

2

J. E. STOVER & ASSOCIATES, INC.

2352 NORTH 7th SREET, UNIT B
GRAND JUNCTION, COLORADO 81501
PHONE: (970) 245-4101, FAX 242-7908

C/015/025 Incoming
#3654
R

MINE ENGINEERING
MINE RECLAMATION

CIVIL ENGINEERING
CONST. MANAGEMENT

November 2, 2010

Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Castle Valley Mining LLC
Application to Transfer Permit
Permit No. C/015/025
Deficiency Response

Dear People:

The Division of Oil Gas & Mining's letter dated October 26, 2010 transmitted its deficiency notice for the referenced permit transfer. On behalf of Castle Valley Mining LLC, following area its responses to the DOGM's comments and concerns.

1. Chapter I, pages 1-1 and 1-2 were revised to indicate where correspondence is to be sent and who will pay the AML fees. Pages 1-1 and 1-2 are enclosed.
2. The legal description for the public notice was amended to that contained in the approved permit.
3. The language in the public notice was changed to reflect Castle Valley Mining LLC has applied for the permit transfer.
4. The amended public notice is enclosed along with forms C-1 and C-2.
5. Castle Valley Mining LLC has started on the paperwork for the replacement reclamation bond.

Please call with any questions.

Sincerely,



J. E. Stover, P.E.

Consulting Engineer

RECEIVED

NOV 04 2010

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Castle Valley Mining LLC
Mine: Castle Valley Mines **Permit Number:** C/015/0025
Title: Permit Transfer

Description, Include reason for application and timing required to implement:
Castle Valley Mining LLC purchased the mine from the bankruptcy court.

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

- | | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |

Explain: _____

- | | | |
|------------------------------|--|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 24. Does the application include confidential information and is it clearly marked and separated in the plan? |

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

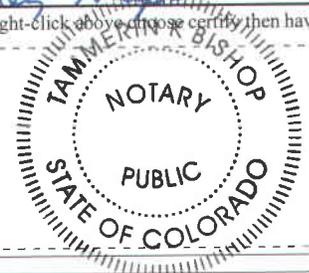
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

<u>Corey Heaps</u>	<u>Vice President</u>		<u>Corey Heaps</u>
Print Name	Position	Date	Signature (Right-click above, choose certify then have notary sign below)

Subscribed and sworn to before me this 2nd day of November, 2010

Notary Public: Tammera K Bishop, state of COLORADO

My commission Expires: 1/22/2011 }
 Commission Number: N/A } ss:
 Address: 1002 PRITCHARD MESA CT. }
 City: GRAND JCT. State: CO Zip: 81505 }



For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="font-size: 2em; color: red; font-weight: bold; margin: 5px 0;">RECEIVED</div> <div style="font-size: 1.5em; color: black; font-weight: bold; margin: 5px 0;">NOV 04 2010</div> <div style="color: red; font-weight: bold; margin: 5px 0;">DIV. OF OIL, GAS & MINING</div>
-------------------------------------	--	---

R645-301-100 GENERAL CONTENTS

Deleted: -Section Break (Next Page)-

R645-301-112 Identification of Interests

112.100 Statement of corporation

Castle Valley Mining LLC is a foreign limited liability company registered in the state of Utah. Castle Valley Mining LLC is the payer of the abandoned mine reclamation fee. Federal Identification Number: 27-2909495.

Deleted: C.W. Mining Company

Deleted: corporation, incorporated

Deleted: C.W. Mining Company

Deleted: 8

Deleted: 7-0399230.

112.200-230 Names, addresses, and telephone numbers of the applicant, and the applicant's resident agent who will accept service of process.

Applicant: Castle Valley Mining LLC
2352 North 7th Street, Unit B
Grand Junction, CO 81501
(970) 245-2987

Deleted: C.W. Mining Company

Deleted: 53 W Angelo Ave

Deleted: Salt Lake City, UT 84115

Deleted:

Deleted: 801

Formatted: Font: 12 pt

Deleted: 486-5047

Formatted: Font: 12 pt

Correspondence should be sent to the Applicant.

Resident Agent Tony Welch
5550 W Bear Canyon Rd.
Huntington, UT 84528
435-687-5454

Deleted: Charles Reynolds¶
... P.O. Box 1245 . ¶

Deleted: Huntington, UT 84528

Deleted: (435) 687-2450

Deleted:

Person paying the abandoned mine land reclamation fee

Corey Heaps
Castle Valley Mining LLC
2352 North 7th Street, Unit B
Grand Junction, CO 81501

112.300 For each person who owns or controls the applicant:

Deleted: Applicants other than single proprietorships:

112.310 Name and address of each officer, partner, principal, principal shareholder, and director or other person performing a function similar to a director

See Appendix H Ownership and Control pages 1H-3 through 1H-17.

Deleted: C.O.P Coal Development Company is the fee area and leaseholder of lands within the permit area. C.O.P. Coal Development Company has subleased all fee and federal coal rights to C.W. Mining Company for inclusion in the Bear Canyon LMU ¶
Corporate Office: C.O.P. Coal Development Co ¶
3212 South State Street¶
Salt Lake City, Utah 84115¶

Name ... (1)

Deleted: B.C

Deleted:

Deleted: 04

Deleted: 03

Deleted: 07

112.320 The person's ownership and control relationship to the applicant including percentage ownership and location in the organizational structure.

