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

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Kathleen Clarke  
Executive Director  
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801-538-5340  
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801-538-7223 (TDD)

February 1, 1999

**CERTIFIED RETURN RECEIPT**  
P 074 978 516

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

Re: Proposed Assessment for State Violation No. N98-39-6-1, Genwal Resources, Inc.,  
Crandall Canyon Mine, ACT/015/032, Folder #5, Emery 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 Stephen J. Demczak, on November 24, 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

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put return address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this case from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1.  Show to whom delivered, date, and addressee's address. (Extra charge)  
 2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  
 GARY GRAY  
 GENVAL RESOURCES  
 PO BOX 1420  
 HUNTINGTON UT 84528

4. Article Number  
 P 074 978 516

Type of Service:  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5. Signature - Addressee  
 X

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

6. Signature - Agent  
 X *[Signature]*

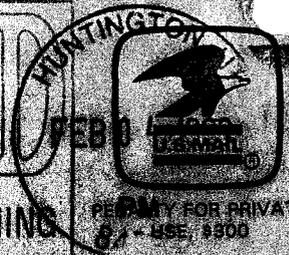
7. Date of Delivery  
 04 FEB 1999

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

SENDER INSTRUCTIONS

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

RECEIVED  
FEB 08 1999  
DIV. OF OIL, GAS & MINING

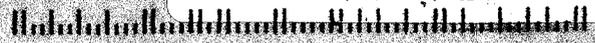


RETURN TO

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

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N98-39-6-1  
ACT/015/032  
February 1, 1999

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 Vicki Bailey.**

Sincerely,



Pamela Grubaugh-Littig  
Assessment Officer

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Enclosure

cc: James Fulton, OSM  
Vicki Bailey, DOGM

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

COMPANY/MINE Genwal Resources, Inc./ Crandall Canyon Mine NOV# N98-39-6-1

PERMIT ACT/015/032 VIOLATION 1 OF 1

ASSESSMENT DATE 01/29/99 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
<u>N98-45-1-1</u>	<u>09/04/98</u>	<u>1</u>
<u>N98-39-3-1</u>	<u>09/21/98</u>	<u>1</u>
<u>N98-45-3-1</u>	<u>09/11/98</u>	<u>1</u>

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 3

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? (B) 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     

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? Potential  
RANGE 0-25

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

ASSIGN HINDRANCE POINTS   3  

PROVIDE AN EXPLANATION OF POINTS:

It is unknown if any of the results may have been out of compliance.

TOTAL SERIOUSNESS POINTS (A OR B)   3  

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

STATE DEGREE OF NEGLIGENCE Negligence

ASSIGN NEGLIGENCE POINTS   3

**PROVIDE AN EXPLANATION OF POINTS:**

The water sample were taken to the lab by the permittee, but the lab did not analyze for two to three weeks and some of the holding time expired.

**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? N/A

ASSIGN GOOD FAITH POINTS 0

**PROVIDE AN EXPLANATION OF POINTS:**

No abatement, therefore, no good faith points are applicable.

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION	<u>N98-39-6-1</u>
I. TOTAL HISTORY POINTS:	<u>3</u>
II. TOTAL SERIOUSNESS POINTS:	<u>3</u>
III. TOTAL NEGLIGENCE POINTS:	<u>3</u>
IV. TOTAL GOOD FAITH POINTS:	<u>0</u>
TOTAL ASSESSED POINTS:	<u>9</u>
<b>TOTAL ASSESSED FINE:</b>	<b><u>\$90.00</u></b>

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