



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

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January 4, 1999

CERTIFIED RETURN RECEIPT
P 074 978 511

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P. O. Box 1029
Wellington, Utah 84542

Re: Proposed Assessment for State Violation No. N98-39-5-1, Canyon Fuel Company, LLC, Dugout Canyon Mine, ACT/007/039, Folder #5, Carbon County, Utah

Dear Mr. Olsen:

The undersigned has been appointed by the Division 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 Stephen Demczak, on November 20, 1998. Rule R645-401-600 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 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 of this letter. If you are also requesting a review of the fact of violation, as noted in paragraph

TM DGM ACT/007/039 #5 ASSESSMENT N99-39-2-1

NOTE: 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 boxes for additional service(s) requested.
1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery
(Extra charge)

3. Article Addressed to: RICK OLSEN CANYON FUEL COMPANY PO BOX 1029 WELLINGTON UT 84542	4. Article Number P 074 978 518 Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED.
5. Signature - Address X <i>Dionna Dwan</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Dionna Dwan</i>	
7. Date of Delivery <i>2/11/99</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

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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,



Pamela Grubaugh-Littig
Assessment Officer

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Enclosure
cc: James Fulton, OSM
Vicki Bailey, DOGM
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WORKSHEET FOR ASSESSMENT OF PENALTIES
DIVISION OF OIL, GAS, & MINING

COMPANY/MINE Canyon Fuel Company, LLC/Dugout Canyon Mine NOV# N98-39-5-1

PERMIT ACT/007/039

VIOLATION 1 OF 1

ASSESSMENT DATE 12/14/98

ASSESSMENT OFFICER Pamela Grubaugh-Littig

I. HISTORY MAX 25 POINTS

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

PREVIOUS VIOLATIONS	EFFECTIVE DATE	POINTS
<u>N98-39-4-1</u>	<u>11/23/98</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 1

II. SERIOUSNESS (EITHER A OR B)

NOTE: For assignment of points in Parts II and III, the following apply:

- Based on facts supplied by the inspector, the Assessment Officer will determine within each category the violation falls.
- Beginning at the mid-point of the category, the Assessment Officer will adjust the point up or down, utilizing the inspector's and operator's statements as guiding documents.

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

A. EVENT VIOLATION MAX 45 POINTS

1. What is the event which the violated standard was designed to prevent?
Conducting activities without prior approval.
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:

The Division inspector advised the representative from Canyon Fuel Company, LLC on November 13, 1998 to obtain approval from DOGM (Salt Lake Office). The Canyon Fuel Company, LLC representative acknowledged this requirement on November 13, 1998 and November 16, 1998 to the Division inspector. On November 19, 1998, the Division found out the blast had occurred on November 14, 1998.

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 or injuries occurred from the November 14, 1998 blast at Dugout Canyon Mine.

B. HINDRANCE VIOLATION MAX 25 POINTS

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) 20

III. NEGLIGENCE MAX 30 POINTS

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--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 18

PROVIDE AN EXPLANATION OF POINTS:

The Dugout Canyon Mine Mining and Reclamation Plan states that the permittee will submit a blasting plan and obtain Division approval prior to blasting. Division approval was not granted prior to the blasting.

IV. GOOD FAITH MAX 20 POINTS

(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 the 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?

IN 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 of the plan submitted for abatement was incomplete)

(Permittee complied with conditions and/or terms of approved Mining and Reclamation Plan)

EASY OR DIFFICULT ABATEMENT? Easy

ASSIGN GOOD FAITH POINTS -10

PROVIDE AN EXPLANATION OF POINTS:

The permittee was notified of the deficiencies in the blasting plan on December 31, 1998 and all of the deficiencies were remedied on January 4, 1999. Recommendation for approval by Steve Demczak was forwarded to the Permit Supervisor, Joe Helfrich on that date.

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION		<u>N98-39-5-1</u>
I.	TOTAL HISTORY POINTS:	<u>1</u>
II.	TOTAL SERIOUSNESS POINTS:	<u>20</u>
III.	TOTAL NEGLIGENCE POINTS:	<u>18</u>
IV.	TOTAL GOOD FAITH POINTS:	<u>-10</u>
	TOTAL ASSESSED POINTS:	<u>28</u>
	TOTAL ASSESSED FINE:	<u>\$360.00</u>