

From: April Abate
To: Jaren Jorgensen
CC: Karl Houskeeper; OGMCOAL@utah.gov; Steve Christensen
Date: 8/2/2012 2:38 PM
Subject: Bear Canyon Inspection Report
Attachments: Bear Canyon 7.31.2012.pdf; April Abate.vcf

Jaren,

Here is the inspection report from my visit on Tuesday July 31, 2012. Please note the information in the report is based on our discussions in the field and how to handle the drainage issues alongside the road.

As the report says, if you choose to modify your plan, you will have 30 days from the date of the report to submit an amendment to us.

April

April A. Abate

Environmental Scientist III

Division of Oil, Gas and Mining

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GARY R. HERBERT
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Lieutenant Governor

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: | C0150025 |
| Inspection Type: | TECHNICAL |
| Inspection Date: | Tuesday, July 31, 2012 |
| Start Date/Time: | 7/31/2012 11:00:00 AM |
| End Date/Time: | 7/31/2012 1:00:00 PM |
| Last Inspection: | |

Representatives Present During the Inspection:

| | |
|---------|-----------------|
| OGM | April Abate |
| Company | Jaren Jorgensen |

Inspector: April Abate

Weather: Sunny, 80s

InspectionID Report Number: 3182

Accepted by:

Permittee: **CASTLE VALLEY MINING LLC**

Operator: **CASTLE VALLEY MINING LLC**

Site: **BEAR CANYON MINE**

Address: **2352 NORTH 7TH STREET, UNIT B, GRAND JUNCTION CO 81501**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

| | |
|-----------|------------------------|
| 10,991.83 | Total Permitted |
| 40.46 | Total Disturbed |
| | Phase I |
| | 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:

The purpose of the inspection was to examine flow paths of both disturbed and undisturbed runoff and how well the drainage control plan was working in this area.

Inspector's Signature:

April Abate

April Abate,

Inspector ID Number: 60

Digitally signed by April Abate
DN: cn=April Abate, o=Division of Oil,
Gas, & Mining, ou=Coal Regulatory
Program, email=aprilabate@utah.gov,
c=US
Date: 2012.08.02 14:34:50 -06'00'

Date Wednesday, August 1, 2012



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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Signs and Markers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Topsoil | <input 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 type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Explosives | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Noncoal Waste | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Other Transportation Facilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 21. Bonding and Insurance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 22. Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

4.a Hydrologic Balance: Diversions

Met with the operator to discuss how the mine plan is intended to manage drainage in the area of the Primary Portal Access Road. Explained that several subwatershed areas located on the slope adjacent to the road are broken out and depicted on Map 7-1D. Runoff from these subwatersheds (AU-8, AU-9, and AU-10 on Map 7-1D) drains water from the undisturbed areas. The Mine Plan as it is currently written, directs this water to Ditch D-3U/4U and conveys it to culverts C-3U, C-4U, C-5U, and ultimately discharges to Bear Creek. It was discovered during the inspection that the road is pitched toward Ditch D-3U/4U and is receiving road runoff (disturbed area drainage) that is ultimately making its way to Bear Creek. Culverts 3U and C-4U were reported as blocked from recent storm activities. Operator had cleaned out C-4U prior to inspection. Culverts C-3U and C-4U were also observed to be receiving road runoff. Discussed with operator isolating culverts from the road with either berms or other forms of sediment control such as haybales, siltfence. Discussed resolving the problem with the operator and gave two options: 1. Either come into compliance with the plan as written and repitch the road so that it is not draining toward the ditch and using the ditch as it was intended as a means to convey undisturbed runoff. Or 2). Modify the mine plan so that the culverts alone can handle the undisturbed runoff and use the ditch to route disturbed drainage from the road. Based on this scenario, the engineering design of culverts will need to be reevaluated to determine if their sizing is appropriate to handle the amount of runoff from watersheds AU-8, AU-9, AU-10. All references to Ditch D-3U/4U will have to be modified in the plan to be a disturbed area runoff ditch. In the interim, the operator agreed to isolate the drainage from the road so that it is not directed toward Bear Creek. Operator will be given 30 days from the date of this inspection report to submit these changes to the drainage plan. Also looked at drainage at intersection of main road and Primary Haul Road. Berms were stable. Area on south side of road had a break in the berm but had haybales and siltfence installed for sediment control.



Figure 1. Old C.O.P. Conveyor. Castle Valley is currently looking into scrapping this equipment and conducting reclamation work in this area.

