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HINDRANCE TO ENFORCEMENT VIOLATIONS
INSPECTOR'S STATEMENT

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

NOV # 10044
Violation # 1 of 1

A. **HINDRANCE TO ENFORCEMENT:** (Answer for hindrance violations only such as violations concerning record keeping, monitoring, plans and certification).

Describe how violation of this regulation actually hindered enforcement by DOGM and/or the public and explain the circumstances.

Explanation: The operator did a macroinvertebrate study in 1994 establishing a baseline. The operator committed in the MRP to future samplings but never conducted them. NOV 10043 was issued to Genwal resources, Inc. Because the gravity flow from the north portals was staining the receiving stream orange. A result of high iron content in the discharge water. No current macroinvertebrate information was available to determine how much of an impact from the discharge had occurred. NOV 10044 required that a study be done in the fall of 2009 and a commitment to conduct a sampling in the spring of 2010. The commitment is to extend to a spring and fall sampling every spring and fall there after until permission is received to discontinue the sampling process.

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, explain.

Explanation: _____

- 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: _____

EVENT VIOLATION INSPECTOR'S STATEMENT

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Permit #: C/015/032

NOV # 10043
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: Mine water exiting the north portal areas and entering the receiving stream are high in iron content. The high iron content has turned the receiving stream orange. Environmental Quality has taken action for the high iron content. The Division issued NOV 10043 for failure to minimize disturbance to the hydrologic balance and diminution or degradation of the quality of the surface water.

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: The high iron content has turned the receiving stream orange. The receiving stream or surface water has been impacted.

3. Did any damage occur as a result of the violation? Yes

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: The high iron content has turned the receiving stream orange. The receiving stream or surface water has been impacted. The damage is still occurring. The damage has extended off the permit area.

Event Violation Inspector's Statement

NOV/CO # NOV #10043
Violation # 1 of 1

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

Explanation: _____

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

Explanation: Plans area required to address how to resolve the iron problem in the receiving stream in the interim and at final reclamation since the portals are gravity discharging.

Karl Houskeeper
Authorized Representative

Karl R. Houskeeper
Signature

October 27, 2009
Date

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