to each violation, check and discuss.)

() No Negligence
If you think this violation was not the fault of the operator (due to vandalism or an act of God), explain. Remember the permittee is considered responsible for actions of all persons working on the mine site.

(x) Ordinary Negligence
If you think this violation was a result of not knowing DOGM regulations, indifference to DOGM regulations or the lack of diligence or reasonable care. Explain.

This was a lack of diligence by the operator for not using the correct bottles, and sending samples in too late to the lab.

() Recklessness
If the actual or potential environmental harm or harm to the public should have been evident to an operator, describe the situation and what if anything, the operator did to correct it prior to being cited.

COMPANY/MINE ANDALEX RES. NOV # 94-39-1-1

PERMIT # ACT/007/019 VIOLATION # 1 OF 1

()

Knowing and Willful Conduct

Was the operator in violation of a specific permit condition? Did the operator receive prior warning of noncompliance by State or Federal inspectors concerning this violation? Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Good Faith

1. In order to receive good faith for compliance with an NOV or CO the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give dates) and describe the measures the operator took to comply as rapidly as possible.

The violation was issued on December 10, 1994 and the abatement was to re-sample for fourth quarter which ended on New Year's Eve, Saturday, December 31, 1994. The sample was taken by the operator on December 29, and received by the lab (hand carried) on Friday Dec. 30. The operator had taken and submitted the samples at the very end of the abatement time. This showed lack of diligence and no good faith points should be given.

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Yes, water bottles.

3. Was the submission of plans prior to physical activity required by this NOV? Yes No x If yes, explain.

 01/06/95
DATE



AUTHORIZED REPRESENTATIVE

VENDOR: 006350

ANDALEX
RESOURCES, INC.

TOWER DIVISION
10 MILES EAST OF AIRPORT
P.O. BOX 902 • PRICE, UTAH 84501

Nov File
CHECK NO. 128354

VOUCHER NO.	INVOICE NO.	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
017676	17676	03/23/95	200.00	200.00	.00	200.00
					Check Total	200.00
N94-39-4-1						
ACT/007/019						

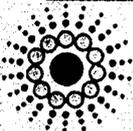
CHECK NO.	CHECK DATE	VENDOR NO.
128354	04/20/95	006350

ANDALEX
RESOURCES, INC.

TOWER DIVISION
10 MILES EAST OF AIRPORT
P.O. BOX 902
PRICE, UTAH 84501

CHECK NO. 128354 ⁷³⁻¹⁶⁵
839

PNC Bank, Kentucky, Inc.
Louisville, Kentucky 40296



TWO HUNDRED AND 00/100 DOLLARS

CHECK AMOUNT
\$*****200.00

PAY
TO THE
ORDER OF

DIVISION OF OIL, GAS & MINING
355 WEST NORTH TEMPLE
#3 TRIAD CENTER, SUITE 350
SALT LAKE CITY UT 84180-1203
USA

Alden O Whitehead
Samuel D. Dwyer

⑈ 128354 ⑈ ⑆083901650⑆ ⑈9552 3790⑈



pk

VACATION/TERMINATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name Centennial Mine (Andalex Resources)

Mailing Address P.O. Box 902, Pkce, Utah 84501

State Permit No. ACT/007/019

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N 94-39-4-1 dated Dec 10, 19 94.

Cessation Order No. C _____ dated _____, 19 _____.

Part 1 of 1 is vacated terminated because statement has been
completed on Jan Dec 30, 1994

Part _____ of _____ is vacated terminated because _____

Part _____ of _____ is vacated terminated because _____

Date of service/ mailing Jan 3, 1995 Time of service/ mailing 12:00 a.m. p.m.

Mike Glasson
Permittee/Operator representative

Environment Engineer
Title

Signature

Stephen J Demco
Division of Oil, Gas & Mining

Reclamation Specialist
Title

Steph J Demco
Signature

NO. N 94-39-4-1

notice of violation

To the following Permittee or Operator:
Andalex Resources
 Name _____

Mine Centennial Mine Surface Underground Other _____

County Carbon State Utah Telephone (801) 637-5385

Mailing Address P. O. Box 902, Price, Utah 84501

State Permit No. ACT/007/019

Ownership Category State Federal Fee Mixed

Date of inspection December 9, 1994, 19____

Time of inspection 9:00 a.m. p.m. to 12:00 a.m. p.m.

Operator Name (other than Permittee) _____

Mailing Address _____

Under authority of the Utah Coal Mining and Reclamation Act, Section 40-10-1 et seq., *Utah Code Annotated*, 1953, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found violation(s) of the act, regulations or required permit condition(s) listed in attachment(s). This notice constitutes a separate Notice of Violation for each violation listed.

You must abate each of these violations within the designated abatement time. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that **cessation of mining is** **is not** expressly or in practical effect required by this notice. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This notice shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the director of the Division of Oil, Gas & Mining. Time for abatement may be extended by authorized representative for good cause, if a request is made within a reasonable time before the end of abatement period.

*** Certified Mail Z **254 438 033**

Date of ~~service~~/mailing December 10, 1994 Time of ~~service~~/mailing 12:00 a.m. p.m.

Mike Gasson
 Permittee/Operator representative
 Mailed from DOGM Price office
 Signature

Environmental Engineer
 Title

Stephen J. Demcsak
 Division of Oil, Gas & Mining representative
Stephen J. Demcsak
 Signature

Reclamation Specialist
 Title
#39
 Identification Number

SEE REVERSE SIDE
 WHITE-DOGM YELLOW-OPERATOR PINK-OSM GOLDENROD-NOV FILE



NOTICE OF VIOLATION NO. N 94-39-4-1

Violation No. 1 of 1

Nature of violation

Failure to conduct ground water monitoring in accordance with the approved
mine plan.

Provisions of act, regulations or permit violated

RE45-731.200
RE45-301-731.200

Portion of operation to which notice applies

Centennial Well #1

Remedial action required (including any interim steps)

Re-sample well #1 in accordance with the approved mine plan.

Abatement time (including interim steps)

January 16, 1996 *[Signature]*

UNITED STATES POSTAL SERVICE

Official Business



PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE \$300

Print your name, address and ZIP Code here

Mary Beth Mortensen

DNR - DIVISION OF OIL GAS & MINING
355 WEST NORTH TEMPLE
3 TRIAD CENTER - SUITE 350
SALT LAKE CITY, UT 84180-1203

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
- 2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Centennial Project
Andalex Resources
P. O. Box 902
Price, Utah 84501

4a. Article Number

Z 254 438 033

4b. Service Type

- Registered Insured
- Certified COD
- Express Mail Return Receipt for Merchandise

7. Date of Delivery

DEC 15 1994

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 U.S.G.P.O. 1992-307-530 DOMESTIC RETURN RECEIPT

Thank you for using Return Receipt Certified