See Appendix H Ownership and Control.

Formatted: Indent: Left: 0", Hanging: 0.63", Line spacing: single

Deleted: Not Applicable

Formatted: Font: Not Bold

Formatted: Font: Not Bold

112.330 The title of the person's position, date position was assumed, and when submitted under R645-300-147.

See Appendix H Ownership and Control

Formatted: Font: Not Bold

Deleted: Table 1-1 Officers Authorized to Act on Behalf of C. W. Mining Company¶

¶ Name ... [2]

Deleted: C.W. Mining is doing business as (DBA) Co-Op Mining Company

Deleted: ¶

Deleted: Not Applicable

Formatted: Font: Bold

Formatted: Line spacing: single, Tabs: Not at 1.25"

Formatted: Font: Bold

Formatted: Line spacing: single, No bullets or numbering, Tabs: Not at 0.63"

Formatted: Line spacing: single, No bullets or numbering

Formatted: Font: Not Bold

Deleted: ¶

Deleted: .

Deleted: Pending, current, and previous coal mining and reclamation operation permit applications.

Deleted: C/015/021 Utah Division of Oil Gas and Mining¶
C/015/025 Utah Division of Oil Gas and Mining

Deleted: ¶
112.410 Federal or State permit numbers and MSHA numbers, the date of issuance, and the regulatory authority.¶

¶ See Table 1-2 on the following page ¶

¶

112.420 Not Applicable

Deleted: B.C

Deleted: .

Deleted: 04

Deleted: 03

Deleted: 07

112.340 All names under which the applicant operates or previously operated a coal mine and reclamation operation in the United States within the 5 years preceding the date of application.

See Appendix H Ownership and Control 1H-18 and 1H-19.

112.350 The Application number or other identifier of, and the regulatory authority for, any other pending coal mine operation permit application filed by the person in any State in the United States.

See Appendix H Ownership and Control, page 1H-19.

112.400 - 420

Coal mining and reclamation operations owned or controlled by the Applicant or by persons who own or control the Applicant.

See Appendix H Ownership and Control, pages 1H-18 and 1H-19.

NOTICE OF PERMIT TRANSFER

Castle Valley Mining LLC, 2352 North 7th Street, Unit B, Grand Junction, Colorado 81501 has submitted to the Utah Division of Oil, Gas & Mining a request to transfer coal mining permit C/015/025. The coal mining permit will be transferred from Kenneth A. Rushton, Trustee of the Bankruptcy Estate of C.W. Mining Company, 99 West Main Street, P.O. Box 212, Lehi, Utah 84043 to Castle Valley Mining LLC, 2352 North 7th Street, Unit B, Grand Junction, Colorado 81501. Permit No. C/015/025 was originally issued November 1, 1985. The permit has been renewed successively every five years since the original permit was issued with the latest just being done on November 2, 2010. The Bear Canyon Mine is located in Bear Canyon, approximately 12 road miles west of Huntington, Utah. The permit area, found on the USGS Hiawatha Quadrangle map, is described as follows:

Township 16 South, Range 7 East, SLBM

- Sec. 1: Lots 1 and 2, S1/2 NE1/4, SE1/4;
- Sec. 10: N1/2, N1/2 S1/2, SE1/4 SW1/4, S1/2 SE1/4;
- Sec. 11: All;
- Sec. 12: All;
- Sec. 13: All;
- Sec. 14: NE1/4, E1/2 NW1/4, S1/2;
- Sec. 23: E1/2, E1/2 W1/2;
- Sec. 24: All;
- Sec. 25: All;
- Sec. 26: NE1/4 NE1/4, NW1/4 NE1/4, N1/2 SW1/4, NE1/4 and the access/haul road and topsoil storage area as shown on Plate 2-1 of the Bear Canyon Mining and Reclamation Plan;

Township 16 South, Range 8 East, SLBM

- Sec. 6: Lots 11-14, E1/2 SW1/4, W1/2 SE1/4, SE1/4 SE1/4;
- Sec. 7: All;
- Sec. 8: NW1/4, W1/2 E1/2, N1/2 SW1/4, SE1/4 SW1/4, SW1/4 SW1/4;
- Sec. 16: All;
- Sec. 17: All;
- Sec. 18: All;
- Sec. 19: S1/2 NW1/4, SW1/4, SW1/4 SE1/4, N1/2 SE1/4, S1/2 NE1/4, Lot 1, NE1/4 NW1/4, N1/2 NE1/4;
- Sec. 20: S1/2 NW1/4, N1/2 SW1/4, N1/2 NW1/4, NE1/4, NE1/4 SE1/4;
- Sec. 21: E1/2 NW1/4, NE1/4, N1/2 SE1/4, W1/2 NW1/4, N1/2 SW1/4, SE1/4 SW1/4, S1/2 SE1/4;
- Sec. 30: W1/2, W1/2 NE1/4, NW1/4 SE1/4; and
- Sec. 31: NE1/4 NW1/4, NW1/4 NE1/4;

Written comments, objections, or a request for an informal conference should be directed to the Utah Division of Oil, Gas & Mining, P. O. Box 145801, Salt Lake City, Utah 84114-5801. Copies of the transfer request and current mining and reclamation plan are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City, and at the Emery County Recorder's Office, Emery County Courthouse, Castle Dale, Utah 84513.