



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

EXHIBIT "D"
DIVISION OF OIL, GAS AND
MINING V. SUMMIT MINERAL
INC.

Norman H. Bangertter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

August 20, 1985

Mr. Jack Higgins
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

RE: Proposed Assessment for State Violation No. C85-1-1-1,
INA/D43/001, Folder #8, Summit County, Utah

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under UMC/SMC 845.11-845.17.

Enclosed is the proposed civil penalty assessment for the above referenced violation. This violation was issued by Division Inspector Joe Helfrich, on March 1, 1985. Rule UMC/SMC 845.2 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 15 days of receipt of this notice of violation, has been considered in determining the facts surrounding the violation and the amount of penalty.

Within fifteen (15) days after receipt of this proposed assessment, you or your agent may file a written request for an assessment conference to review the proposed penalty. (Address a request for a conference to Ms. Jan Brown, at the above address.) If no timely request is made, all pertinent data will be reviewed and the penalty will be reassessed, if necessary, for a finalized assessment. Facts will be considered for the final assessment which were not available on the date of the proposed assessment, due to the length of the abatement period. This assessment does not constitute a request for payment.

Sincerely,

Mary Ann Wright
Mary Ann Wright
Assessment Officer

re
Enclosure

cc: D. Griffin, DSM Albuquerque Field Office
73140

WORKSHEET FOR ASSESSMENT OF PENALTIES
UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE Jack Higgins, Black Hawk NOV # C85-1-1-1

PERMIT # INA/043/001 VIOLATION 1 OF 1

I. HISTORY MAX 25 PTS

A. Are there previous violations which are not pending or vacated, which fall within 1 year of today's date?

ASSESSMENT DATE 8-19-85 EFFECTIVE ONE YEAR DATE 8-20-84

PREVIOUS VIOLATIONS	EFF. DATE	PTS	PREVIOUS VIOLATIONS	EFF. DATE	PTS

- 1 point for each past violation, up to one year
- 5 points for each past violation in a CC, up to one year
- No pending notices shall be counted

TOTAL HISTORY POINTS 0

II. SERIOUSNESS (either A or B)

NOTE: For assignment of points in Parts II and III, the following applies. Based on the facts supplied by the inspector, the Assessment Officer will determine within which category the violation falls. Beginning at the mid-point of the category, the AD 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 Violations MAX 45 PTS

1. What is the event which the violated standard was designed to prevent? Conducting activities without appropriate approvals.
Injury to the public.
2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE	MID-POINT
None	0	
Insignificant	1-4	2
Unlikely	5-9	7
Likely	10-14	12
Occurred	15-20	17

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS The probability of the first listed event is assessed as occurred. Therefore, the CO is assessed as such. Per inspector, operator "wildcatted" on this site. Mine development in the form of access and pad development has taken place at this site without a permit or a bond for such activities.

3. Would or did the damage or impact remain within the exploration or permit area? No

	RANGE	MID-POINT
within Exp/Permit Area	0-7*	4
Outside Exp/Permit Area	8-25*	16

*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 22

PROVIDE AN EXPLANATION OF POINTS Damage resulted from a wildcat operation and was therefore not permitted or bonded. Extent of damage includes development of a road 300 feet X 40 feet and two pads 150 feet d x 15-20 feet high, the blockage of two existing portals and a bridge. No topsoil was saved in the process. No perimeter markers, drainage control measures, permit signs or buffer zones were in place. Damage has continued since the early part of 1985.

B. Hindrance Violations MAX 25 PTS

1. Is this a potential or actual hindrance to enforcement?

	RANGE	MID-POINT
Potential hindrance	1-12	7
Actual hindrance	13-25	19

Assign points based on the extent to which enforcement is hindered by the violation.

ASSIGN HINDRANCE POINTS

PROVIDE AN EXPLANATION OF POINTS

TOTAL SERIOUSNESS POINTS (A or B) 42

III. NEGLIGENCE MAX 30 PTS

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO - NO NEGLIGENCE;
 OR Was this a failure of a permittee to prevent the occurrence of a violation due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO - NEGLIGENCE;
 OR Was this violation the result of reckless, knowing, or intentional conduct? IF SO - GREATER DEGREE OF FAULT THAN NEGLIGENCE.

