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From: Daron Haddock
To: Angela Nance; OGMCOAL; Priscilla Burton; Suzanne Steab
Date: 8/27/2009 9:19 AM
Subject: Fwd: FW: JWR Violation
Place: OGMCOAL

>>> "Lightsey, Carla" <Carla.Lightsey@asmc.alabama.gov> 8/26/2009 10:47 AM >>>

Per a request from Gina Rau of Covol, I have had the issue of the FTACO issued to Jim Walter Resources on P-3256 and have confirmed that Covol has nothing to do with this violation that it is on one of JWR's impoundments and they are working to abate the violation. You may want to run this by the AVS office for them to make any notes with regard to their recommendation.

Please let me know if you need anything else.

Thank you -

Carla D. Lightsey
Chief, Division of Surface Mining Control and Reclamation
Alabama Surface Mining Commission
P O Box 2390
JASPER AL 35502-2390
205.221.4130

From:McCarthy, Milton
Sent: Wednesday, August 26, 2009 11:25 AM
To: Lightsey, Carla
Subject: RE: JWR Violation

Carla,
I have confirmed with Derek that Covol has nothing to do with this violation. JWR is working to abate the C.O. but has a ways to go. The info. contained in the e-mail from Ms. Rau appears accurate.
Let me know if a more formal response is required.
Thanks,
MILton

From:Lightsey, Carla
Sent: Wednesday, August 26, 2009 11:03 AM
To: McCarthy, Milton
Subject: FW: JWR Violation

Per our conversation, can you research the facts of this and possibly give me the letter they are requesting. I will then forward to UDOGM so they can issue Covol's permit in Utah.

Thanks - Carla

From:Gina Rau [<mailto:grau@headwaters.com>]
Sent: Tuesday, August 25, 2009 9:02 PM
To: Lightsey, Carla
Subject: JWR Violation

Carla,

ASMC issued a violation on 1/22/2009 to JWR for failure to certify Freshwater Impoundment #2 on ASMC Permit P3256. The impoundment could not be certified because it was too full of solids. JWR worked on cleaning out the impoundment, but was not able to complete the work before the extensions that ASMC granted expired. Therefore, ASMC issued the cessation order for failure

to abate the violation on 8/6/2009. Based on conversations with Jerry Pike of JWR, a dredge has been moved into the impoundment and they are currently removing the solids from the impoundment so that it can be certified.

Since the cessation order is on the AVS database and Covol Engineered Fuels is listed as a contract miner on this permit, the Utah Division of Oil, Gas, and Mining (UDOGM) called me last Thursday and said that they can't issue the permit for Covol's Utah facility because there is a permit block on the AVS database that won't be removed until the cessation order is abated. I explained to UDOGM that the violation is associated with JWR's preparation plant, not Covol's operations. UDOGM also spoke with Kathy Box at ASMC. UDOGM told me that if they issued our permit, OSM would have an issue with them. They said that if ASMC would send them a letter stating the order is associated with JWR's plant and not Covol's operations and JWR has committed to and is working to abate the order, then UDOGM could issue the mine permit for Covol's Utah facility. The contact at UDOGM is Mr. Daron Haddock, 1594 West North Temple, Suite 1210, Salt Lake City, UT 84116.

If you need additional information, please let me know. Also, I'm available to meet Thursday morning, if that would help.

Thank you for your help,
Gina

Gina Rau
Environmental Manager
Headwaters, Inc.
Ph: 801-984-3770
Cell: 801-703-7590