

Uncomming 4/10/15/0032

0058

Genwal Resources, Inc.

18989

INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT	NEW YORK
NOV 10015	09/28/07	242.00	242.00	.00	242.00
				Check Total	242.00

RECEIVED
OCT 25 2007
 DIV. OF OIL, GAS & MINING

THE INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

Genwal Resources, Inc.
 153 Highway 7 South
 Powhatan Point Ohio 43942

Wells Fargo Bank, N.A.
 Castle Dale Branch
 121 E. Main St.
 Castle Dale Utah 84513

31-297
1240

10/18/07	18989	000000114793
		\$242.00

TWO HUNDRED FORTY-TWO AND 00/100 DOLLARS

PAY TO THE ORDER OF
 DIVISION OF OIL GAS & MINING
 PO BOX 145801
 SALT LAKE CITY UT 87114-5801
 US

VOID AFTER 6 MONTHS

Robert D Moore
 Robert D Moore - Treasurer

ORIGINAL CHECK
 ROUTED TO ACCOUNTING



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
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

Given to Alden
Oct 5, 2007

September 28, 2007

CERTIFIED RETURN RECEIPT
7005 2570 0000 4801 7918

Dave Shaver, Environmental Coordinator
Genwal Resources, Inc.
P.O. Box 1077
Price, Utah 84501

RECEIVED
OCT 25 2007
DIV. OF OIL, GAS & MINING

Subject: Proposed Assessment for NOV#10015, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Outgoing File

Dear Mr. Shaver:

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, Karl Houskeeper, on October 4, 2006. 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, Associate Director or assigned conference officer. 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.

OIC AS
10/5/07



Page 2
Dave Shaver
September 28, 2007

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 Vickie Southwick.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is written in a cursive style with a large, looped initial "D".

Daron R. Haddock
Assessment Officer

Enclosure

cc: OSM Compliance Report
Vickie Southwick, DOGM
Price Field Office

O:\015032.CRA\COMPLIANCE\2007\PROASSESSMENT_N10015.DOC

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

COMPANY / MINE Genwal Resources Inc./ Crandall Canyon Mine PERMIT C/015/032
 NOV / CO # 10015
 ASSESSMENT DATE September 28, 2007

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
<u>NOV #10001</u>	<u>10/12/2006</u>	<u>1</u>
<u>NOV #10014</u>	<u>09/06/2007</u>	<u>1</u>

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 2

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?
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 9

PROVIDE AN EXPLANATION OF POINTS:

*** *The disturbed culverts C-12 and C-16 were plugged. Because water cannot flow through the culverts there is some likelihood that erosion could occur and cause some water pollution during a storm event. The inspector indicated that the water would still flow to a sediment pond and be treated before leaving the site. Because the water would still be treated, it is unlikely that water pollution will occur and points are assessed in the unlikely category.*

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:

*** *The inspector indicates that there is no damage as a result of the plugged culverts. No water was flowing at the time of the inspection. There would be potential for damage if the culverts were left plugged, but even then the water would report to a pond and be treated. No damage points assigned.*

B. HINDRANCE VIOLATION (Max 25 pts.)

1. Is this a POTENTIAL or ACTUAL hindrance to enforcement? _____
RANGE 0-25

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

ASSIGN HINDRANCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 9

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 12

PROVIDE AN EXPLANATION OF POINTS:

****The permittee is required to maintain adequate drainage for the site, which includes maintenance of culverts and ditches. In this case the inlet to two different drainage culverts was allowed to become completely plugged. A prudent operator would maintain the site so that the culverts would not become plugged and if plugged perform maintenance immediately so that the drainage for the site will function properly. Allowing the culvert to remain plugged indicates some lack of diligence on the part of the permittee. This is the second time within a year that culvert C-16 has been plugged. This seems to indicate an ongoing problem. I still view this as a lack of diligence, but I am assigning points in the higher end of the 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	-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
(Permittee used diligence to abate the violation) | -11 to -20* |
| X | Normal Compliance
(Operator complied within the abatement period required) | -1 to -10* |
| X | Extended Compliance
(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) | 0 |

EASY OR DIFFICULT ABATEMENT? difficult

ASSIGN GOOD FAITH POINTS -12

PROVIDE AN EXPLANATION OF POINTS:

******The operator took immediate steps to remedy the situation. A contractor was called and scheduled to clean the culverts. The abatement was required by September 19, 2007 and was actually completed ahead of schedule (by September 17, 2007 the termination date). This showed diligence on the part of the Operator and points in the rapid compliance range are assigned.***

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # <u>N 10015</u>	
I. TOTAL HISTORY POINTS	<u>2</u>
II. TOTAL SERIOUSNESS POINTS	<u>9</u>
III. TOTAL NEGLIGENCE POINTS	<u>12</u>
IV. TOTAL GOOD FAITH POINTS	<u>-12</u>
TOTAL ASSESSED POINTS	<u>11</u>
TOTAL ASSESSED FINE	<u>\$ 242</u>