		MID-POINT
No Negligence	0	
Negligence	1-15	8
Greater Degree of Fault	16-30	23

STATE DEGREE OF NEGLIGENCE Greater degree of fault
 ASSIGN NEGLIGENCE POINTS 30

PROVIDE AN EXPLANATION OF POINTS Operator has been issued federal violations and received warnings from DOGM staff since April, 1984.

IV. GOOD FAITH MAX -20 PTS. (either A or B)

A. Did the operator have onsite the resources necessary to achieve compliance of the violated standard within the permit area? IF SO
 -EASY ABATEMENT

- Easy Abatement Situation
- Immediate Compliance -11 to -20*
 (Immediately following the issuance of the NOV)
 - Rapid Compliance -1 to -10*
 (Permittee used diligence to abate the violation)
 - Normal Compliance 0
 (Operator complied within the abatement period required)

*Assign in upper or lower half of range depending on abatement occurring in 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 SITUATION~~

- Difficult Abatement Situation
- ~~Rapid Compliance -11 to -20*
 (Permittee used diligence to abate the violation)~~
 - ~~Normal Compliance -1 to -10*
 (Operator complied within the abatement period required)~~
 - ~~Extended Compliance 0
 (Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard, or the plan submitted for abatement was incomplete)~~

EASY OR DIFFICULT ABATEMENT? difficult ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS This CO has not yet been abated. A failure to abate CO was recently issued. No good faith warranted.

V. ASSESSMENT SUMMARY FOR

C85-1-1-1

I. TOTAL HISTORY POINTS	<u>0</u>
II. TOTAL SERIOUSNESS POINTS	<u>42</u>
III. TOTAL NEGLIGENCE POINTS	<u>30</u>
IV. TOTAL GOOD FAITH POINTS	<u>0</u>

TOTAL ASSESSED POINTS 72

TOTAL ASSESSED FINE \$3,240.

Mary Ann Wright

ASSESSMENT DATE 8-19-85

ASSESSMENT OFFICER Mary Ann Wright

X PROPOSED ASSESSMENT

FINAL ASSESSMENT



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

EXHIBIT "6" NOV
DIVISION OF OIL, GAS AND
MINING V. SUMMIT MINERALS,
INC.

Norman H. Bangertter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

October 2, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P592431891

Mr. Jack Higgins
Summit Minerals Inc.
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

RE: Proposed Assessment for State Violation No. C85-1-2-1,
INA/043/001, Folder #8, Summit County, Utah

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under UMC/SMC 845.11-845.17.

Enclosed is the proposed civil penalty assessment for the above-referenced violation. This violation was issued by Division Inspector Joe Helfrich on August 14, 1985. Rule UMC/SMC 845.2 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 15 days of receipt of this notice of violation, has been considered in determining the facts surrounding the violation and the amount of penalty.

Within fifteen (15) days after receipt of this proposed assessment, you or your agent may file a written request for an assessment conference to review the proposed penalty. (Address a request for a conference to Ms. Jan Brown at the above address.) If no timely request is made, all pertinent data will be reviewed and the penalty will be reassessed, if necessary, for a finalized assessment. Facts will be considered for the final assessment which were not available on the date of the proposed assessment, due to the length of the abatement period. This assessment does not constitute a request for payment.

Sincerely,

Michael L. Earl
Assessment Officer

dd

Enclosure

cc: Donna Griffin, OSM Albuquerque Field Office

John Davis, Hugh Garner & Associates

7314Q



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

EXHIBIT "F"
DIVISION OF OIL, GAS
AND MINING V. SUMMIT
MINERALS, INC.

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

August 15, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P 402 457 708

Mr. Jack Higgins
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

The Division has determined that the affirmative obligations stated in Cessation Order # C85-1-1-1 issued March 1, 1985 have not been met. Therefore, the attached Cessation Order #C85-1-2-1 is being served for failure to abate said obligations. The resultant effect of this Cessation Order is a mandatory \$750.00/day beginning upon receipt of this letter.

