

## INSPECTION REPORT

Partial  Complete XXX Exploration   
 Inspection Date: 06/18/2003 / Time: 9:00 AM to 2:00 PM  
 Date of Last Inspection: 05/29/2003

Mine Name: Castle Gate Mine County: Carbon Permit Number: C/007/004  
 Permittee and/or Operator's Name: Castle Gate Holding Company  
 Business Address: 847 Northwest Highway 191, Helper, Utah 84526  
 Company Official(s): Johnny Pappas  
 State Official(s): Joe Helfrich Federal Official(s): None  
 Weather Conditions: 70's, sunny  
 Type of Mining Activity: Underground XXX Surface  Prep Plant  Other   
 Existing Acreage: Permitted 7619 Disturbed 63 Regraded  Seeded   
 Status: Active Reclamation XXX

### REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. 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.
  - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. OTHER SEDIMENT CONTROL MEASURES                               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| d. WATER MONITORING  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| e. EFFLUENT LIMITATIONS  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. EXPLOSIVES  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES                        | <input type="checkbox"/>            | <input checked="" 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 ISSUES | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 10. SLIDES AND OTHER DAMAGE                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 11. CONTEMPORANEOUS RECLAMATION                                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 15. CESSATION OF OPERATIONS                                      | <input type="checkbox"/>            | <input checked="" 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 type="checkbox"/>            | <input type="checkbox"/> |
| 17. OTHER TRANSPORTATION FACILITIES                              | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS                     | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 19. AVS CHECK (4 <sup>th</sup> Quarter- April, May, June)        | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 20. AIR QUALITY PERMIT   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> |
| 21. BONDING & INSURANCE  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

**INSPECTION REPORT**  
(Continuation Sheet)

PERMIT NUMBER: C/007/004

DATE OF INSPECTION: 06/18/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

**1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE**

The purpose of this visit was to conduct a complete inspection of the Castle Gate facilities. The permit was renewed December 24, 1999. Phase II bond release amendments for Hardscrabble and Sowbelly were received, approved, and sent to OSM for concurrence on February 21, 2003. According to Pam Grubaugh-Littig, OSM concurrence was received during the week of June 2nd.

**2. SIGNS AND MARKERS**

Signs containing the required information were posted at access points to the facilities.

**4A. HYDROLOGIC BALANCE: DIVERSIONS**

The sediment control structures were in good repair and were functioning properly at the Hardscrabble, Sowbelly, and #1 adit reclaimed sites.

**4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS**

There was only one sediment pond for the Castle Gate facility located at the #1 Adit. The pond was reclaimed in the fall of 2002. The primary sediment control is surface roughening. As of the date of this inspection, the site was stable.

**4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES**

Surface roughening, vegetation, diversions, and water bars are the sediment controls for the Hardscrabble, Sowbelly, and #1 adit reclaimed sites. The vegetation at Sowbelly and Hardscrabble has been evaluated and approved for phase II bond release. The sediment control measures were functioning adequately at the time of this inspection.

**4D. HYDROLOGIC BALANCE: WATER MONITORING**

The third quarter 2002 monitoring data (entered electronically) was reviewed by the undersigned. Hard copies of the data for the adit pond discharge were reviewed. Sites B11, 12, 28, and 45 were reported as dry.

| <i>SITE</i> | <i>LOCATION</i>           | <i>FREQUENCY</i> | <i>DATE SAMPLED</i>   |
|-------------|---------------------------|------------------|-----------------------|
| <i>B12</i>  | <i>Hardscrabble Upper</i> | <i>Quarterly</i> | <i>Dry, 3/31/2002</i> |
| <i>B11</i>  | <i>Hardscrabble Lower</i> | <i>Quarterly</i> | <i>Dry, 3/31/2002</i> |
| <i>B28</i>  | <i>Sowbelly Upper</i>     | <i>Quarterly</i> | <i>Dry, 3/31/2002</i> |
| <i>B45</i>  | <i>Sowbelly Lower</i>     | <i>Quarterly</i> | <i>Dry, 3/31/2002</i> |
|             |                           |                  |                       |

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**4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS**

The adit and sediment pond were reclaimed in December eliminating the DMR discharge monitoring point.

**12. BACKFILLING AND GRADING**

The #1 Adit and substations located in Hardscrabble and Sowbelly canyons have been reclaimed. Hydro seeding and mulching was completed at the Adit during the week of December 16, 2002.

**13. REVEGETATION**

**The Adit:** Vegetation has emerged through the straw mulch.

**Sowbelly:** Grasses and forbs are showing up to two feet of new growth and a greater density than hardscrabble, with some evidence of annual shrub growth.

**Hardscrabble:** Grasses and forbs are showing up to two feet of new growth also, with a greater density of shrubs than at the sowbelly site.

**21. BONDING AND INSURANCE**

The surety bond is currently set at \$601,333.00 and the Certificate of Insurance is current through June 30, 2004.

Inspector's Signature: \_\_\_\_\_  
Joseph C. Helfrich #1

Date: June 20, 2003

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

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

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