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EVENT VIOLATION INSPECTOR'S STATEMENT

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

NOV # 10065
Violation # 1 of 1

A. SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of events 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: A release of sediment (including coal and coal fines) to Crandall Creek occurred. The sediment was not treated prior to discharge to the creek.

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 event occurred sometime bewteen the afternoon of August 5 to August 9, 2010. Heavy rainfall triggered a debris flow of soil and coal from the sandstone rock face at the east sid eof the highwall. The debris flow deposited sediment and coal into the treatment basin, the catch basin for outfall 002, and disturbed drainage ditch DD-10. Sediment and coal which entered outfall 002 were discharged to Crandall Creek without treatment.

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 been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: Observations and sampling results from the time of the event are not available. On August 12, 2010 coal was visible in Crandall Creek from the outlet of the 6-ft CMP bypass to before the first beaver dam downstream of same outlet. No coal was observed in Crandall Creek at the permit boundary; however, it is highly likely that sediment and coal travelled off-site during the storm event.

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: The violation was a result of a severe weather event. The catch basin for outfall 002 was constructed and operated per an approved MRP.

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

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: _____

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

Explanation: _____

- 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.

Explanation: Upon discovering the release on August 9, 2010, the Operator immediately constructed a ditch at the base of the sandstone face to divert potential future debris flows to the sediment pond via disturbed ditch DD-10 and removed coal for Crandall Creek. The Operator promptly notified DWQ and DOGM of the release.

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

Explanation: The Operator had necessary personnel and equipment on-site to respond to the event immediately upon discovery.

3. Was the submission of plans prior to physical activity required by this NOV / CO? No If yes, explain.

Explanation: _____

Kevin Lundmark
Authorized Representative

Kevin Lundmark August 30, 2010
Signature Date

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