If you have any questions, please call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph C. Helfrich".

Joseph C. Helfrich
Mining Field Supervisor

re

CC: Pamela Malen Higgins
Ira Ferrell
Donna Griffin
Mark C. Moench, Assistant Atty. General
Bart Kale

0250Q-18



STATE OF UTAH

Cessation Order No. C 85-1-2-1

Violation No. 1 of 1

Nature of Condition, Practice, or Violation

FAILURE TO ABATE A NOTICE OF VIOLATION WITHIN THE TIME SET FOR ABATEMENT

Provision(s) of the Regulations, Act, or Permit Violated

UCA 40-10-9
UCA 40-10-22(1)(C)
UMC 843.11(6)(1)

Check Appropriate Box:

- The condition, practice, or violation is creating an imminent danger to the health or safety of the public.
- The condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.
- The permittee or operator has failed to abate Violation(s) No. 85-1-1-1, included in ^{CESSATION} Notice of Violation No. XC 85-1-1-1 within the time for abatement originally fixed or subsequently extended.

Operation(s) to be Ceased Immediately

ANY AND ALL ACTIVITY AT THE BLACKHAWK MINE SITE LOCATED IN SECTION 36 OF TOWNSHIP 3 NORTH RANGE 6 EAST OF SUMMIT COUNTY.

Affirmative Obligation(s) and Time for Abatement (if applicable)

- CEASE ALL ACTIVITY IMMEDIATELY
- SUBMIT A MINING AND RECLAMATION PLAN TO THE DIVISION OR RECLAIM THE AREA KNOWN AS THE BLACKHAWK MINE AND ASSOCIATED DISTURBANCE IN ACCORDANCE WITH THE REQUIREMENTS OF UTAH'S PERMANENT REGULATORY PROGRAM IMMEDIATELY.

3452



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

DIVISION OF OIL, GAS
AND MINING V. SUMMIT
MINERALS, INC.

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

January 21, 1986

CERTIFIED RETURN RECEIPT REQUESTED
P 592 431 917

Mr. Jack Higgins, President
Summit Minerals, Inc.
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

RE: Finalized Assessment for State Violation No.'s C85-1-1-1,
C85-1-2-1, INA/043/001 Folder #8, Summit County, Utah

The civil penalties for the above referenced violations have been finalized. These assessments have been finalized as a result of a review of all pertinent data and facts which were not available on the date of the proposed assessments, due to the length of the abatement period.

Within fifteen (15) days of your receipt of this letter, you or your agent may make a written appeal to the Board of Oil, Gas and Mining. To do so, you must have escrowed the assessed civil penalties with the Division within a maximum of 30 days of receipt of this letter, but in all cases prior to the Board Hearing. Failure to comply with this requirement will result in a waiver of your right of further administrative recourse.

If no timely appeal is made, these assessed civil penalties must be tendered within thirty (30) days of your receipt of this letter. Please remit payment to the Division and mail % Jan Brown at the address listed above.

Thank you for your cooperation.

Sincerely,

David S. Christensen

David S. Christensen
Acting Assessment
Conference Officer

re
cc: Donna Griffin
9099Q

WORKSHEET FOR FINAL ASSESSMENT OF PENALTIES
UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE Blackhawk/Summit Minerals Inc. CO # 85-1-1-1

PERMIT # INA/043/001 VIOLATION 1 OF 1

Nature of violation: Order to cease operations and to conform with
Date of termination: the procedural requiremens (bond, map, plan).

