0016

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

INSPECTION REPORT

Partial: ___ Complete: X Exploration ___
Inspection Date/Time: March 25-26, 1993/09:00am-03:00pm
Date of Last Inspection: February 24, 1993

Mine Name: Wellington Prep Plant County: Carbon Permit Number: ACT/007/012
Permittee and/or Operator's Name: Castle Valley Resources
Business Address: P. O. Box 1282, Huntington, UT 84528
Type of Mining Activity: Underground ___ Surface ___ Prep. Plant XX Other ___
Officials(s): State: Stephen J. Demczak Company: Larry Johnson, Candy Manzanares
Federal Official(s): ___ Weather Conditions: Raining
Existing Acreage: Permitted-1720 Disturbed-356 Regraded-1.5 Seeded-1.5 Bonded-744
Increased/Decreased: Permitted-___ Disturbed-__ Regraded-__ Seeded-__ Bonded-___
Status: ___ Exploration/ X Active/ ___ Inactive/ __ Temp Cessation/ __ Bond Forfeiture
Reclamation (__ Phase I/ __ Phase II/ __ Final Bond Release/ __ Liability ___ Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

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	[XX]	[ ]	[XX]	[ ]
2.	SIGNS AND MARKERS	[XX]	[ ]	[XX]	[ ]
3.	TOPSOIL	[XX]	[ ]	[ ]	[ ]
4.	HYDROLOGIC BALANCE:				
a.	DIVERSIONS	[XX]	[ ]	[XX]	[ ]
b.	SEDIMENT PONDS AND IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
c.	OTHER SEDIMENT CONTROL MEASURES	[XX]	[ ]	[ ]	[ ]
d.	WATER MONITORING	[XX]	[ ]	[ ]	[ ]
e.	EFFLUENT LIMITATIONS	[XX]	[ ]	[ ]	[ ]
5.	EXPLOSIVES	[ ]	[XX]	[ ]	[ ]
6.	DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[XX]	[ ]	[ ]	[ ]
7.	COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[XX]	[ ]	[XX]	[ ]
8.	NONCOAL WASTE	[XX]	[ ]	[ ]	[ ]
9.	PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[XX]	[ ]	[ ]	[ ]
10.	SLIDES AND OTHER DAMAGE	[XX]	[ ]	[ ]	[ ]
11.	CONTEMPORANEOUS RECLAMATION	[XX]	[ ]	[ ]	[ ]
12.	BACKFILLING AND GRADING	[XX]	[ ]	[ ]	[ ]
13.	REVEGETATION	[XX]	[ ]	[ ]	[ ]
14.	SUBSIDENCE CONTROL	[ ]	[XX]	[ ]	[ ]
15.	CESSATION OF OPERATIONS	[XX]	[ ]	[ ]	[ ]
16.	ROADS:				
a.	CONSTRUCTION/MAINTENANCE/SURFACING	[XX]	[ ]	[ ]	[ ]
b.	DRAINAGE CONTROLS	[XX]	[ ]	[ ]	[ ]
17.	OTHER TRANSPORTATION FACILITIES	[XX]	[ ]	[ ]	[ ]
18.	SUPPORT FACILITIES/UTILITY INSTALLATIONS	[XX]	[ ]	[ ]	[ ]
19.	AVS CHECK (4th Quarter-April, May, June)	[XX]	[ ]	[XX]	[ ]
20.	AIR QUALITY PERMIT	[XX]	[ ]	[ ]	[ ]
21.	BONDING & INSURANCE	[XX]	[ ]	[ ]	[ ]

PERMIT NUMBER: ACT/007/012 DATE OF INSPECTION: March 25-26, 1993

(Comments are Numbered to Correspond with Topics Listed Above)

1. Permit -

a) The UPDES permit (UT6040010) will expire April 30, 1993. There has been no discharge from the monitoring points for the last year.

b) The bond amount is for $2,591,000.00 and the Division has found this amount to be deficient. A Cessation Order has been written to order Castle Valley Resources to increase the bond amount. The board of Oil, Gas and Mining has ruled to vacate the Cessation Order due to improper procedures. The procedural process is presently taking place.

Wellington Preparation Plant is bonded for 744 acres of disturbed area, but the MRP states that the actual disturbed area is approximately 400 acres. The 400 acres on an off the cuff calculation indicates 400 acres is closer to actuality. It would be advisable for Castle Valley Resources to determine an accurate disturbed area.

c) Insurance policy will expire on January 1, 1994 and comply with the minimum coverage needed. There is a $1,000 deductible for property damage.

d) The water monitoring sample point GW-14 was checked against the mine plane for correct parameters, and all were found to be correct.

e) Sediment ponds were inspected on November 25, 1992 and no problems were noted. The annual inspection was March 29, 1993. MSHA ponds were inspected weekly.

f) The refuse piles were inspected on November 25, 1993 and no problems were reported.

2. Signs and Markers -

Additional perimeter markers will be required to define the corridor (road) to the Price River.

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4a. Diversions -

Some of the diversions throughout the property need spring maintenance before it becomes a performance standard problem.

4b. Sediment Ponds and Impoundments -

The railroad pond started to erode in the inslopes. Operator will correct the erosion of the slopes.

7. Refuse Piles

The refuse piles at the slurry ponds on the plant site might be a pre-law site. This is the impression of the operator, information will be given to lead inspector for verification. If this is a pre-law site the reclamation plan will need to be modified, which must NOT affect pre-law sites.

19. AVS Check -

An AVS check has been taken at the mine site with no new changes in ownership and control.

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

Copy of this Report:

Mailed to: Castle Valley Resources, Larry Johnson
Mailed to: Bernie Freeman (OSM)
Given to: Joe Helfrich (DOGM)
Filed to: Price Field Office
Date: April 2, 1993

Inspector's Signature and Number: Stephen J. Demczak #39
Stephen J. Demczak