



GARY R. HERBERT
Governor

SPENCER J. COX
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

June 21, 2017

Robert L. Nead, Manager
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Fine Payment Required for NOV #21166, Alton Coal Development, LLC, Coal Hollow Mine, Task ID #5102

Dear Mr. Nead:

A review of records of the Division of Oil, Gas and Mining shows that the fine in the amount of \$1,210 for the referenced violation NOV#21166 has not yet been paid. The final assessment was sent May 2, 2016 (copy enclosed). The timeframe to appeal either the fact of this violation or the amount of the assessed fine has lapsed, and the amount assessed is considered final.

Please remit the total payment by June 30, 2017. If you believe the Division records are in error and that you have paid this fine, please provide evidence of the payment, such as a copy of the cancelled check, before the due date.

Failure to pay the assessed fine may result in interest being charged at the rate established quarterly by the U.S. Department of the Treasury or referring the amount due to the Utah Attorney General for appropriate collection action.

If you have any questions, please feel free to call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
cc: Kirk Nicholes
O:\025005.COL\WG5102 NOV21166\Final Payment Required.doc





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May 2, 2016

CERTIFIED RETURN RECEIPT

7012 3460 0002 9559 6786

Kirk Nicholes, Resident Agent
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Proposed Assessment for State Violation No. #21166, Coal Hollow Mine, C/025/0005,
Task ID #5102

Dear Mr. Nicholes:

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, Priscilla Burton, on March 9, 2016. 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.

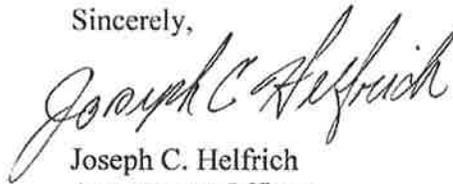
Under R645-401-700, there are two informal appeal options available to you:

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. 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.

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 Suzanne Steab.

Sincerely,



Joseph C. Helfrich
Assessment Officer

Enclosure

cc: Sheri Sasaki, DOGM
Suzanne Steab, DOGM

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

COMPANY / MINE Alton Coal /Coal Hollow Mine

PERMIT C/025/0005 NOV / CO # N 21166 VIOLATION 1 of 1

ASSESSMENT DATE May 2, 2016

ASSESSMENT OFFICER Joseph C. Helfrich

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 #20153</u>	<u>July 7, 2015</u>	<u>1</u>
<u>NOV #21157</u>	<u>September 22, 2015</u>	<u>1</u>
<u>NOV #21158</u>	<u>September 22, 2015</u>	<u>1</u>
<u>NOV #21154</u>	<u>November 28, 2015</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 4

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?

Water Pollution

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 20

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement "Pond water was discharging without passing through the oil skimmer. A leak from Ponds 1 & 2 was first noticed on 3/23/2015 (Inspection Rpt 4145)".

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 5

PROVIDE AN EXPLANATION OF POINTS:

*** According to the information in the inspector statement "The structural weakness may have contributed to the exceedance of TSS, Fe, and Oil & Grease at outfall 001A sited in January by Utah DEQ (Incoming correspondence 1292016)".

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 0

PROVIDE AN EXPLANATION OF POINTS:

TOTAL SERIOUSNESS POINTS (A or B) 25

*Assign in upper of 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? Easy abatement, the permittee had the parts and equipment necessary to abate the violation and completed the repair work within the abatement period.

ASSIGN GOOD FAITH POINTS 8

PROVIDE AN EXPLANATION OF POINTS:

**** According to the information in the inspector statement, "At ponds 1 and 2, gaskets were installed at the connection of the oil skimmer and the discharge pipe. The water level in both ponds was observed on 4/6/2016 to be well below the level of the discharge pipe, so the success of the gasket fix can only be determined at higher water levels. However, the Permittee is confident that the gasket was the problem, as the manufacturer recommended installation of the gasket, but this installation had been overlooked by the contractor during the initial construction of the ponds".*

V. ASSESSMENT SUMMARY

NOTICE OF VIOLATION # <u>N 21166</u>	
I.	TOTAL HISTORY POINTS <u>4</u>
II.	TOTAL SERIOUSNESS POINTS <u>25</u>
III.	TOTAL NEGLIGENCE POINTS <u>10</u>
IV.	TOTAL GOOD FAITH POINTS <u>-8</u>
	TOTAL ASSESSED POINTS <u>31</u>

TOTAL ASSESSED FINE \$ 1210