



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

July 15, 1998

CERTIFIED RETURN RECEIPT
Z 230 747 337

Gary Gray
Genwal Resources, Inc.
P.O. Box 1420
Huntington, Utah 84528

Re: Proposed Assessment for State Violation No. N98-45-3-1, Genwal Resources, Inc.,
Crandall Canyon Mine, ACT/015/032, Folder #5, Carbon County, Utah

Dear Mr. Gray:

The undersigned has been appointed by the Division of Oil, Gas and 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 Robert Davidson on July 9, 1998. 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 the Notice of Violation, has been considered in determining the facts surrounding the violation and the amount of penalty.

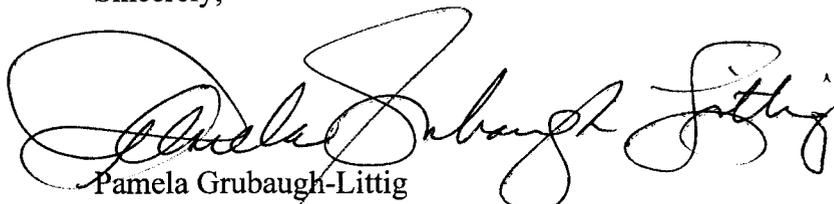
Under R645-401-700, there are two informal appeal options available to you:

1. If you wish to informally appeal the fact of this violation, you should file a written request for an Informal Conference within 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 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.

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N98-45-3-1
ACT/015/032
July 15, 1998

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 Vicki Bailey.

Sincerely,



Pamela Grubaugh-Littig
Assessment Officer

tam
Enclosure

cc: James Fulton, OSM
Vicki Bailey, DOGM

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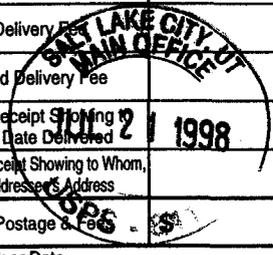
US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to GARY GRAY	
Street & Number PO BOX 1420	
Post Office, State, & ZIP Code HUNTINGTON UT 84528	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing Whom & Date Delivered	2 / 1998
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	



PS Form 3800, April 1995

PS Form 3811, April 1995
PS Form 3800, April 1995

DOMESTIC RETURN RECEIPT

1. Addressee's Name
GARY GRAY

2. Addressee's Address
**PO BOX 1420
HUNTINGTON UT 84528**

3. Signature - Addressee
[Signature]

4. Addressee's Address (ONLY if requested and fee paid)

5. Type of Service
 Registered
 Certified
 Express Mail
 Registered Delivery
 Signature Required
 Signature Restricted
 Signature Restricted to Merchandise

6. Always obtain signature of addressee or agent and DATE DELIVERED

7. Date of Delivery
2 / 1998

8. Agent's Name
230 747 337

9. Agent's Address
230 747 337

10. Agent's Signature
[Signature]

11. Agent's Title
RECORDS MGR

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50. Agent's Title (ONLY if requested and fee paid)

Stick postage stamps to article to cover First-Class postage, certified mail fee, and charges for any selected optional services (See front).

1. If you want this receipt postmarked, stick the gummed stub to the right of the return address leaving the receipt attached, and present the article at a post office service window or hand it to your rural carrier (no extra charge).
2. If you do not want this receipt postmarked, stick the gummed stub to the right of the return address of the article, date, detach, and retain the receipt, and mail the article.
3. If you want a return receipt, write the certified mail number and your name and address on a return receipt card, Form 3811, and attach it to the front of the article by means of the gummed ends if space permits. Otherwise, affix to back of article. Endorse front of article **RETURN RECEIPT REQUESTED** adjacent to the number.
4. If you want delivery restricted to the addressee, or to an authorized agent of the addressee, endorse **RESTRICTED DELIVERY** on the front of the article.
5. Enter fees for the services requested in the appropriate spaces on the front of this receipt. If return receipt is requested, check the applicable blocks in item 1 of Form 3811.
6. Save this receipt and present it if you make an inquiry.

102595-97-B-0145

PS Form 3800, April 1995 (Reverse)

UNITED STATES POSTAL SERVICE

OFFICIAL BUSINESS

SENDING INSTRUCTIONS

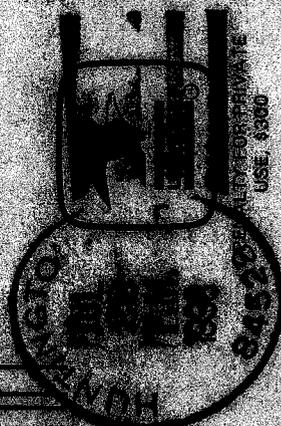
- Print name, address and ZIP Code in the space below.
- Complete items 1, 2, 3, and 4, if applicable.
- Attach to front of article if space permits, otherwise affix to back of article.
- Enclose article "Return Receipt Requested" adjacent to number.

RETURN
TO

Print Sender's name, address, and ZIP Code in the space below.

DIVISION OF OIL, GAS & MINING
1594 W NO TEMPLE STE 1210
SLC UT 84114

ATTEN: TIFFINI MOSS



10

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

COMPANY/MINE Genwal Resources, Inc., Crandall Canyon Mine NOV# N98-45-1-1

PERMIT ACT/015/032 VIOLATION 1 OF 1

ASSESSMENT DATE 7/15/98 ASSESSMENT OFFICER Pamela Grubaugh-Littig

I. HISTORY MAX 25 POINTS

- A. Are there previous violations, which are not pending or vacated, which fall within 1 year of today's date?

PREVIOUS VIOLATIONS EFFECTIVE DATE POINTS

1 point for each past violation, up to one year
5 points for each past violation in a CO, up to one 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:

- Based on facts supplied by the inspector, the Assessment Officer will determine within each category the violation falls.
- Beginning at the mid-point of the category, the Assessment Officer will adjust the point 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 POINTS

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 0

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 POINTS

1. Is this a potential or actual hindrance to enforcement? 12
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:

The permittee salvaged soil from an unauthorized cut slope area, but it was not done under the supervision of a soil scientist as required in the approved plan. No soil resource information was available for this area, so it is not known how much "soil" was salvaged or removed.

TOTAL SERIOUSNESS POINTS (A OR B) 12

III. NEGLIGENCE MAX 30 POINTS

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

PROVIDE AN EXPLANATION OF POINTS:

The permittee had a soil scientist on site to supervise other salvage operations, and knew of the requirement, but neglected to have the soil scientist supervise this salvage operation.

IV. GOOD FAITH MAX 20 POINTS

(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 conditions 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?

IN 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

ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS:

This violation is not terminated as of the date of this assessment.

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION		<u>N98-45-3-1</u>
I.	TOTAL HISTORY POINTS:	<u>0</u>
II.	TOTAL SERIOUSNESS POINTS:	<u>12</u>
III.	TOTAL NEGLIGENCE POINTS:	<u>13</u>
IV.	TOTAL GOOD FAITH POINTS:	<u>0</u>
	TOTAL ASSESSED POINTS:	<u>25</u>
	TOTAL ASSESSED FINE:	<u>\$300.00</u>