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

June 21, 2017

Tony Welch, Resident Agent
Castle Valley Mining, LLC
2352 N. 7th Street, Unit B
Grand Junction, Colorado 81501

Subject: Fine Payment Required for NOV #21177, Castle Valley Mining, LLC, Bear Canyon Mine, Task ID #5173

Dear Mr. Welch:

A review of records of the Division of Oil, Gas and Mining shows that the fine in the amount of $462 for the referenced violation NOV#21177 has not yet been paid. The final assessment was sent May 25, 2016 (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 June 30, 2017. 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
Coal Program Manager

DRH/sqs
Enclosure
cc: Jaren Jorgenson
O:\015025.BCN\WG5173 N21177\Final Payment Required.doc

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May 25, 2016

CERTIFIED RETURN RECEIPT
9590 9402 1486 5329 8978 82

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

Subject: Proposed Assessment for State Violation No. N 21177, Bear Canyon Mine, C/015/0025, Task ID #5173, Outgoing File

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 is the proposed civil penalty assessment for the above referenced violation. The violation was issued by Division Inspector, Joe Helfrich, on April 28, 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.

1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR
OIL, GAS & MINING

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

Daron R. Haddock
Assessment Officer

Enclosure
cc: OSM Compliance Report
Suzanne Steab, DOGM
Price Field Office
O:\015025.BCN\WG5173 N21177\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 21177 VIOLATION 1 of 1

ASSESSMENT DATE May 3, 2016

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
NOV #19153	6/18/2015	1

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?

PROBABILITY	RANGE
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:
****** According to the Inspector Statement the permittee initiated construction of an access road prior to obtaining approval from the Division. The surface construction crews were not aware of the additional permitting required before constructing the road. Without having approved plans the Inspector was hindered from knowing how the road was to be constructed or from evaluating the designs. This is considered actual hindrance, but a fairly small construction project that was necessary for completing the abatement of another violation. Points are assigned at the midpoint 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---Negligence

ASSIGN NEGLIGENCE POINTS __7__

PROVIDE AN EXPLANATION OF POINTS:
****** According to the information in the inspector statement, the violation was the result of indifference to DOGM regulations or lack of reasonable care. The Operator did not exercise reasonable care to ensure that the plans for building the access road were approved prior to commencing construction. This may be the result of lack of communication between the Mine Manager and the crew doing the work. While the plans were discussed, it was not stressed that the plans needed to be approved prior to disturbance. Points are assigned in the middle part 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 (Operator complied within the abatement period required)	0

(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? Difficult abatement as it requires the approval of plans.

ASSIGN GOOD FAITH POINTS pending

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	1
II.	TOTAL SERIOUSNESS POINTS	13
III.	TOTAL NEGLIGENCE POINTS	7
IV.	TOTAL GOOD FAITH POINTS	to be determined later.
	TOTAL ASSESSED POINTS	21
	TOTAL ASSESSED FINE	**$ 462**