

**EVENT VIOLATION INSPECTOR'S STATEMENT**

Company/Mine: Genwal Resources, Inc/Crandall Canyon Mine  
Permit #: C/015/032

NOV # 10016  
Violation # 1 of 1

**A. SERIOUSNESS**

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation.** Mark and explain each event.

- a. Activity outside the approved permit area.
- b. Injury to the public (public safety).
- c. Damage to property.
- d. Conducting activities without appropriate approvals.
- e. Environmental harm.
- f. Water pollution.
- g. Loss of reclamation/revegetation potential.
- h. Reduced establishment, diverse and effective vegetative cover.
- i. No event occurred as a result of the violation.
- j. Other.

Explanation: Gravity mine water flow from the North Portals at the Crandall Canyon Mine is entering surface diversions and the sediment pond. Gravity flow from the North Portals is not permitted and has the potential for water pollution. The surface diversions and sediment pond are not designed or approved for mine water flow and storage.

2. Has the even occurred? Yes

If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Gravity mine water flow from the North Portals into the surface diversions and sediment pond started on January 16, 2008.

3. Did any damage occur as a result of the violation? No

If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not bee discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: Sampling of the mine water flow coming from the sediment pond and mine water discharge is continuing to take place. It is to early to tell if damage occurred, since the event is still occuring as of 1/23/08.

**B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).**

- Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: \_\_\_\_\_

- Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: Lack of resonable care. Proper evaluation of the accumulation of mine water and the potential for gravity flow from the portals was not accomplished before the mine power was shut off and stoppings were built in the portals. The stoppings were not constructed as specified by the BLM. The BLM has issued the operator/permittee a letter of non-compliance.

- If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: \_\_\_\_\_

- Was the operator in violation of a specific permit condition?

Explanation: The permit does not allow gravity discharge from the portals into surface diversions and sediment pond.

- Has DOGM or OSM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: \_\_\_\_\_

**C. GOOD FAITH**

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

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NOV/CO # 10016

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Explanation: \_\_\_\_\_

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: No the mine had been idled. Equipment and personnel had to be brought in to the site to address the problem.

3. Was the submission of plans prior to physical activity required by this NOV / CO? Yes If yes, explain.

Explanation: \_\_\_\_\_

Karl R. Houskeeper  
Authorized Representative

Karl R. Houskeeper  
Signature

January 23, 2008  
Date

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