

C/015/025 Incoming
cc: Karl
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U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation
State Program



1. Permittee/Person RHINO CASTLE VALEY MINING		9. Permit Number UT-015-025	10. Permit Type PP
2. Address P. O. BOX 1245		11. Field Visit Date 1/23/2013	12. Purpose OPI
3. City HUNTINGTON		13. SRA Present Y	
4. State UT		14. Permit Status A	15. Site Status AP
5. Zip Code 84528	6. Phone Number (435) 687-2450	16. Facility Type BFG	
7. Operator Name, if Different than Permittee CASTLE VALLEY MINING, LLC		17. OSM Office # 140	18. CCID #
8. Mine Name BEAR CANYON MINE		19. Land Code SF	
		20. M.S.H.A. ID # 42-00697	21. State Abbrev. UT
		22. County/Burrough EMERY	
		23. AVS Permittee Entity ID Number 089059	24. State Office

25. Hours <table border="1"> <tr><td>4.0</td><td>a. Permit Review</td></tr> <tr><td>4.0</td><td>b. Site Visit Time</td></tr> <tr><td>7.0</td><td>c. Travel Time</td></tr> <tr><td>4.0</td><td>d. Report Writing</td></tr> </table>	4.0	a. Permit Review	4.0	b. Site Visit Time	7.0	c. Travel Time	4.0	d. Report Writing	26. Signature Block Signature: Christy Hulsman, ID#532 Printed Name: Date: 2/28/2013	27. Reviewing Official: Signature: Review Date: 03-04-2013 Is Supplemental MSE Page Used Y/N <input checked="" type="checkbox"/> Y
4.0	a. Permit Review									
4.0	b. Site Visit Time									
7.0	c. Travel Time									
4.0	d. Report Writing									

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit
 Purpose Type Codes - Item 12
 Oxx...Oversight RFX...Reclamation Fees CCR...Citizen Complaint Referral (non-site visit)
 Axx...Assistance Fxx...Federal Actions CC...Citizen Complaint (initial site visit)
 CCF...Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site

Permit Status - Item 14

A Active: Coal mining activities occurring or permitted but not yet disturbed. IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated. BR Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release).	AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g). AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced. AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards. AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards. NA Not Applicable: When site is unpermitted.
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Site Status - Item 15

ND No Disturbance: No coal mining and reclamation operations have been started. EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun. AP Active Coal Producing: Coal surface mining activities are occurring. AN Active Non-Producing: Active non-producing facility such as tipple or preparation plant. NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.	MC Mining Complete: No mining activity on site, site regraded and awaiting bond release. TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 818/817.13(b). P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release. P2 Phase II Release: At least Phase II bond release for the entire permitted area. P3 Phase III Release: Reclamation completed and the RA has released all bond.	NS Non-Site Visit: Status of site not determined. FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress. FR Forfeited and Reclaimed: Forfeiture reclamation completed. FO Abandoned Site: Abandoned site that is permitted but there is no bond. WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.
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Facility Type Codes - Item 16

A ...Surface B ...Underground C ...Preparation Plant	D ...Ancillary (Haulroad, Conveyor, and/or Rails) E ...Refuse and/or Impoundment F ...Loading Facility and/or Tipple G ...Stockpiles	H ...Exploration Permits I ...Notice of Intent to Explore J ...Exempt 16 and 2/3	K ...Government Financed Construction Exemption L ...Remining site permitted under 30 CFR 785.25
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Small Business Regulatory Enforcement Fairness Act (SBREFA)
Your Comments are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

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OFFICE OF SURFACE MINING
Mine Site Evaluation

Permittee/Person RHINO CASTLE VALEY MINING	Permit Number UT-015-025	Field Visit Date 1/23/2013	State Program Continuation Page
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28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

