GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

February 22, 2016

Jaren Jorgensen
Castle Valley Mining, LLC
P.O. Box 475
Huntington, Utah 84528

Subject: Fine Payment Required for NOV #19153, Castle Valley Mining, LLC, Bear Canyon Mine, Task ID #4940

Dear Mr. Jorgensen:

A review of records of the Division of Oil, Gas and Mining shows that the fine in the amount of $2,200 for the referenced violation NOV#19153 has not yet been paid. The final assessment was sent July 29, 2015 (copy enclosed). The timeframe to appeal either the fact of this violation or the amount of the assessed fine has lapsed, and the amount assessed is considered final.

Please remit the total payment by March 28, 2016. If you believe the Division records are in error and that you have paid this fine, please provide evidence of the payment, such as a copy of the cancelled check, before the due date.

Failure to pay the assessed fine may result in interest being charged at the rate established quarterly by the U.S. Department of the Treasury or referring the amount due to the Utah Attorney General for appropriate collection action.

If you have any questions, please feel free to call me at (801) 538-5325.

Sincerely,

Daron R. Haddock

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
O:\015025.BCN\WG4940 N19153\Final Payment Required.doc

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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
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Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 29, 2015

CERTIFIED RETURN RECEIPT
7012 3460 0002 9559 6571

Castle Valley Mining, LLC
Jaren Jorgensen
P. O. Box 475
Huntington, Utah 84528

Subject: Proposed Assessments for State Violation No. N 19151, Task ID #4938; No. N 19152, Task ID #4939; No. N 19153, Task ID #4940; No. N 19154, Task ID #4941; Bear Canyon Mine, C/015/0025

Dear Mr. Jorgensen:

The undersigned has been appointed by the Division of Oil, Gas & Mining as the Assessment Officer for assessing penalties under R645-401.

Enclosed are the proposed civil penalty assessments for the above referenced violations. The violations were issued by Division Inspector, Joe Helfrich, on June 18, 2015. Rule R645-401-600 et. seq. has been utilized to formulate the proposed penalty(ies). By these rules, any written information which was submitted by you or your agent within fifteen (15) days of receipt of these Notices of Violation has been considered in determining the facts surrounding the violations and the amount of penalty(ies).

Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of any of the referenced violations, 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(ies).

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,

Daron R. Haddock
Assessment Officer

Enclosure
cc: OSM Compliance Report
Suzanne Steab, DOGM
O:\015025.BCN\WG4938 N19151\PROPOSED ASSESSMENT.DOC

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

COMPANY / MINE Castle Valley Mining, LLC/ Bear Canyon Mine

PERMIT C/015/0025 NOV # N 19153 VIOLATION 1 of 1

ASSESSMENT DATE July 28, 2015

ASSESSMENT OFFICER Daron R. Haddock

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? Event

A. EVENT VIOLATION (Max 45 pts.)

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

Activity outside the approved permit area/ Offsite contributions of additional suspended solids.

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:
******According to the information in the inspector statement, materials from the storage area had spilled into the stream buffer zone. Coal fines and non-coal waste had accumulated in the stream buffer zone. A pump and hose were placed in the stream buffer zone to decant ponds A and B. Additional sediment loading and disruption of vegetation in Bear Creek was apparent.***

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 15

PROVIDE AN EXPLANATION OF POINTS:
****** According to the information in the inspector statement, damage occurred as a result of the sediment loading which extended off the disturbed area. The amount of damage was uncertain, but could have been there for a long time had it not been discovered by the inspector. Because the amount of damage is uncertain but actually occurred and extended off the disturbed area points are assigned slightly above the midpoint of the range.***

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 NA

PROVIDE AN EXPLANATION OF POINTS:
***

TOTAL SERIOUSNESS POINTS (A or B)_35__

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 __5__

PROVIDE AN EXPLANATION OF POINTS:
****** According to the information in the inspector statement, the violation was the result of indifference to DOGM regulations. The Operator did not exercise reasonable care to ensure that the stream buffer zone was being protected. Points are assigned in the lower end of the ordinary negligence range.***

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 (Immediately following the issuance of the NOV)	-11 to -20*
X	Rapid Compliance (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 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

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? _____

ASSIGN GOOD FAITH POINTS _____

PROVIDE AN EXPLANATION OF POINTS:
******Good faith will be evaluated upon termination of the violation***

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # **N 19153**

I.	TOTAL HISTORY POINTS	
II.	TOTAL SERIOUSNESS POINTS	35
III.	TOTAL NEGLIGENCE POINTS	5
IV.	TOTAL GOOD FAITH POINTS	to be determined later.
	TOTAL ASSESSED POINTS	40
	TOTAL ASSESSED FINE	**$ 2200**

Citations Home Page

Citation for Non-Compliance
Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 19153
Permit Number: C0150025
Date Issued: 06/18/2015

☑ NOTICE OF VIOLATION ☐ CESSATION ORDER (CO) ☐ FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC		Inspector Number and ID:	1 JHELFRIC
Mine Name: BEAR CANYON MINE		Date and Time of Inspection:	05/13/2015
Certified Return Receipt Number: 70123460000295596472		Date and Time of Service:	06/18/2015

Nature of condition, practice, or violation:
Encroachment of the stream buffer zone at the Bear Canyon mine.

Provisions of Act, regulations, or permit violated:
R645-301-731.600

☐ **This order requires Cessation of ALL mining activities.** (Check box if appropriate.)

☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.	☐ Permittee is/has been conducting mining activities without a Permit.
☐ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	☐ Permittee has failed to abate Violation(s) included in ☐ Notice of Violation or ☐ Cessation Order within time for abatement originally fixed or subsequently extended.

☐ **This order requires Cessation of PORTION(S) of mining activities.**

Mining activities to be ceased immediately: ☐ Yes ☑ No	Abatement Times (if applicable).
	30 days, no later than 5:00 PM Friday
	July 17th.

Action(s) required: ☑ Yes ☐ No
Remove materials from storage areas that have spilled over into the stream buffer area.
Remove the hoses and or other equipment used to decant pond A to pond B.
Submit plans for an alternative route to decant pond A into pond B.
Submit plans for the clean-up of the coal and or coal fines in the buffer zone.
The plans must be complete and adequate and implemented upon approval.

Jaren Jorgensen	JOE HELFRICH
(Print) Permittee Representative	(Print) DOGM Representative
	Joseph C. Helfrich
Permittee Representative's Signature - Date	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information