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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070004
Inspection Type:	COMPLETE
Inspection Date:	Thursday, August 25, 2011
Start Date/Time:	8/25/2011 2:00:00 PM
End Date/Time:	8/25/2011 5:00:00 PM
Last Inspection:	Thursday, July 14, 2011

Inspector: Steve Demczak

Weather: Cloudy, 80's

InspectionID Report Number: 2850

Accepted by: jhelfric
9/14/2011

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

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 second quarter of 2011 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
Steve Demczak,

Date

Monday, August 22, 2011

Inspector ID Number: 39

Note: This inspection report was conducted in accordance with the regulations of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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, Divison 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 checked="" 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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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.

3. Topsoil

All topsoil was used in reclamation.

4.a Hydrologic Balance: Diversions

Diversions were open and in good condition.

4.c Hydrologic Balance: Other Sediment Control Measures

The reclaimed site is pocked for sediment control.

4.d Hydrologic Balance: Water Monitoring

Water monitoring was taken for the second quarter.

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.

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

This site in my judgment is highly vegetated.

16.a Roads: Construction, Maintenance, Surfacing

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

16.b Roads: Drainage Controls

Diversions were open and functioning as designed.

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18. Support Facilities, Utility Installations

There are no facilities at Castle Gate.

19. AVS Check

This is done at the Division in SLC.

21. Bonding and Insurance

The bonding amount is \$490,100. The insurance policy will expire on Dec. 13, 2011.