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|---|---|--|
| <p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u> </u> Mining within Valid Permit 2. <u> </u> Mining within Bonded Area 3. <u> 1 </u> Terms & Conditions of Permit 4. <u> </u> Liability Insurance 5. <u> </u> Ownership and Control 6. <u> </u> Temporary Cessation 7. <u> </u> AML Rec. Fees - Non-Respondent 8. <u> </u> AML Rec. Fees - Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Drainage Control 2. <u> 1 </u> Inspections & Certifications 3. <u> 1 </u> Siltation Structures 4. <u> 1 </u> Discharge Structures 5. <u> 1 </u> Diversions 6. <u> </u> Effluent Limits 7. <u> </u> Ground Water Monitoring 8. <u> </u> Surface Water Monitoring 9. <u> </u> Drainage - Acid-Toxic Materials 10. <u> 1 </u> Impoundments 11. <u> 1 </u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u> </u> Removal 2. <u> </u> Substitute Materials 3. <u> 1 </u> Storage and Protection 4. <u> 4 </u> Redistribution | <p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u> </u> Exposed Openings 2. <u> </u> Contemporaneous Reclamation 3. <u> </u> Approximate Original Contour 4. <u> </u> Highwall Elimination 5. <u> </u> Steep Slopes (includes downslope) 6. <u> </u> Handling of Acid and Toxic Materials 7. <u> </u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u> </u> Placement 2. <u> </u> Drainage Control 3. <u> </u> Surface Stabilization 4. <u> </u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u> </u> Drainage Control 2. <u> </u> Surface Stabilization 3. <u> </u> Placement 4. <u> </u> Inspections & Certifications 5. <u> </u> Impounding Structures <p>G. Use of Explosives</p> <ol style="list-style-type: none"> 1. <u> </u> Blaster Certification 2. <u> </u> Distance Prohibitions 3. <u> </u> Blast Survey/Schedule 4. <u> </u> Warnings & Records 5. <u> </u> Control of Adverse Effects | <p>H. Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Road Construction 2. <u> </u> Certification 3. <u> 1 </u> Drainage 4. <u> 1 </u> Surfacing and Maintenance 5. <u> </u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u> 1 </u> Signs 2. <u> 1 </u> Markers <p>K. Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <u> </u> Vegetative Cover 2. <u> </u> Timing <p>M. Postmining Land Use</p> <p>N. Other</p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|---|---|--|

