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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 25, 2016

CERTIFIED RETURN RECEIPT  
9590 9402 1201 5246 2588 42

Karin Madsen, Resident Agent  
West Ridge Resources, Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: Proposed Assessment for State Violation No. N21186, West Ridge Resources, Inc.,  
West Ridge Mine, C/007/0041, Task #5275

Dear Ms. Madsen:

The undersigned has been appointed by the Division of Oil, Gas & 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 Christensen, on September 15, 2016. 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 this 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 thirty (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 thirty (30) days of receipt 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 Suzanne Steab.

Sincerely,



Lynn Kunzler  
Assessment Officer

Enclosure

cc: Suzanne Steab, DOGM  
Sheri Sasaki, DOGM

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**WORKSHEET FOR ASSESSMENT OF PENALTIES  
DIVISION OF OIL, GAS & MINING**

COMPANY / MINE West Ridge Resources, Inc. / West Ridge Mine

PERMIT C/007/0041      NOV # N 21186      VIOLATION 1 of 1

ASSESSMENT DATE October 25, 2016

ASSESSMENT OFFICER Lynn Kunzler

**I. HISTORY (Max. 25 pts.)**

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

| PREVIOUS VIOLATIONS | EFFECTIVE DATE          | POINTS   |
|---------------------|-------------------------|----------|
| <u>N21156</u>       | <u>November 5, 2015</u> | <u>1</u> |

1 point for each past violation, up to one (1) year  
5 points for each past violation in a CO, up to one (1) 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:

1. Based on facts supplied by the inspector, the Assessment Officer will determine within each category where the violation falls.
2. Beginning at the mid-point of the 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?      Hindrance

A. EVENT VIOLATION (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?

| <u>PROBABILITY</u> | <u>RANGE</u> |
|--------------------|--------------|
| None               | 0            |
| Unlikely           | 1-9          |
| Likely             | 10-19        |
| Occurred           | 20           |

**ASSIGN PROBABILITY OF OCCURRENCE POINTS** \_\_\_\_\_

**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** \_\_\_\_\_

**PROVIDE AN EXPLANATION OF POINTS:**

\*\*\*

B. HINDRANCE VIOLATION (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** 13

**PROVIDE AN EXPLANATION OF POINTS:**

\*\*\* The monitoring requirements outlined in Appendix 5-13A were approved for and implemented during previous mining activity in longwall panel #7. The monitoring requirements were established due to stability concerns and potential subsidence related impacts to the Grassy Trail Reservoir and its embankment. Appendix 5-13A clearly identifies that the same monitoring procedures implemented during the mining of panel #7 were to be continued during the mining of longwall panels #18 through #21. The Permittee mined longwall panels #18, #20 and #21 but did not follow the monitoring/reporting procedures identified in Appendix 5-13A of the MRP. Without the monitoring data/reports, the Inspector would not be able to determine if Grassy Trail Reservoir and embankment is being impacted by the mining activity. Early detection could prevent a catastrophic event, and, if there was a failure, could demonstrate

that it was not the fault of the mining operation. Without discussion from either the operator or the inspector to justify more or less seriousness, points are assigned at the mid-point of the range.

**TOTAL SERIOUSNESS POINTS ( A or B ) 13**

**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--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 16**

**PROVIDE AN EXPLANATION OF POINTS:**

***\*\*\* According to the information in the inspector statement, not only is the monitoring program a permit condition, this same issue was the subject of a violation issued in September of 2015. A prudent operator should be aware that the monitoring helps protect him in the case of an event, or would identify a potential event that could be prevented with early detection. Points are therefore assigned and the lower end of the 'Greater Degree of Fault Range.***

**IV. GOOD FAITH (Max 20 pts.)**

(Either A or B) No abatement measures were listed on the NOV, therefore good faith points are not assessed.

(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

|   |   |             |
|---|---|-------------|
| X | Immediate Compliance<br>(Immediately following the issuance of the NOV) | -11 to -20* |
| X | Rapid Compliance<br>(Permittee used diligence to abate the violation)   | -1 to -10   |
| X | Normal Compliance   | 0           |

(Operator complied within the abatement period required)  
(Operator complied with condition 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?

IF SO--DIFFICULT ABATEMENT

Difficult Abatement Situation

- |   |   |             |
|---|---|-------------|
| X | Rapid Compliance  | -11 to -20* |
|   | (Permittee used diligence to abate the violation)   |             |
| X | Normal Compliance   | -1 to -10*  |
|   | (Operator complied within the abatement period required)  |             |
| X | Extended Compliance   | 0           |
|   | (Permittee took minimal actions for abatement to stay<br>within the limits of the NOV or the violated standard of the<br>plan submitted for abatement was incomplete) |             |
|   | (Permittee complied with conditions and/or terms of<br>approved Mining and Reclamation Plan)  |             |

EASY OR DIFFICULT ABATEMENT? \_\_\_\_\_

ASSIGN GOOD FAITH POINTS   0  

**PROVIDE AN EXPLANATION OF POINTS:**

***\*\*\*Good faith will be evaluated upon termination of the violation***

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # N 21186

|      |                            |                       |
|------|----------------------------|-----------------------|
| I.   | TOTAL HISTORY POINTS       | <u>  1  </u>          |
| II.  | TOTAL SERIOUSNESS POINTS   | <u> 13 </u>           |
| III. | TOTAL NEGLIGENCE POINTS    | <u> 16 </u>           |
| IV.  | TOTAL GOOD FAITH POINTS    | <u>  0  </u>          |
|      | TOTAL ASSESSED POINTS      | <u> 30 </u>           |
|      | <b>TOTAL ASSESSED FINE</b> | <b><u>\$1,100</u></b> |