



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

File
Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 24, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P 402 457 693

Mr. Alan Smith
North American Equities
Suite 1510
1401 Seventeenth Street
Denver, Colorado 80202

Dear Mr. Smith:

RE: Proposed Assessment for State Violation No.'s N85-8-3-1,
N85-8-8-2, C85-8-1-1, INA/007/021, Folder #8, Carbon County, Utah

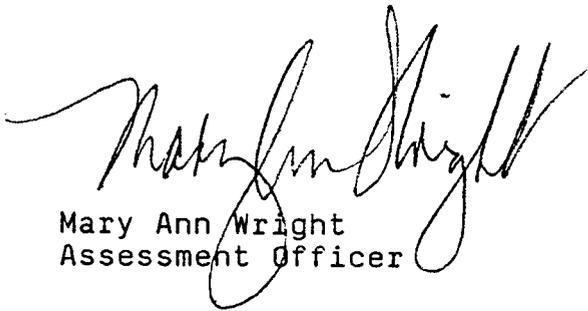
The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under UMC/SMC 845.11-845.17.

Enclosed is the proposed civil penalty assessment for the above referenced violations. These violations were issued by Division Inspector Tom Wright on March 4, 1985, (N85-8-3-1), May 9, 1985, (N85-8-8-2), and March 25, 1985, (C85-8-1-1). 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 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. (Address a request for a conference to Ms. Jan Brown, at the above address.) If no timely request is made, all pertinent data will be reviewed and the penalty will be reassessed, if necessary, for a finalized assessment. Facts will be considered for the final assessment which

Page 2
Proposed Assessment
Mr. Alan Childs
June 24, 1985

were not available on the date of the proposed assessment, due to the length of the abatement period. This assessment does not constitute a request for payment.



Mary Ann Wright
Assessment Officer

Sincerely,



Mike Earl
Assessment Officer

re
Enclosure
cc: D. Griffin, OSM Albuquerque Field Office
73140

WORKSHEET FOR ASSESSMENT OF CESSATION ORDERS
UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE North American/Blazon CO # C85-8-1-1
PERMIT # INA/007/021 VIOLATION 1 OF 1
INSPECTOR Tom Wright DATE ISSUED March 25, 1985
NATURE OF THE CESSATION ORDER: Failure to abate N85-8-3-1

DATE OF ABATEMENT OF CESSATION ORDER: June 17, 1985

DATE OF RECEIPT OF CESSATION ORDER: March 25, 1985

LIST THE DAYS OF FAILURE TO ABATE: Each day between March 25, 1985 and June 13, 1985

TOTAL NUMBER OF DAYS OF FAILURE TO ABATE: Seventy Eight (78)

NUMBER OF DAYS X \$750/DAY = TOTAL ASSESSED FINE: \$58,500

ASSESSMENT DATE June 19, 1985 ASSESSMENT OFFICER Mary Ann Wright

ASSESSMENT X PROPOSED ASSESSMENT _____ FINAL

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

COMPANY/MINE North American Equities/Blazon NOV # N85-8-3-1

PERMIT # INA/007/021 VIOLATION 1 OF 1

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 6-19-85 EFFECTIVE ONE YEAR DATE 6-20-84

PREVIOUS VIOLATIONS	EFF.DATE	PTS	PREVIOUS VIOLATIONS	EFF.DATE	PTS
<u>N84-2-10-3</u>	<u>3-20-85</u>	<u>3</u>	_____	_____	_____
<u>N84-8-2-1</u>	<u>3-20-85</u>	<u>1</u>	_____	_____	_____
<u>N84-2-11-1</u>	<u>3-20-85</u>	<u>1</u>	_____	_____	_____
<u>N85-8-8-2</u>	_____	<u>0</u>	_____	_____	_____
<u>C85-8-1-1</u>	_____	<u>0</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 5

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? hindrance

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	MID-POINT
None	0	
Insignificant	1-4	2
Unlikely	5-9	7
Likely	10-14	12
Occurred	15-20	17

ASSIGN PROBABILITY OF OCCURRENCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS _____

3. Would or did the damage or impact remain within the exploration or permit area? No

	RANGE	MID-POINT
Within Exp/Permit Area	0-7*	4
Outside Exp/Permit Area	8-25*	16

*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 _____

PROVIDE AN EXPLANATION OF POINTS _____

B. Hindrance Violations MAX 25 PTS

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

	RANGE	MID-POINT
Potential hindrance	1-12	7
Actual hindrance	13-25	19

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

ASSIGN HINDRANCE POINTS 5

PROVIDE AN EXPLANATION OF POINTS Per inspector, the lack of water monitoring data prevents DOGM from analyzing the impacts that the mine site has on the local hydrology. Assessed down for not hindering entire inspection.

TOTAL SERIOUSNESS POINTS (A or B) _____

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.

