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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

Outgoing  
C0150025  
# 4102  
OK

June 20, 2012

CERTIFIED RETURN RECEIPT  
7009 3410 0001 4203 2093

Corey Heaps, Vice President  
Castle Valley Mining LLC  
2352 N 7th Street, Unit B  
Grand Junction, CO 81501

Subject: Proposed Assessment for State Violation No. N 10096, Bear Canyon Mine,  
C/015/0025, Task ID #4102

Dear Mr. Heaps:

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, April Abate, on May 24, 2012. 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,

  
for Joseph C. Helfrich  
Assessment Officer

JCH/sqs  
Enclosure

cc: OSM Compliance Report  
Suzanne Steab, DOGM  
Sheri Sasaki, DOGM  
Price Field Office

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Castle Valley Mining LLC  
2352 N 7th Street, Unit B  
Grand Junction, CO 81501

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City, State

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

COMPANY / MINE Bear Canyon Mine

PERMIT C/015/0025      NOV / CO # N 10096

VIOLATION 1 of 1

ASSESSMENT DATE June 20, 2012

ASSESSMENT OFFICER Joe Helfrich

**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
_____	_____	_____

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 0**

**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?

Water Pollution

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 0**

**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 12**

**PROVIDE AN EXPLANATION OF POINTS:**

\*\*\* According to the information in the inspector statement, "The Permittee failed to collect samples within the month specified in accordance with their sampling plan listed in Chapter 7, Table 7-14 of the Mining and Reclamation Plan. Operator also failed to provide a complete set of operational data parameters for spring sample SBC-14 for the 4<sup>th</sup> quarter of 2011. As a result of the lack of data, the Division itself was unable to perform a timely review and evaluation of the water monitoring data. Sampling frequencies and parameter values are important components used by the Division in determining trends in the hydrologic balance. 12 hindrance points are assigned.

**TOTAL SERIOUSNESS POINTS (A or B) 12**

**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 12**

**PROVIDE AN EXPLANATION OF POINTS:**

\*\*\* According to the information in the inspector statement, *“The Permittee was not aware of the requirement for the monthly sampling to be collected during specific months as outlined in the plan. The operator assumed that as long as the samples were to be taken within the quarter, they were in compliance. In the matter of SBC-14, the operator has shown a continued pattern of not uploading a complete set of data for a given sample(s) in past quarters. This was typically handled by informing the operator by email that they were missing data, but technically, this is a violation since all data are required to be uploaded to the Division database by the end of the subsequent quarter after data are collected”*. The permittee needs to ensure that the conditions and requirements of the mining and reclamation plan and permit are being met in a timely manner. Ordinary negligence is assessed at 12 points.

**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

X	Immediate Compliance	-11 to -20*
	(Immediately following the issuance of the NOV)	
X	Rapid Compliance	-1 to -10
	(Permittee used diligence to abate the violation)	
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 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? Difficult, plans were required

ASSIGN GOOD FAITH POINTS 8

**PROVIDE AN EXPLANATION OF POINTS:**

\*\*\* According to the information in the inspector statement, "Operator had collected data from SBC-14 but a complete parameter list was not uploaded by the 4<sup>th</sup> 2011 quarter deadline of March 31, 2012. The data were uploaded as requested in NOV #10096 on June 4, 2012". The permittee exercised diligence in abating the violation, 8 good faith points are awarded.

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # N 10096

I.	TOTAL HISTORY POINTS	<u>0</u>
II.	TOTAL SERIOUSNESS POINTS	<u>12</u>
III.	TOTAL NEGLIGENCE POINTS	<u>12</u>
IV.	TOTAL GOOD FAITH POINTS	<u>- 8</u>
	TOTAL ASSESSED POINTS	<u>16</u>

**TOTAL ASSESSED FINE** \$ 352