

Internal
C0150032
#4295
OK

EVENT VIOLATION INSPECTOR'S STATEMENT

Company/Mine: Genwal Resources/Crandall Canyon Mine
Permit #: C/015/0032

NOV # 10105
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: The primary sediment pond at the Crandall Canyon Mine was allowed to exceed its storage capacity to contain the design storm event as well as exceed the approved sediment storage capacity. The accumulation of sediment and water occurred over time (i.e. not an isolated event). The exceedance of the storage capacity is described in detail in the Degree of Fault category. The sediment pond has not produced a discharge; however, given the time of year (spring snowmelt) and the condition of the sediment pond, the probability of an unplanned discharge has been increased.

2. Has the event occurred? No

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: As indicated above, the event would be water pollution precipitated by an unplanned discharge from the sediment pond as a result of lack of storage capacity. The probability of water pollution has been increased by the Permittee's failure to maintain the design specifications of the pond. The probability of water pollution occurring as a result of an unplanned discharge is likely given the condition of the pond and the time of year (spring snowmelt season).

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 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: _____

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: During a routine inspection on May 15th, 2012 (Inspection Report #3104), the Permittee was made known that the two sediment markers installed in the pond were no longer visible (i.e. buried under sediment). Based upon communications with former Genwal employee, Mr. David Shaver (circa early summer 2010), the sediment markers indicated the clean-out level of the sediment pond. The Permittee was directed to initiate clean-out following the May 15th, 2012 inspection. A NOV was not issued at that time as the sediment markers are not explicitly identified/discussed within the approved MRP. However, at this point in time, the MRP provides a more clear indication that the designed sediment capacity has been exceeded. On page 36 of Appendix 7-4, Item 3.4 a, the MRP states, "The sedimentation pond has been designed to contain the disturbed area (and contributing undisturbed area) runoff from a 10-year, 24-hour precipitation event, along with 3 years of sediment storage capacity." According to page 7 of Appendix 7-65 of the MRP as well as the 2010 Annual Pond Certification Report (P.E. Stamped by David W. Hibbs on 12/8/2010), the pond was last cleaned in December of 2009. Based on these design considerations in the MRP as well as from documentation provided by the Permittee, the sediment holding capacity has been exceeded. Additionally, the three year sediment yield holding capacity did not take into account the deposition of iron-sludge material from the mine sites treatment basin. The iron-sludge material had been deposited in the sediment pond from approximately May of 2011 (when Genwal Resources was no longer allowed to deposit the material at the Wildcat Loadout) to late 2012. Further evidence that the sediment pond had exceeded its capacity was provided during the March 14th inspection (Inspection Report #3425) when the 10-year, 24-hour marker was no longer visible.

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- 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: No

- 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: No

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: If the Permittee were to satisfy the requirements of NOV #10105 prior to the May 4th, 2013 deadline, good faith points should be assessed.

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? No If yes, explain.

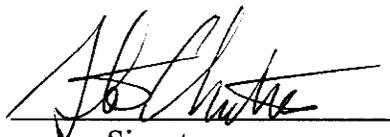
Explanation: The abatement measures outlined in NOV #10105 do require submissions of revisions/amendments to the approved Mining and Reclamation Plan; however, the submission of those revisions is not required prior to initiating clean-out operations of the sediment pond.

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Steve Christensen
Authorized Representative


Signature

April 3, 2013
Date

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