	<u>Proposed Assessment</u>	<u>Final Assessment</u>
(1) History/Prev. Vio.	<u>0</u>	<u>0</u>
(2) Seriousness		
(a) Probability of Occurrence	<u>20</u>	<u>20</u>
Extent of Damage	<u>22</u>	<u>22</u>
(b) Hindrance to Enforcement	<u> </u>	<u> </u>
(3) Negligence	<u>30</u>	<u>30</u>
(4) Good Faith	<u>0</u>	<u>0</u>
 TOTAL	 <u>72</u>	 <u>72</u>
	TOTAL ASSESSED FINE	<u>\$ 3,240</u>

3. Narrative:

Mr. Jack Higgins, President and major stockholder of Summit Minerals Inc., (the owner and operator of the mine) was present at the conference and was represented by counsel. Mr. Higgins explained that the general company plan for the Blackhawk Mine called for both coal, and sand and gravel operations, as well as some salvage of equipment and other items. Higgins said that the sand and gravel and salvaging was to provide funds for the mining, which hopefully could be done simultaneously with the other activities, and was done in such a way as to promote coal mining. He stated that the work on the portals and road was done for safety reasons and acknowledged that there had been a long history of violations and dealings with state and federal regulatory agencies.

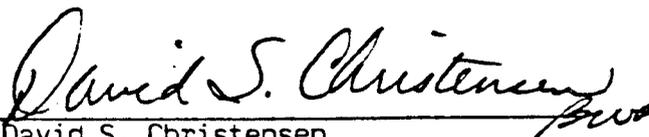
Page 2

Assessment of Penalties
Blackhawk Coal Mine
INA/043/001
January 21, 1986

The threshold issue presented by the assessment of this Cessation Order is whether the operator's activities amount to "surface coal mining operations" as defined by the statute and regulations. See, Utah Code Annotated section 40-10-3(18)(a) and (b) (1983). UMC 700.5 at p. 15 and 16. The Jurisdiction over the "activities" listed in U.C.A. 40-10-3 (18)(a) and the "areas" defined in U.C.A. 40-10-3(18)(b) must be construed broadly to fulfill the statute's broad remedial design. Therefore, I conclude that the activities described by both the operator and the Division at the Blackhawk Mine amount to "surface coal mining activities" and thus require the operator, Summit Minerals, Inc., to submit a plan of operations, post a bond, and comply with other procedural requirements, prior to commencing coal mining activities. The fact that the operator also performed sand and gravel operations, does not remove the operation from the requirements of the statute and regulations.

I therefore, find that the Cessation Order was well founded and since there appears to be no mitigating factors, assess the penalty without modification.

Assessment Date 1-21-86


David S. Christensen
Acting Assessment Conference Officer

0109Q

Norman H. Bangertter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

December 5, 1985

CERTIFIED RETURN RECEIPT REQUESTED
P 402 457 817

Mr. Jack Higgins
Summit Minerals Inc.
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

RE: Proposed Assessment for State Violation No. C85-6-2-1,
INA/043/001, Folder #8, Summit County, Utah

The undersigned has been appointed by the Board of Oil, Gas and Mining as the Assessment Officer for assessing penalties under UMC/SMC 845.11-845.17.

Enclosed is the proposed civil penalty assessment for the above referenced violation. This violation was issued by Division Inspector Bart Kale on November 4, 1985. Rule UMC/SMC 845.2 et seq. has been utilized to formulate the proposed penalty. By these rules, any written information submitted by you or your agent within 15 days of receipt of this notice of violation has been considered in determining the facts surrounding the violation and the amount of penalty.

Within fifteen (15) days after receipt of this proposed assessment, you or your agent may file a written request for an assessment conference to review the proposed penalty. (Address a request for a conference to Ms. Jan Brown at the above address.) If no timely request is made, all pertinent data will be reviewed and the penalty will be reassessed, if necessary, for a finalized assessment. Facts will then be considered which were not available on the date of the proposed assessment due to the length of the abatement period. This assessment does not constitute a request for payment.

