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The State of Utah
Department of
Natural Resources
Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director
LOWELL P. BRAXTON
Division Director

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GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
Company	Dennis Ware
OGM	Karl Houskeeper
OGM	Steve Demczak

Inspection Report

Permit Number:	C0070004
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 30, 2010
Start Date/Time:	11/30/2010 12:00:00 PM
End Date/Time:	11/30/2010 2:00:00 PM
Last Inspection:	Wednesday, October 27, 2010

Inspector: Steve Demczak
Weather: Sunny, Upper 20's, Snow Covered
InspectionID Report Number: 2572

Accepted by: jhelfric
12/1/2010

Permittee: **CASTLE GATE HOLDING CO**
Operator: **CASTLE GATE HOLDING CO**
Site: **CASTLE GATE MINE**
Address: **PO BOX 30, HELPER UT 84526-0030**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **RECLAIMED**

Current Acreages

7,619.00	Total Permitted
62.42	Total Disturbed
62.42	Phase I
58.10	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

No violatios were issued.

The Permittee notified the Division that the required third quarter of 2010 surface water monitoring information for the Castle Gate Mine was in the DOGM EDI pipeline and was acceptable for uploading. The Permittee continues to meet the Special Condition included as Attachment "A" of the current State permit. There are no other "special" permit conditions.

The field conditions in Sowbelly and Hardscrabble Canyons remain virtually unchanged, as does the condition of the reclaimed area for Adit #1.

Inspector's Signature:

Steve Demczak,

Inspector ID Number: 39

Date Wednesday, December 01, 2010

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

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Inspection Continuation Sheet

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 Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference 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	Not Applicable	Comment	Enforcement
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.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" 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.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<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 checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Castle Gate is in the Phase II stage of reclamation. There are two sub-stations and a small area (Adit #1) that are in Phase I.

2. Signs and Markers

Identification signs are at the gates to the property.

4.a Hydrologic Balance: Diversions

Diversions were snow covered.

4.c Hydrologic Balance: Other Sediment Control Measures

The reclaimed site is pocked for sediment control.

4.d Hydrologic Balance: Water Monitoring

The permittee has submitted the third quarter of 2010 water data to the Division.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile at Goose Island was reclaimed.

8. Noncoal Waste

The site was clear of non-coal waste materials.

9. Protection of Fish, Wildlife and Related Environmental Issues

The canyon is dry in the summer. The wildlife only is present in the winter months.

10. Slides and Other Damage

No slides or damage was noticed during the inspection.

12. Backfilling And Grading

The sites are completely reclaimed. All backfilled material was used.

13. Revegetation

All sites are revegetated.

16.a Roads: Construction, Maintenance, Surfacing

The road is graveled running through the property at Hardscrabble Canyon. There is no road at #5 Mine.

18. Support Facilities, Utility Installations

There are no facilities at Castle Gate.

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20. Air Quality Permit

Permit #DAQE-332-96

21. Bonding and Insurance

The bonding amount is \$490,100. The insurance policy will expire on Dec. 13, 2010.