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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

Outgoing  
C0150025  
#3774  
R

June 29, 2011

Jaren Jorgensen  
Castle Valley Mining, LLC  
P. O. Box 475  
Huntington, Utah, 84528

Subject: 2010 Annual Report Review Completion, Castle Valley Mining, LLC, Bear Canyon Mine, C/015/0025, Task ID #3774

Dear Mr. Jorgensen:

The Division staff has completed the review of the 2010 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 29, 2011. Please submit copies of the following items as separate applications with a C1/C2 form for approval and incorporation into the official mining and reclamation plan by August 1, 2011.

- In accordance with R645-301-521, -525.240, please resubmit the mine workings map including the five-year mining projection for incorporation into the M&RP.
- **Subsidence Monitoring**, Information has been submitted in tabular form. No map was provided to show the locations of the subsidence points in relationship to the underground workings. No determination can be made if any drop in elevation is mine related.
- **Wildlife Awareness Program**, The Division could have a biologist from DWR give a talk to the employees during critical big game migration periods. Wildlife awareness should be addressed more than just annually.
- **Raptor Surveys**, The permittee needs to include the results of the follow up survey that was conducted for the one active Golden eagle nest. The report does include a map and the results of the 2010 survey.
- **Legal, Financial and Compliance information**, The permittee needs to include this information in the annual report.
- **Water Monitoring**, If mining is to resume/occur in the following areas: Leases U-46481; U-024316; T16N, R8E, Secs 7, 17,18,19,20; Mine #4; Mohrland area; or portal opening accessing Leases U61048 or U-61049, the Permittee is required to notify the Division for the purposes of re-initiating the water monitoring locations in these areas (see Table 7-53 in the MRP for locations). According to page 7-50 of the MRP, water sampling in these locations must begin at least 6 months prior to projected impacts from undermining.



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June 29, 2011

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron R. Haddock  
Coal Program Manager

DRH/JCH/sqs  
Enclosure  
cc: Price Field Office  
O:\015025.BCN\WG3774\Completion Letter.doc

Submit by Email

Print Form

Reset Form

# Annual Report

Date 6/29/11

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

## GENERAL INFORMATION

Company Name	<span style="border: 1px solid black; padding: 2px;">Rhino Energy</span>	Mine Name	<span style="border: 1px solid black; padding: 2px;">Bear Canyon Mine</span>
Permit Number	<span style="border: 1px solid black; padding: 2px;">C/015/0025</span>	Permit expiration Date	<span style="border: 1px solid black; padding: 2px;">2015-11-02</span>
Operator Name	<span style="border: 1px solid black; padding: 2px;">Castle Valley Mining LLC</span>	Phone Number	<span style="border: 1px solid black; padding: 2px;">+1 (435) 687-5454</span>
Mailing Address	<span style="border: 1px solid black; padding: 2px;">BOX 475</span>		Email
City	<span style="border: 1px solid black; padding: 2px;">Huntington</span>	State	<span style="border: 1px solid black; padding: 2px;">UT</span>
Zip Code	<span style="border: 1px solid black; padding: 2px;">84528</span>		

## CERTIFIED REPORTS

DOG M File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	<div style="border: 1px solid black; height: 20px;"></div>
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	<div style="border: 1px solid black; height: 20px;"></div>
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	See Annual Report Attachment on this e mail
Other:	<div style="border: 1px solid black; height: 20px;"></div>	<div style="border: 1px solid black; height: 20px;"></div>

## OPERATOR COMMENTS

Impoundments consist of Ponds: A, B, C, D. Impoundments certified 4/25/2010. Pond A was recertified 2/4/2011 after cleaning. See Annual Report attachment on this e mail. Pages 1-5

**REVIEWER COMMENTS**     Met Requirements     Did Not meet Requirements

Sediment Pond A was cleaned and then re-certified by an inspection on 01/24/2011. The annual certifications of the ponds was done by an inspection dated 04/24/2010 for Sediment Ponds A, B, C, and D.  
  
There are no excess spoil piles or refuse piles associated with this mine site.

## COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

### Title: SUBSIDENCE MONITORING

**Objective:** Determine subsidence effects.

**Frequency:** Annually.

**Status:** On going.

**Reports:** Submit surveyed monitoring data to Division annually.

**Citation:** MRP Chapter 5, Appendix 5C, page 5c-8

### OPERATOR COMMENTS

Subsidence monitoring has been a struggle from the purchase of the mine from C.W. Mining. Points that were there during the C.W. Mining era are no longer there or were never there. From this point forth I believe that we can get better data. We did complete what we could find and the data is attached in Annual Report Attachment, Page 6

### REVIEWER COMMENTS

Met Requirements

Did Not meet Requirements

Information has been submitted in tabular form. No map was provided to show the locations of the subsidence points in relationship to the underground workings. No determination can be made if any drop in elevation is mine related.