Sincerely,

Mike Earl

Mike Earl
Assessment Officer

jmc
Enclosure
cc: D. Griffin
7314Q

WORKSHEET FOR ASSESSMENT OF PENALTIES
UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE Summit Minerals/Black Hawk NOV #C85-6-2-1

PERMIT # INA/043/001 VIOLATION 1 OF 1

I. HISTORY MAX 25 PTS

A. Are there previous violations which are not pending or vacated,
which fall within 1 year of today's date?

ASSESSMENT DATE 12/5/85 EFFECTIVE ONE YEAR DATE 12/6/84

PREVIOUS VIOLATIONS	EFF.DATE	PTS	PREVIOUS VIOLATIONS	EFF.DATE	PTS
<u>C85-1-1-1 PA</u>	<u>8/19/85</u>	<u>0</u>			
<u>C85-1-2-1 PA</u>	<u>10/2/85</u>	<u>0</u>			

1 point for each past violation, up to one year
5 points for each past violation in a CO, up to one year
No pending notices shall be counted

TOTAL HISTORY POINTS 0

II. SERIOUSNESS (either A or B)

NOTE: For assignment of points in Parts II and III, the following applies. Based on the facts supplied by the inspector, the Assessment Officer will determine within which category the violation falls. Beginning at the mid-point of the category, the AO 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 Violations MAX 45 PTS

1. What is the event which the violated standard was designed to prevent? Conducting activities without appropriate approvals.
2. What is the probability of the occurrence of the event which a violated standard was designed to prevent?

PROBABILITY	RANGE	MID-POINT
None	0	
Insignificant	1-4	2
Unlikely	5-9	7
Likely	10-14	12
Occurred	15-20	17

ASSIGN PROBABILITY OF OCCURRENCE POINTS 20

PROVIDE AN EXPLANATION OF POINTS

Assessed as occurred based on inspector statement that since his last inspection a sediment facility had been constructed as well as the removal of gravel from the storage area. The portal at the quarry area had also been excavated. Assessed at maximum points based on the fact that no permit has been issued for this site.

3. Would or did the damage or impact remain within the exploration or permit area? No

	RANGE	MID-POINT
Within Exp/Permit Area	0-7*	4
Outside Exp/Permit Area	8-25*	16

*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 18

PROVIDE AN EXPLANATION OF POINTS

Per inspector statement, at the present time no damage has extended off disturbed area. However, where no permit has been issued it is difficult to determine what affect future activities may have. Continuation of unpermitted activities could extend off established boundaries.

B. Hindrance Violations MAX 25 PTS

1. Is this a potential or actual hindrance to enforcement? _____

	RANGE	MID-POINT
Potential hindrance	1-12	7
Actual hindrance	13-25	19

Assign points based on the extent to which enforcement is hindered by the violation.

ASSIGN HINDRANCE POINTS _____

PROVIDE AN EXPLANATION OF POINTS _____

TOTAL SERIOUSNESS POINTS (A or B) 38

III. NEGLIGENCE MAX 30 PTS

A. Was this an inadvertent violation which was unavoidable by the exercise of reasonable care? IF SO - NO NEGLIGENCE;
 OR Was this a failure of a permittee to prevent the occurrence of a violation due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation due to the same? IF SO - NEGLIGENCE;
 OR Was this violation the result of reckless, knowing, or intentional conduct? IF SO - GREATER DEGREE OF FAULT THAN NEGLIGENCE.

		MID-POINT
No Negligence	0	
Negligence	1-15	8
Greater Degree of Fault	16-30	23

STATE DEGREE OF NEGLIGENCE Greater Degree of Fault

ASSIGN NEGLIGENCE POINTS 30

PROVIDE AN EXPLANATION OF POINTS

Operator was issued violation #C85-1-1-1 for operating without a permit. Operator has been notified that no activities related to site development are to take place without first obtaining a permit.