Performance Standard Categories 30 CFR Counterparts

<p>A. Administrative 773.11</p> <ol style="list-style-type: none"> 1. Valid Permit 773.11 2. Mining within Bonded Area 773.11 3. Terms & Conditions of Permit 773.17 4. Liability Insurance 800.60 5. Ownership and Control 778.13 6. Temporary Cessation 842.11(e) & 816/817.131 7. AML Rec. Fees - Non-Respondent 870.15(b) 8. AML Rec. Fees - Failure to Pay 870.15(a) <p>B. Hydrologic Balance (816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control 45 2. Inspections & Certifications 49(a)(10) 3. Siltation Structures 46 4. Discharge Structures 47 5. Diversions 43 6. Effluent Limits 42 7. Ground Water Monitoring 41(e) 8. Surface Water Monitoring 41(e) 9. Drainage - Acid - Toxic Materials 41(e) 10. Impoundments 49 11. Stream Buffer Zones 57 <p>C. Topsoil & Subsoil (816/817.22)</p> <ol style="list-style-type: none"> 1. Removal 22(a) 2. Substitute Materials 22(c) 3. Storage and Protection 22(c) 4. Redistribution 22(d) <p>D. Backfilling & Grading 816/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings 816/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation 108 3. Approximate Original Contour 102(a)(1) 4. Highwall Elimination 102(a)(2) 5. Steep Slopes (includes downslope) 107 6. Handling of Acid & Toxic Materials 102(c) 7. Stabilization (rills and gullies) 95(b) 	<p>E. Excess Spoil Disposal (816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement 71(e) 2. Drainage Control 71(f) 3. Surface Stabilization 71(g) 4. Inspections & Certifications 71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments) 816/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control 83(a) 2. Surface Stabilization 83(b) 3. Placement 83(c) 4. Inspections and Certifications 83(d) 5. Impounding Structures 84 <p>G. Use of Explosives (816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification 61(c) 2. Distance Prohibitions 61(d) 3. Blast Survey/Schedule 62-64 4. Warnings & Records 66 & 68 5. Control of Adverse Effects 67 <p>H. Subsidence Control Plan (817.121-122)</p> <p>I. Roads (816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction 150(c) 2. Certification 151(a) 3. Drainage 150(b), 151(d) 4. Surfacing and Maintenance 150(e), 151(d) 5. Reclamation 150(f) <p>J. Signs & Markers 816/817.11)</p> <ol style="list-style-type: none"> 1. Signs 11(a),(b),(c) 2. Markers 11(a),(b),(c),(d),(e),(f) <p>K. Distance Prohibitions (761.11)</p> <p>L. Revegetation (816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover 111 & 116 2. Timing 113 <p>M. Postmining Land Use (816/817.133)</p>
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<p>OSM Action</p> <ol style="list-style-type: none"> 1) Deferred to State Action 2) TDN Issued 3) NCW Issued 4) FTA-CO Issued 5) H-CO Issued 6) ID-CO Issued (Imminent Danger to Public) 7) Previously cited by RA, abatement pending 8) Abated during or before OSM inspection 9) Follow-up of Federal Action 0) Off-site impact with no violation 	<p>Off-Site Impacts</p> <p>For each type of impact and resource affected, enter N, D, or J to describe the degree of off-site impact:</p> <p>N - Minor Occurrence D - Moderate Occurrence J - Major Occurrence</p>	<p>Page 2 of 2</p> <p>Revised October 1, 2010</p>
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Mine Site Evaluation

Mine Name: Bear Canyon Mine
Permittee & Operator: (Rhino) Castle Valley Mining, LLC
Permit Number: UT-015-025
Permit Status: Active, coal producing
Total Acres Permitted: 10,991.83
Total Acres Disturbed: 40.46
Inspection Date: January 23, 2013
Inspection Type: Independent OSM partial oversight
Weather Conditions: Partly cloudy, mid-30s
OSM Inspector: Christy Hulsman (#532)
Participants:

Karl Housekeeper, DOGM, Lead Inspector
Lauren Mitchell, OSM Inspector Trainee
Ken Defa, Rhino
Jaren Jorgensen, Rhino

Inspection Narrative

A. Administrative

The Bear Canyon mine is an active underground mine in Emery County, Utah. The operation is using room and pillar mining methods. Mining began at the Bear Canyon mine between 1896 and 1906, with the permit being transferred to Castle Valley Mining, LLC on December 16, 2010. Ken Defa participated in the field inspection as Jaren Jorgensen was unavailable. Jaren met with us in the mine office after the field inspection concluded. A partial records review was conducted at the mine office. The following documents were on file and current: Certificate of Liability Insurance, Surety Bond (\$1,830,000), Impoundment Certification Report (December 2012), and a current permit face page (expiring December 2015).

B. Hydrologic Balance

The two lower sediment ponds (Pond A & B) had been cleaned out within the last two months to maintain functionality and capacity levels (Figure 1). Sediment Pond D is located by the 3 Seam portal; any water in the pond is currently frozen.

C. Topsoil

The topsoil stockpile southeast of the coal storage area and loadout showed no signs of disrepair. It had the appropriate sediment control berm around the base and was marked with appropriate signage.

D. Backfilling and Grading

No backfilling or grading operations were being conducted at the time of this inspection. Minimal backfilling and/or grading will occur while the site is active.

E. Excess Spoil Disposal

N/A

F. Coal Mine Waste

N/A



Figure 1 – Sediment pond after clean out

G. Blasting

No blasting was occurring on the surface areas during the time of the inspection.