		MID-POINT
No Negligence	0	
Negligence	1-15	8
Greater Degree of Fault	16-30	23

STATE DEGREE OF NEGLIGENCE Negligence

ASSIGN NEGLIGENCE POINTS 10

PROVIDE AN EXPLANATION OF POINTS The operator failed to monitor or to report, even though no samples were taken. Lack of sampling has been a problem prior.

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

COMPANY/MINE Blazon Co/Blazon #1 NOV # N85-8-8-2

PERMIT # INA/007/021 VIOLATION 1 OF 2

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 6-19-85 EFFECTIVE ONE YEAR DATE 6-20-84

PREVIOUS VIOLATIONS	EFF.DATE	PTS	PREVIOUS VIOLATIONS	EFF.DATE	PTS
<u>N84-2-10-3</u>	<u>3-25-85</u>	<u>3</u>	<u> </u>	<u> </u>	<u> </u>
<u>N84-8-2-1</u>	<u>3-20-85</u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>
<u>N84-2-11-1</u>	<u>3-20-85</u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>
<u>C85-8-1-1</u>	<u> </u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
<u>N85-8-3-1</u>	<u> </u>	<u>0</u>	<u> </u>	<u> </u>	<u> </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 5

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	MID-POINT
None	0	
Insignificant	1-4	2
Unlikely	5-9	7
Likely	10-14	12
Occurred	15-20	17

ASSIGN PROBABILITY OF OCCURRENCE POINTS 16

PROVIDE AN EXPLANATION OF POINTS Snow containing waste and debris from the site slid into stream channel per inspector statement the material consisted of several cubic feet of snow containing coal waste and material from the pad. As the volume of snow decreased from melting, more of the sediment could have entered the stream.

3. Would or did the damage or impact remain within the exploration or permit area? No

	<u>RANGE</u>	<u>MID-POINT</u>
Within Exp/Permit Area	0-7*	4
Outside Exp/Permit Area	8-25*	16

*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 10

PROVIDE AN EXPLANATION OF POINTS The material when melting contributed sediment to the stream. This sediment would be carried from the area by the stream.

B. Hindrance Violations MAX 25 PTS

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

	<u>RANGE</u>	<u>MID-POINT</u>
Potential hindrance	1-12	7
Actual hindrance	13-25	19

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

ASSIGN HINDRANCE POINTS

PROVIDE AN EXPLANATION OF POINTS

TOTAL SERIOUSNESS POINTS (A or B) 26

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.

		<u>MID-POINT</u>
No Negligence	0	
Negligence	1-15	8
Greater Degree of Fault	16-30	23

STATE DEGREE OF NEGLIGENCE Negligence
 ASSIGN NEGLIGENCE POINTS 2

PROVIDE AN EXPLANATION OF POINTS Inactive site- not watched closely during the winter.

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

COMPANY/MINE Blazon/Blazon #1 NOV # N85-8-8-2
 PERMIT # INA/007/021 VIOLATION 2 OF 2

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	6-19-85	EFFECTIVE ONE YEAR DATE	6-20-84	
PREVIOUS VIOLATIONS	EFF.DATE	PTS	PREVIOUS VIOLATIONS	EFF.DATE
<u>N84-2-10-3</u>	<u>3-25-85</u>	<u>3</u>		
<u>N84-8-2-1</u>	<u>3-20-85</u>	<u>1</u>		
<u>N84-2-11-1</u>	<u>3-20-85</u>	<u>1</u>		
<u>C85-8-1-1</u>		<u>0</u>		
<u>N85-8-3-1</u>		<u>0</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 5

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	MID-POINT
None	0	
Insignificant	1-4	2
Unlikely	5-9	7
Likely	10-14	12
Occurred	15-20	17

ASSIGN PROBABILITY OF OCCURRENCE POINTS 5

PROVIDE AN EXPLANATION OF POINTS Rated as unlikely based on inspector statement and statement provided by the operator. Heavy rainfall would be required to cause short circuiting of the pond. Apparently no water was discharged from the pond system.

3. Would or did the damage or impact remain within the exploration or permit area? No

	RANGE	MID-POINT
Within Exp/Permit Area	0-7*	4
Outside Exp/Permit Area	8-25*	16

*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 9

PROVIDE AN EXPLANATION OF POINTS Contamination of the stream could result if the discharge from the pond occurred. Per inspector statement a heavy rainfall would be required.

B. Hindrance Violations MAX 25 PTS

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

	RANGE	MID-POINT
Potential hindrance	1-12	7
Actual hindrance	13-25	19

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

ASSIGN HINDRANCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS _____

TOTAL SERIOUSNESS POINTS (A or B) 14

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.

	RANGE	MID-POINT
No Negligence	0	0
Negligence	1-15	8
Greater Degree of Fault	16-30	23

STATE DEGREE OF NEGLIGENCE Negligence
 style="text-align: right;">ASSIGN NEGLIGENCE POINTS 8

PROVIDE AN EXPLANATION OF POINTS Discharge outlet heavily covered with snow and flow structure could not be seen. However, area should have been checked periodically.