IV. GOOD FAITH MAX -20 PTS. (either A or B)

A. Did the operator have onsite the resources necessary to achieve compliance of the violated standard within the permit area? IF SO -EASY ABATEMENT

- Easy Abatement Situation
 - Immediate Compliance -11 to -20*
(Immediately following the issuance of the NOV)
 - Rapid Compliance -1 to -10*
(Permittee used diligence to abate the violation)
 - Normal Compliance 0
(Operator complied within the abatement period required)

*Assign in upper or lower half of range depending on abatement occurring in 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 SITUATION

- Difficult Abatement Situation
 - Rapid Compliance -11 to -20*
(Permittee used diligence to abate the violation)
 - Normal Compliance -1 to -10*
(Operator complied within the abatement period required)
 - Extended Compliance 0
(Permittee took minimal actions for abatement to stay within the limits of the NOV or the violated standard, or the plan submitted for abatement was incomplete)

EASY OR DIFFICULT ABATEMENT? Difficult ASSIGN GOOD FAITH POINTS 0

PROVIDE AN EXPLANATION OF POINTS

Because operator has been issued a CO for the same violation in the past no good faith points warranted.

V. ASSESSMENT SUMMARY FOR C85-6-2-1

I. TOTAL HISTORY POINTS	<u>0</u>
II. TOTAL SERIOUSNESS POINTS	<u>38</u>
III. TOTAL NEGLIGENCE POINTS	<u>30</u>
IV. TOTAL GOOD FAITH POINTS	<u>0</u>
TOTAL ASSESSED POINTS	<u>68</u>
TOTAL ASSESSED FINE	<u>\$2020</u>

Mike Earl

ASSESSMENT DATE 12/5/85 ASSESSMENT OFFICER Mike Earl

X PROPOSED ASSESSMENT _____ FINAL ASSESSMENT



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

EXHIBIT "K" NOV
DIVISION OF OIL, GAS AND MINING V.
SUMMIT MINERALS, INC.

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

January 7, 1986

CERTIFIED RETURN RECEIPT REQUESTED
P 001 861 934

Mr. Jack Higgins
Summit Minerals, Inc.
2783 Holiday Ranch Loop Road
Park City, Utah 84060

Dear Mr. Higgins:

RE: Finalized Assessment for State Violation No. C85-6-2-1
INA/043/001 Folder #8, Summit County, Utah

The civil penalty for the above referenced violation has been finalized. This assessment has been finalized as a result of a review of all pertinent data and facts which were not available on the date of the proposed assessment, due to the length of the abatement period.

Within fifteen (15) days of your receipt of this letter, you or your agent may make a written appeal to the Board of Oil, Gas and Mining. To do so, you must have escrowed the assessed civil penalty with the Division within a maximum of 30 days of receipt of this letter, but in all cases prior to the Board Hearing. Failure to comply with this requirement will result in a waiver of your right of further recourse.

If no timely appeal is made, this assessed civil penalty must be tendered within thirty (30) days of your receipt of this letter. Please remit payment to the Division and mail % Jan Brown at the address listed above.

Thank you for your cooperation.

Sincerely,

Mike Earl

Mike Earl
Assessment Officer

jmc
cc: Donna Griffin
B. Roberts
9099Q

WORKSHEET FOR FINAL ASSESSMENT OF PENALTIES
 UTAH DIVISION OF OIL, GAS AND MINING

COMPANY/MINE Summit Minerals/Black Hawk NOV # C85-6-2-1
 PERMIT # INA/043/001 VIOLATION 1 OF 1

Nature of violation: Conducting activities without appropriate
approvals.
 Date of termination: November 4, 1985

	<u>Proposed Assessment</u>	<u>Final Assessment</u>
(1) History/Prev. Vio.	<u>0</u>	<u>0</u>
(2) Seriousness		
(a) Probability of Occurrence	<u>20</u>	<u>20</u>
Extent of Damage	<u>18</u>	<u>18</u>
(b) Hindrance to Enforcement	<u> </u>	<u> </u>
(3) Negligence	<u>30</u>	<u>30</u>
(4) Good Faith	<u>0</u>	<u>0</u>
TOTAL	<u>68</u>	<u>68</u>
	TOTAL ASSESSED FINE	<u>\$ 2020</u>

3. Narrative:
 (Brief explanation for any changes made in assignment of points and any additional information that was available after the proposed assessment.)

Assessment Officer Mike Earl
Mike Earl

Assessment Date 1/7/86

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING

1588 West North Temple
Salt Lake City, Utah 84116
Telephone (801) 533-5771

DIVISION OF OIL, GAS
AND MINING V. SUMMIT
MINERALS, INC.