### Title: WILDLIFE AWARENESS PROGRAM

**Objective:** To inform employees of the wildlife and the need for protection in the mine facilities and access road areas.

**Frequency:** As needed.

**Status:** Ongoing.

**Reports:** Summary in Annual Report

**Citation:** Chapter three, page 3-45, paragraph 2.

### OPERATOR COMMENTS

During our annual safety training we include wildlife protection here on the Mining facility

### REVIEWER COMMENTS

Met Requirements

Did Not meet Requirements

We could have a biologist from DWR give a talk to the employees during critical big game migration periods. Wildlife awareness should be addressed more than just annually.

[Redacted]

**Title: IDENTIFICATION OF NEW CULTURAL RESOURCES.**

**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, the Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required

**Frequency:** The Permittee shall implement the mitigation measures required by the Division within the time frame specified by the Division.

**Status:** Ongoing.

**Reports:** Annual

**Citation:** MRP, Chapter 4, Section 411.144, page 4-15

**OPERATOR COMMENTS**

We have not discovered any new Archeological areas on the mining facility

**REVIEWER COMMENTS**

Met Requirements

Did Not meet Requirements

[Redacted]

**Title: RAPTOR SURVEYS**

**Objective:** verify presence of nesting birds, and status of nests. Raptor surveys will be conducted every year during the mine life.

**Frequency:** annually for the life of the mine

**Status:** ongoing

**Reports:** Annual

**Citation:** Chapter three, page 3-70, paragraph 2.

**OPERATOR COMMENTS**

Attached as a separate attachment marked Annual report confidential information. Is the Raptor survey that was completed by Norwest Engineering and ESI.

**REVIEWER COMMENTS**

Met Requirements

Did Not meet Requirements

The permittee needs to include the results of the follow up survey that was conducted for the active Golden eagle nest. The report does include results of the 2010 survey.

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the Status item. These commitments are included for information only, and do not currently require action.

**Title: VEGETATION MONITORING PROCEDURES**

**Objective:** Qualitative observations of revegetated areas will be made yearly throughout the ten year liability period (See R645-301-250).

**Frequency:** Quantitative measurements of reclamation will be collected during years 2, 3, 5, 9 and 10 of the same bond liability period. Any areas not achieving success will be evaluated and revegetated as needed.

**Status:** At reclamation

**Reports:** Annually at reclamation

**Citation:** Chapter three, page 3-41, paragraph 1.

**OPERATOR COMMENTS (Optional)**

**Title: SEALING OF WELLS**

**Objective:** Permanent closure of wells using measures required by DOGM to prevent access prevent contamination of groundwater.

**Frequency:** Once, as wells are no longer needed.

**Status:** Wells are in use until no longer needed.

**Reports:** Report status when mining is terminated or wells no longer needed.

**Citation:** MRP, Chapter 6, page 6-10.

**OPERATOR COMMENTS (Optional)**

**Title: DETAILED REVEGETATION PLAN**

**Objective:** The operator will submit a detailed revegetation plan in the last Five-Year Permit renewal prior to reclamation. The plan will include detailed map(s) of sufficient scale to show exact areas and methods of revegetation (i.e., drill seeding, terraces, netting, etc..) based on the best available technology and final mine site conditions.

**Frequency:** Last Five-Year Permit renewal prior to reclamation, the operator will notify the division two weeks prior to all seeding work (interim or permanent), to allow the Division to be on site when the work is done

**Status:** During last Permit Renewal prior to reclamation

**Reports:** NA

**Citation.** Chapter three, page 3-46, paragraph 2.

**OPERATOR COMMENTS (Optional)**

## REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently on file with the Division.

**Please List Attachments:**

**REVIEWER COMMENTS**    Met Requirements    Did Not meet Requirements

**LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION**

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

**LEGAL/ FINANCIAL UPDATE**

Included

DOGM File Location or Annual Report Location

**REVIEWER COMMENTS**

Met Requirements

Did Not meet Requirements

No information submitted or location designated.

**MAPS**

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**REVIEWER COMMENTS**     Met Requirements     Did Not meet Requirements

No Subsidence or Mine Map was included with the submittal.

**OTHER INFORMATION**

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

**Please List Attachments:**

**REVIEWER COMMENTS**