Task: 5214

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

March 18, 2013

CERTIFIED MAIL
7011 0110 0001 3568 4756

Jim Rundquist
TME Asphalt Ridge, LLC
4526 Ridgeview Drive
Eagan, Minnesota 55123

Subject: Findings of Fact, Conclusions, and Order for Violations MC-2013-59-01 and MC-2013-59-02, Cameron and TME AR Lecy Mines, S/047/0036 and S/047/0088

Dear Mr. Rundquist:

On March 14, 2013, an Informal Conference was held to review the facts of violation and assessments for Violation MC-2013-59-01 and MC-2013-59-02. As a result of a review of all pertinent data and facts, including those presented in the Informal Conference, the attached document constitutes the findings of fact, conclusions, and order.

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 escrow the assessed civil penalties with the Division within thirty (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. Your written appeal may be filed with Julie Ann Carter, Board Secretary P.O. Box 145801 Salt Lake City, UT 84115-5801. If you have questions regarding the filing, she can be contacted at juliecarter@utah.gov or (801) 538-5277.

If no timely appeal is made, the total assessed civil penalty of $704.00 must be tendered within thirty (30) days of your receipt of this letter. Please remit payment to the Division of Oil, Gas and Mining, c/o Vickie Southwick at the address listed below.

If you have questions or concerns, please contact me at (801) 538-5320, or Paul Baker at (801) 538-5261.

Sincerely,

for Dana Dean, P.E.
Associate Director
Assessment Conference Officer

DD/vs
cc:
Dana Dean
Leslie Heppler
Lynn Kunzler
Paul Baker
Enclosures
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BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

---ooOoo---

IN THE MATTER OF THE INFORMAL ASSESSMENT CONFERENCE for NOTICE OF VIOLATION AND PROPOSED ASSESSMENT. VIOLATIONS No. MC-2013-59-01 AND MC-2013-59-02 CAMERON and TME AR LECY MINES, S/047/0036 AND S/047/0088, UINTAH COUNTY, UTAH	:	**FINDINGS of FACT, CONCLUSIONS OF LAW AND ORDER** **CAUSE NO. S/047/0036**

---ooOoo---

On March 14, 2013, the Division of Oil, Gas and Mining (Division) held an Informal Assessment Conference as provided for by R647-7-106 Utah Administrative Code (2012) in response to a request by Mr. Jim Runquist to review the fact of violation and assessment amount for Cessation Orders MC-2013-59-01 and MC-2013-59-02, issued to TME Asphalt Ridge LLC (TME) on January 8, 2013 for operations at the Cameron and TME AR Lecy Mines, S/047/0036 and S/047/0088, Uintah County, Utah.

ISSUES

The Division, in its Cessation Orders, found that rule R647-3-111.1. had been violated for each mine. These rules require that the operator maintain adequate reclamation surety for the mine. The Division assessed a fine of $1,320.00 for MC-2013-59-01 and $990.00 for MC-2013-59-02.

PARTIES

Dana Dean, Associate Director Division of Oil, Gas and Mining served as the Hearing Officer. The hearing was conducted as an informal adjudicative proceeding via teleconference. Leslie Heppler, Division Geologist/Permit Lead presented the facts and arguments in support of the Cessation Orders. Lynn Kunzler, Assessment Officer, presented the arguments concerning the determination of the assessment amount. Jim Runquist, Dick Lecy and Ben Veach represented TME.

No recording or transcript of the conference was made.

FINDINGS OF FACT

Based on the information provided at the conference, the statements presented by those speaking, and on information in the files of the Division the following Findings and Conclusions

were made.

1. The Request for an informal assessment conference was delivered to the Division on February 22, 2013.

2. Notice of the Informal Assessment Conference was provided as required.

3. On November 18, 2009, the Division conducted an inspection at the Cameron Mine and requested that TME consolidate the Cameron Mine and TME AR Lecy Mine permits with the TME Asphalt Ridge large mine permit. The inspection report stated: "Operator has been informed verbally to consolidate the 3 permits in the past. The operator has 60 days until March 22, 2010 to complete the consolidation. Current bond amount for a 5 acre site is $25,200; bond will need to be escalated." According to the report the bond held for the Cameron Mine at the time was $22,100.