85-6-2-1

CESSATION ORDER NO.C

file # 7-103/001
I NA

From the STATE OF UTAH
To the Following Permittee or Operator:

NAME Summit Minerals
 MINE Blackhawk Mine SURFACE UNDERGROUND OTHER
 COUNTY AND STATE Summit County TELEPHONE _____
 MAILING ADDRESS: 2783 White Ranch Road Park City UT 84060
 OSM MINE NO. _____ STATE PERMIT NO. I NA/043/001 MSHA I. D. NO. _____
 CATEGORY OF OWNERSHIP: STATE FEE FEDERAL MIXED
 CATEGORY OF OWNERSHIP: STATE FEE FEDERAL MIXED
 DATE OF INSPECTION October 31, 1985
 TIME OF INSPECTION: FROM 10:00 a.m. to 11:00 a.m.
 NAME OF OPERATOR (if other than permittee) Summit Minerals
 MAILING ADDRESS: _____

Under the authority of the Utah Coal Mining & Reclamation Act (Section 40-10-1 et seq., Utah Code Annotated), the undersigned authorized representative of the Director and Division of Oil, Gas & Mining has conducted an inspection of the above mine on the above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This Order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, Utah Code Annotated, you are ordered to CEASE IMMEDIATELY the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this Order shall continue while this Order is in effect.

You are responsible for doing all work in a safe and workmanlike manner.

The undersigned authorized representative hereby finds that this Order does does not require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile and transporting it within or from the minesite.

This order shall remain in effect until it expires as provided on the reverse, or is modified, terminated or vacated by written notice signed by an authorized representative of the Secretary of the Interior.

Date of Service November 4 1985 Barton O. Kake
SIGNATURE OF AUTHORIZED REPRESENTATIVE

Time of Service 9:45 a.m. p.m. Barton O. Kake #6
NAME AND I. D. NO.

Person Served with Notice John Davis - Attorney for Summit Minerals
PRINT NAME AND TITLE

Signature [Signature]

IMPORTANT — PLEASE READ REVERSE OF THIS PAGE



STATE OF UTAH

Cessation Order No. C 85-6-2-1

Violation No. 1 of 1

Nature of Condition, Practice, or Violation

Conducting underground coal mining activities without Division approval

Provision(s) of the Regulations, Act, or Permit Violated

Utah Code ANNOTATED 1955 Section 40-10-9

Check Appropriate Box:

- The condition, practice, or violation is creating an imminent danger to the health or safety of the public.
- The condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.
- The permittee or operator has failed to abate Violation(s) No. _____ included in Notice of Violation No. N _____ within the time for abatement originally fixed or subsequently extended.

Operation(s) to be Ceased Immediately

ANY Activity associated with the site development of the Blackhawk Mine.

Affirmative Obligation(s) and Time for Abatement (if applicable)

Cease all operations immediately - including earth movement and construction of facilities



VACATION/TERMINATION OF NOTICE OF VIOLATION/CESSATION ORDER

To the following Permittee or Operator:

Name Summit Minerals / Blackhawk Mine

Mailing Address 2783 Holiday Ranch Loop Rd. Park City UT. 84060

State Permit No. INA 1043/201

Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated (1953):

Notice of Violation No. N _____ dated _____, 19 ____.

Cessation Order No. C SU-6-2-1 dated November 4, 19 85

Part 1 of 1 is vacated terminated because Inspection of November 5 1985
revealed no further development of site as was detected on
Oct. 31, 1985

Part ____ of ____ is vacated terminated because _____

Part ____ of ____ is vacated terminated because _____

Date of service/ mailing November 6 1985 Time of service/ mailing 3:00 a.m. p.m.

John Davis
Permittee/Operator representative

Attorney for Summit Minerals
Title

Mailed From Office
Signature

Barton D. Kalk #6
Division of Oil, Gas & Mining

Wingy Fuld Speechit
Title

Barton D. Kalk
Signature