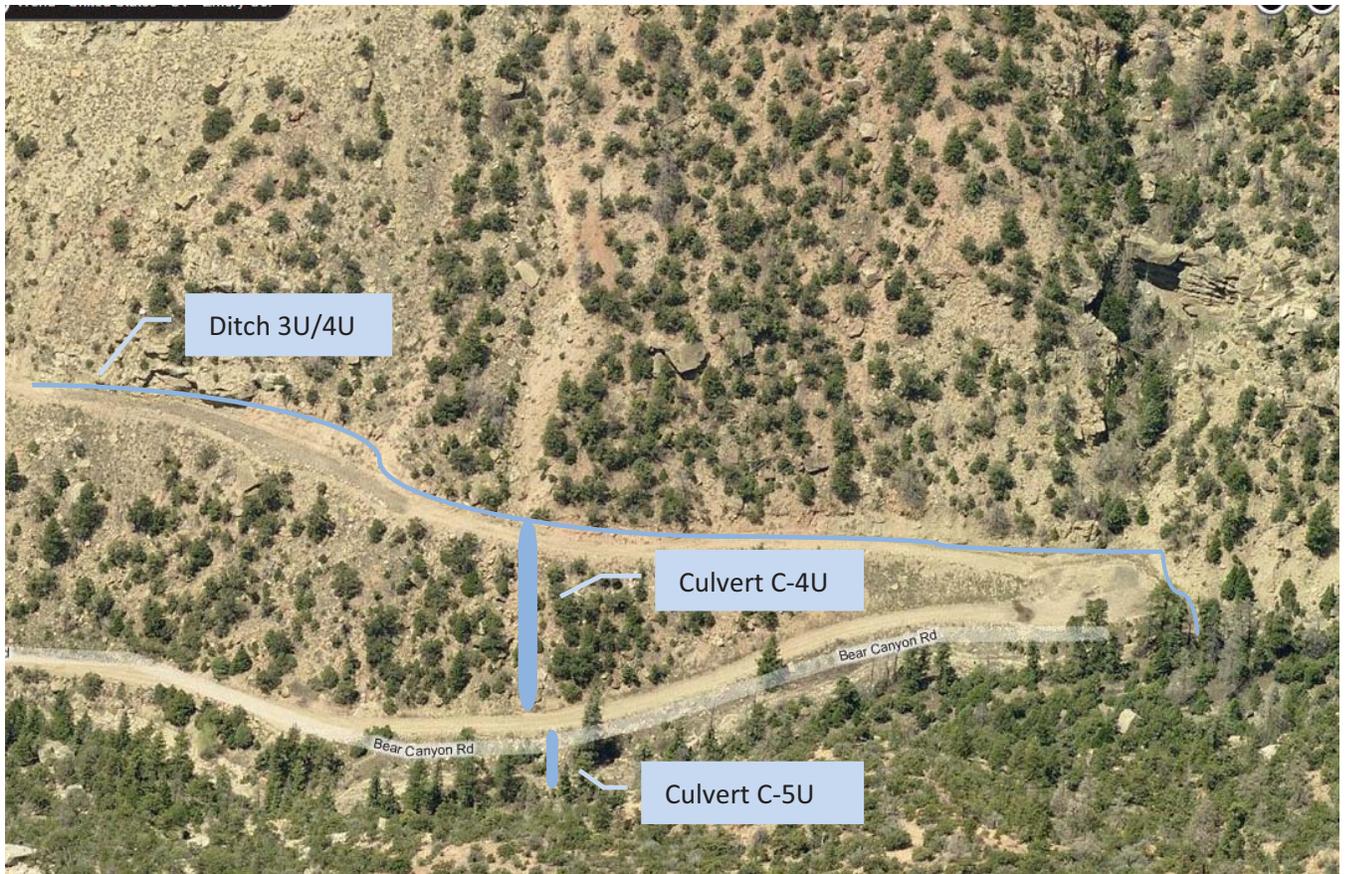


Figure 2. Primary Portal Access Road. Ditch D-3U/4U is intended to route disturbed drainage from the base of the hill slope to Bear Creek. However, the road is pitched toward this ditch and it is accepting road runoff. The road runoff is flowing into Bear Ck.



Figure 3. View from road of C-4U. Recent storm activity had caused this culvert to be blocked with debris. Operator had cleaned out culvert prior to inspection.



Figure 4. View downhill of Primary Portal Access Road. Ditch 3U/4U is on left side of road.



Figure 5. Outlet from Ditch 3U/4U into Bear Creek.



Figure 6. View of Ditch looking upstream from outlet.