4. On January 21, 2010 the Division notified TME that the bond for the Cameron Mine was late.

5. On November 18, 2011 a Division Directive was sent to TME. This directive required that TME amend the TME Asphalt Ridge Mine LMO (M/047/0089) to include the Cameron and TME AR Lecy areas, doing away with the small mine permits by December 21, 2011. They were also required to update the surety to the appropriate, adequate amount at that time.

6. On December 19, 2011 TME requested to extend the deadline for satisfying the directive to June 1, 2012.

7. On January 23, 2012 the Division extended the deadline to April 23, 2012. The required actions were still to consolidate the permits and update the surety.

8. On November 9, 2012 the Division requested that TME update the bonds for the Cameron and TME AR Lecy Mines. The letter states: "The Division is taking this action as a temporary measure to ensure these sites are properly bonded until they are incorporated into the TME Asphalt Ridge Mine. The Division is not rescinding its requirement that these three permits be consolidated." The letter warned that failure to provide the surety could result in the issuance of a cessation order.

9. On December 12, 2012 the Division gave a verbal extension to the end of December in order to allow TME to complete the necessary paperwork.

10. Because no additional surety had been posted as of January 8, 2013 Ms. Heppler issued TME the two cessation orders. The abatement for both cessation orders was to provide the additional surety required to bring them up to date.

11. Mr. Runquist explained that it was TME's intent all along to post the required surety and bring the permits up to date. He went on to explain that the delay in combining the

permits is due to uncertainty as to when they will mine in the LMO area. They are waiting on a customer to indicate when they will begin receiving product from the mine. Mr. Runquist indicated that he would know more about the customer's situation and be able to consolidate the permits within 2 weeks.

12. The money for the bond increases for the Cameron and TME ARE Lecy Mines was in place on November 28, 2012, but paperwork caused the official posting and reclamation agreement update to not be completed until on February 4, 2013.

CONCLUSIONS OF LAW

1. TME has failed to consolidate its two small mine permits into the TME Asphalt Ridge LMO, despite several communications from the Division requesting that they do so.

2. TME failed to post adequate bond for the Cameron and TME AR Lecy Mines in a timely fashion.

3. The fact of the violations should stand.

4. All abatement requirements of MC-2013-59-01 and MC-2013-59-02 have been met. The Division Directive requiring the consolidation of permits has not been satisfied.

ORDER

NOW THEREFORE, it is ordered that:

1. The fact of the violation is upheld for both MC-2013-59-01 and MC-2013-59-02.

2. The proposed assessment of $1,320.00 MC-2013-59-0 is reduced to $352.00, and the proposed assessment of $990.00 for MC-2013-59-02 is reduced to $352.00 with the condition that the plans be consolidated by April 15, 2013.

3. If the plans are not consolidated by April 15, 2013 the fines will revert to $1,320.00, and $990.00 and a new cessation order will be written for each mine.

SO DETERMINED AND ORDERED this 18th day of March, 2013.

for Dana R. Haddock

Dana Dean, Associate Director
Division of Oil, Gas and Mining
Conference Officer

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

COMPANY: TME Asphalt Ridge, LLC
PERMIT: S/047/0036 (Cameron Mine)
VIOLATION: MC-2103-59-01

ASSESSMENT CONFERENCE OFFICER: Dana Dean

		Proposed Assessment	Final Assessment
(1)	History/Previous Violations	0	0
(2)	Seriousness	22	11
(3)	Negligence	10	5
(4)	Good Faith	0	0
	Total Points	32	16

TOTAL ASSESSED FINE $352.00

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

COMPANY: TME Asphalt Ridge, LLC
PERMIT: S/047/0088 (TME AR Lecy Mine)
VIOLATION: MC-2103-59-02

ASSESSMENT CONFERENCE OFFICER: Dana Dean

		Proposed Assessment	Final Assessment
(1)	History/Previous Violations	0	0
(2)	Seriousness	19	11
(3)	Negligence	10	5
(4)	Good Faith	0	0
	Total Points	29	16

TOTAL ASSESSED FINE $352.00

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LETTER DATED 3/18/2013
JIM RUNQUIST
FINDINGS of FACT, CONCLUSIONS OF LAW
ANDORDER CAMERON, #1 PROJECT, S0470036,
LECY PROJECT S0470088, MC-2313-59-02

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or
Cit

JIM RUNQUIST
4526 RIDGE VIEW DRIVE
EAGEN MN 55123

PS Form 3800, August 2006 See Reverse for Instructions