H. Subsidence Control

The subsidence control plan was not reviewed as part of this partial inspection.

I. Roads

All roads were in good condition and clear of snow and ice. Road ditches appeared to be functioning properly, but need continued monitoring to prevent snow or ice buildup through the winter months.

J. Signs and Markers

Disturbed area boundary, topsoil, and stream buffer zone markers were posted and maintained accordingly (Figure 2).

K. Distance Prohibitions

No disturbance onto or in prohibited areas was noted during this inspection.

L. Revegetation

No revegetation activities were being conducted on site since it is an active operation, other than maintaining established vegetative cover on the topsoil pile.



Figure 2 – Stream Buffer zone sign

M. Postmining Land Use

Suitability to the post-mining land use was not evaluated as part of this partial oversight inspection since there the site was not being evaluated for bond release.

N. Other

Items of non-coal waste were noted in the employee parking areas; the operator will need to remove these items. An issue with the septic system for the mine office and shower facility has water springing to the surface and subsequently running into the sediment pond (Figures 3 & 4). The operator needs to have this issue resolved immediately.



Figure 4 – Water springing from septic system



Figure 3 – Septic water flowing into sediment pond

I&E Inspection Photos

Permit: UT-015-025 Inspection Date: 1/23/2013
Permittee: RHINO CASTLE VALEY MINING



Notes:

Material Storage area by 3
Seam portal

Photo ID: 10101

Photographer: SM\CHULSMAN

Date Taken: 1/23/2013

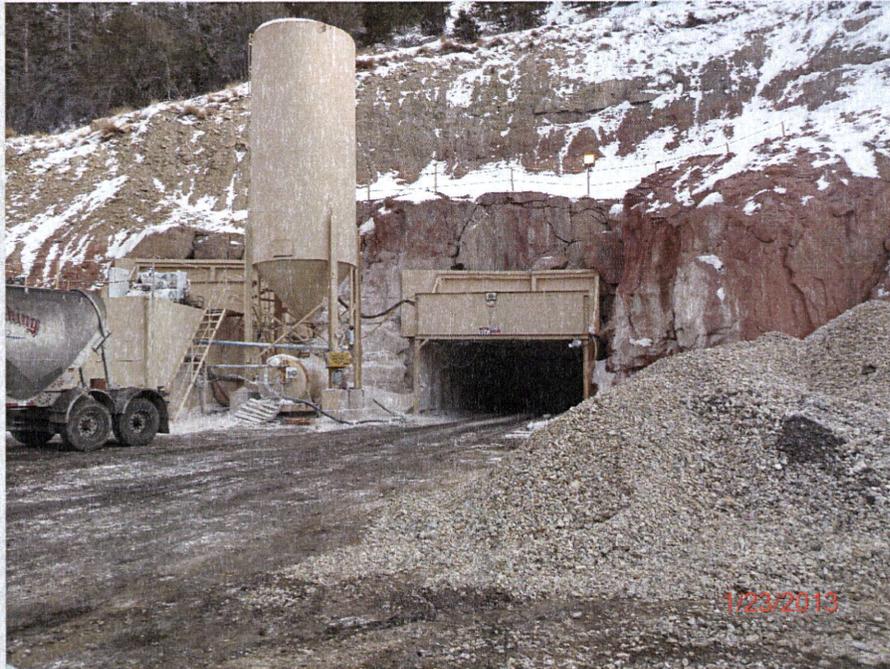
State: UT

County: EMERY

Latitude: 39.40141889

Longitude: -
111.06823472

Subject: BEAR CANYON INDEPENDANT
Mine Name: BEAR CANYON MINE



Notes:

Main portal with rock dust
hopper

Photo ID: 10102

Photographer: SM\CHULSMAN

Date Taken: 1/23/2013

State: UT

County: EMERY

Latitude: 39.40117694

Longitude: -
111.06825917

Subject: BEAR CANYON INDEPENDANT
Mine Name: BEAR CANYON MINE