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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: X Complete: Exploration:
Inspection Date & Time: January 11, 2000, 10:00 AM to 11:30 PM
Date of Last Inspection: December 10, 1999

Mine Name: Castle Gate County: Carbon Permit Number: ACT/007/004
Permittee and/or Operator's Name: Castle Gate Holding Company
Business Address: 847 Northwest Highway 191, Helper, Utah 84526
Type of Mining Activity: Underground X Surface Prep. Plant Other
State Official(s): Paul Baker
Company Official(s): Johnny Pappas
Federal Official(s): None
Weather Conditions: Partly cloudy, 30's, up to about 3 inches of snow on the ground
Existing Acreage: Permitted- 7619 Disturbed- 63 Regraded- 60 Seeded- 60 Bonded- 63
Increased/Decreased: Permitted- 0 Disturbed- 0 Regraded- 0 Seeded- 0 Bonded- 0
Status: Exploration/Active/Inactive/Temporary Cessation/Bond Forfeiture
Reclamation (X Phase I/ Phase II/ Final Bond Release/ Liability Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

| | EVALUATED | N/A | COMMENTS | NOV/ENF |
|------------------------------------------------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|
| 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. SIGNS AND MARKERS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. TOPSOIL | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. HYDROLOGIC BALANCE: | | | | |
| a. DIVERSIONS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. SEDIMENT PONDS AND IMPOUNDMENTS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d. WATER MONITORING | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. NONCOAL WASTE | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. BACKFILLING AND GRADING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. REVEGETATION | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. SUBSIDENCE CONTROL | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16. ROADS: | | | | |
| a. CONSTRUCTION/MAINTENANCE/SURFACING | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b. DRAINAGE CONTROLS | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS CHECK (4th Quarter-April, May, June)_ (date) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. BONDING & INSURANCE | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/004

DATE OF INSPECTION: January 11, 2000

(Comments are Numbered to Correspond with Topics Listed Above)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permit was renewed December 24, 1999, with the stipulation that Castle Gate Holding Company will submit the water quality data to the Division in the required electronic format (EDI) by first quarter 2000. The pages of the plan that were revised for permit renewal were approved as amendment RN99 on January 7, 2000.

On January 5, 2000, the Division received an e-mail from John Blake of the State Trust Lands Administration saying they were canceling coal lease ML-18148 effective January 1, 2000. The plan will need to be updated since the permittee will no longer have right of entry in this area.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The regrading work has been completed in Goose Island and in the area above the gate. HCRD-10, the channel through Goose Island, now has at least the depth and width shown in the design. It ties in well with the area that was not redisturbed. I believe the only difference in how this channel was reconstructed compared to what Sharon Falvey and I had discussed with the operator and his contractor is in the angle it enters the main Hardscrabble channel. It comes into the main channel at a more acute angle than I expected, but I don't believe this will cause any problems in how the channel performs.

The only significant difference in the channel east of the gate is the size of the plunge pool at the base of the cliff. The plunge pool has been enlarged significantly.

The operator is in the process of preparing as-built drawings for these areas.

10. SLIDES AND OTHER DAMAGE

There was a hole of unknown origin in the channel at the top of Goose Island. I suspect water was piping into the hole and through the refuse. The contractor working for the operator dug out this area, replaced and compacted the refuse, replaced the soil, and seeded it. A larger area was redisturbed than I had thought would be needed, about 20 x 20 feet.

11. CONTEMPORANEOUS RECLAMATION

I have mentioned in previous inspection reports the need to start looking at reclamation designs for the adit in Price Canyon. Mr. Pappas said he has budgeted some money to do this.

12. BACKFILLING AND GRADING

I believe the area above the gate has now been lowered sufficiently that it will be stable. We will watch for any cracking or other signs of instability in the spring, but I am confident it will not happen. I will request that a Division engineer examine the site.

INSPECTION REPORT
(Continuation sheet)

PERMIT NUMBER: ACT/007/004

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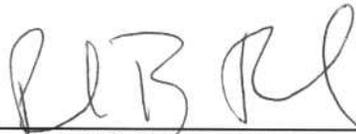
13. REVEGETATION

The operator's contractor planted about 120 shrubs in the redisturbed areas, and the operator supplied a list of what was used. The species were curleaf mountain mahogany, chokecherry, Wood's rose, elderberry, cottonwood, and currant. Mr. Pappas will be having the contractor plant about 150 more. I was pleased to see cottonwoods planted in the upper part of Goose Island and near the main Hardscrabble Channel. Assuming the elk don't eat them, I think they will do well in these areas.

16B. ROADS: DRAINAGE CONTROL

The swales in the road have been cleaned out.

Inspector's Signature: _____



Paul B. Baker #41

Date: January 18, 2000

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

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cc: James Fulton, OSM
Johnny Pappas, Castle Gate
Price Field office

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