



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 16, 2005

Charles Reynolds, Resident Agent
Co-Op Mining Company
P.O. Box 1245
Huntington, Utah 84528

Subject: Permit Renewal Deficiencies, Co-Op Mining Company, Bear Canyon Mine, C/015/0025, Task ID# 2293, Outgoing File

Dear Mr. Reynolds:

The Division received the application for the permit renewal for the Bear Canyon Mine on July 5, 2005. There are deficiencies that must be addressed prior to the completeness determination.

- The Certificate of Insurance must identify the location on the certificate.
- The updated ownership and control information must be submitted.
- The “person” who pays the AML fees must be identified and submitted.
- The assessment for N-05-46-1 must be paid immediately (see attached).

If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
Enclosure
O:\015025.BCN\FINAL\WG2293\deficiencyletter.doc

0022

UNITED STATES POSTAL SERVICE



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USPS
Permit No. [redacted]

• Sender: Please print your name, address, and ZIP Code.

ANGELA NANCE
DIVISION OF OIL GAS & MINING
1594 W NORTH TEMPLE SUITE 1210
P O BOX 145801
SALT LAKE CITY UT 84114-5801

HUNTINGTON
MAY 18 2005
PM
RECEIVED
DIV. OF OIL, GAS & MINING

C/015/0025-N05-46-1-1, 5/12/05, OUTGOING FILE



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Shirley Reynolds</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>CHARLES REYNOLDS CO OP MINING COMPANY P O BOX 1245 HUNTINGTON UT 84528</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7002 0510 0003 8602 8789</p>	
<p>PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540</p>	



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May 12, 2005

CERTIFIED RETURN RECEIPT
7002 0510 0003 8602 8789

Charles Reynolds, Mine Manager
Co-Op Mining Company
P.O. Box 1245
Huntington, Utah 84528

Subject: Proposed Assessment for State Violation No. N05-46-1-1, Co-Op Mining Company, Bear Canyon Mine, C/015/0025, Outgoing File

Dear Mr. Reynolds:

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, Peter Hess, on April 15, 2005. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty. By these rules, any written information that 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.

Page 2
Charles Reynolds
May 12, 2005

If a timely request for review is not made, the fact of violation will stand, the proposed penalty will become final, and the penalty will be due and payable within thirty (30) days of the proposed assessment. Please remit payment to the Division, mail c/o Vickie Southwick.

Sincerely,

/S/

D. Wayne Hedberg
Assessment Officer

Enclosure

cc: OSM Compliance Report
Vickie Southwick, DOGM
Price Field Office
O:\015025.BCN\Compliance\Assessment\N05-46-1-1proltr.doc

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

COMPANY / MINE C.W. Mining Company/CO-OP Mining Company PERMIT C/015/025
NOV / CO # N05-46-1-1 VIOLATION 1 of 1

ASSESSMENT DATE May 3, 2005

ASSESSMENT OFFICER D. Wayne Hedberg

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>N04-46-2-2 (1 of 2)</u>	<u>July 21, 2004</u>	<u>1</u>
<u>N04-46-2-2 (2 of 2)</u>	<u>July 21, 2004</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 2

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 (B)

A. EVENT VIOLATION (Max 45 pts.)

1. What is the event that the violated standard was designed to prevent?

2. What is the probability of the occurrence of the event that 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 0

PROVIDE AN EXPLANATION OF POINTS:

****Not Applicable*

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:

****Not Applicable*

B. HINDRANCE VIOLATION (Max 25 pts.)

1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? 15
RANGE 0-25

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

ASSIGN HINDRANCE POINTS 15

PROVIDE AN EXPLANATION OF POINTS:

****The Permittee failed to enter the 4th quarter UPDES water monitoring data for the Bear Canyon Mine into the Division's water quality electronic database by the close of business on March 31, 2005. Ground water information for site SBC-9A was mistakenly reported as SBC-9. This action prevented/hindered the Division's assigned hydrologist from reviewing the information in a timely manner.*

TOTAL SERIOUSNESS POINTS (A or B) 15

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 Negligence

ASSIGN NEGLIGENCE POINTS 15

PROVIDE AN EXPLANATION OF POINTS:

****The Permittee had sufficient time and received an advance reminder from the Division (via emailed notice) of the missing information and to enter the information on time. Quarterly water monitoring information (including UPDES sites) using the electronic database system is a stipulation of the approved mine permit and a requirement of the R645 Coal Rules.*

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 condition and/or terms of approved Mining and Reclamation Plan)

*Assign in upper of 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

- 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 (A)

ASSIGN GOOD FAITH POINTS -15

PROVIDE AN EXPLANATION OF POINTS:

****The NOV was served/mailed on April 19, 2005. Permittee was given until April 29, 2005 to provide the missing and 4th quarter monitoring information. The missing information (reporting error) was confirmed and corrected by April 1st. Receipt of the 4th quarter monitoring information was confirmed by DOGM personnel on April 18, 2005.*

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # <u>N05-46-1-1</u>	
I. TOTAL HISTORY POINTS	<u>2</u>
II. TOTAL SERIOUSNESS POINTS	<u>15</u>
III. TOTAL NEGLIGENCE POINTS	<u>15</u>
IV. TOTAL GOOD FAITH POINTS	<u>-15</u>
TOTAL ASSESSED POINTS	<u>17</u>
TOTAL ASSESSED FINE	<u>\$ 374</u>