Mine Operator to Pay Nearly $1M in Fines

PAUL FOY,Associated Press

SALT LAKE CITY (AP) — The operator of the Utah mine that collapsed in 2007, killing nine people, has reached a $949,351 settlement with the federal Mine Safety and Health Administration over safety violations.

Genwal Resources Inc., an affiliate of Ohio-based Murray Energy Corp., denied Thursday that any of the violations led to the deadly collapse, which leveled a section of the Crandall Canyon mine as large as 63 football fields. From the start, Murray Energy chief Bob Murray insisted that the cave-in was triggered by a natural earthquake.

MSHA chief Joe Main disputed the earthquake theory on Thursday and said Genwal admitted it thinned a coal barrier it should have left standing to hold up the mine. He said the company also failed to revise a roof control plan after ignoring early signs of trouble.

"Our investigation found that it was not an earthquake, but the mining plan and the failure to act" that caused the collapse, Main told The Associated Press.

Genwal accepted 17 safety violations, with four of them contributing to the cave-in, he said. The agency dropped another 3 violations related to the collapse of a coal pillar in another section of the mine five months earlier.

"They allowed the mine to deteriorate and ignored warning signs that contributed to the tragedy," Main said.

The $949,351 fine was the third largest ever assessed for a U.S. coal mining operation, said Patricia Smith, the U.S. Department of Labor's chief lawyer. MSHA levied a $10.8 million fine against the operator of West Virginia's Upper Big Branch mine for a 2010 explosion that killed 29 workers. It fined Aracoma Coal Co. $4.2 million for a 2006 explosion that killed two West Virginia miners.

Genwal and related companies previously settled wrongful death lawsuits, together with criminal charges that carried a $500,000 fine.

The collapse at Crandall Canyon was so powerful it registered as a 3.9-magnitude earthquake. It instantly entombed six miners nearly a half-mile underground. Their bodies have never been recovered. Another cave-in 10 days later killed two rescuers and a federal inspector during a frantic effort to tunnel their way to the trapped miners.

Genwal's mining engineers, Grand Junction, Colo.-based Agapito Associates Inc., are fighting a separate $220,000 fine for an allegedly faulty analysis of the mine's design. Agapito insists MSHA has no jurisdiction over consulting engineers.

On Thursday, Genwal said the company and its managers "have always maintained that they believed the plan for mining the Crandall Canyon mine was safe — a belief that was shared by MSHA, who approved the plan, and the mine engineering firm on which Genwal relied."

In a lengthy report issued a year after the collapse, MSHA said the Crandall Canyon was "destined to fail" because of instability problems. But MSHA itself was lambasted by its parent agency, the Department of Labor, for lax oversight and its handling of the fatal rescue effort. Six people on the rescue team were grievously injured, in addition to the three who were killed.

The Crandall Canyon mine has a complicated ownership. Genwal, the mining operator, agreed to the settlement along with its immediate parent company, Andalex Resources Inc., which owned the mine assets with an outside partner.

Andalex is a subsidiary of UtahAmerican Energy Inc., a company owned by Murray Energy Corp.

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