GARY R. HERBERT
Governor

SPENCER J. COX
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

November 25, 2013

Alan Boehms, Field Office Director
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado 80202-3050

Subject: Phase I & II Bond Release, Castle Valley Mining, LLC, Bear Canyon Mine, Tank Seam Road, Upper Storage Pad and Portal Pad Access Area, C/015/0025, Task ID #4402

Dear Mr. Boehms:

Enclosed is the Division's Decision Document for the Phase I & II bond release of the Tank Seam Road, Upper Storage Pad and Portal Pad Access Area totaling 5.62 acres at Castle Valley Mining, LLC Bear Canyon Mine. The Division finds Castle Valley Mining, LLC has met the regulatory requirements for Phase I & II bond release and recommends approval. While the Division is recommending Phase II bond release on the 5.62 acres, we are not approving the release of any bond funds. The amount of bond required for the entire site has increased due to updating unit costs, bond re-evaluation, and escalation and the bond that would have been released is being reapportioned to those costs. We request the Office of Surface Mining's concurrence with this determination. A copy of the Phase I & II bond release inspection report is included in this package along with the documentation of events. Please provide your determination at your earliest convenience.

If you have any questions or need further information, please feel free to call me at (801) 538-5325.

Sincerely,

Daron Haddock

Daron Haddock
Coal Program Manager

Enclosure
cc: Tony Welch, Castle Valley Mining, LLC
O:\015025.BCN\WG4402\Decision Document\001 OSM concurrence ltr.doc

Tank Seam Road, Upper Storage Pad and Portal Pad Access Area
Phase I & II Bond Release
Castle Valley Mining, LLC
Bear Canyon Mine
C/015/0025
Emery County, Utah

TABLE OF CONTENTS

Decision Document

* Action
* Background
* Chronology
* Summary of Findings
* Recommendation for Phase I & II Bond Release

Technical Analysis

Affidavit of Publication

Bond Release Inspection Report

Concurrence Letters

DECISION DOCUMENT

Tank Seam Road, Upper Storage Pad and Portal Pad Access Area
Phase I & II Bond Release
Castle Valley Mining, LLC
Bear Canyon Mine
C/015/0025
Carbon County, Utah

ACTION

Phase I & II bond release is requested for the Tank Seam Road, Upper Storage Pad and Portal Pad Access Area covering a total of 5.62 areas. The Company had originally requested the release of $331,000 in conjunction with the bond release, but it was soon determined that there would be no release of funds due to increased costs of bonding the entire site. Essentially this action is an acknowledgment of reclamation success and release of liability for the 5.62 acre area.

BACKGROUND

Rhino /Castle Valley Mining, LLC applied for Phase I & II bond release for 5.62 acres associated with the Tank seam access road (reclamation area TS-10), tank seam portal pad (TS-11), the upper storage pad (TS-8) and all but 0.52 acres of the lower fan portal pad (TS-7) on September 26, 2013.

Division files indicate that earthwork on the Tank seam road, upper storage pad and portal pad access area was completed in the spring of 2005. Back filling began at the tank seam portal area and ends in an intermittent drainage, above the coal storage yard. Fill from the outslope was placed in eighteen inch lifts for compaction. Fill was excavated from around large boulders, which were left in place during construction using a backhoe. Channels were restored by duplicating the configuration shown in App. 7-H. Topsoil was redistributed on the final graded surface. Boulder sized rock fragments were embedded into the upper lifts of the final graded surface to achieve a rock cover of 32.75%, to equal the reference area. A backhoe bucket was then used to pock the surface 8 - 12 inches dept. As reclamation was completed on each segment of road, the reclaimed surface was hand seeded and covered with excelsior matting.

The two topsoil stockpiles illustrated in Plate 2-2E were located along the road, but were fully utilized in reclamation of the road. The regraded access road and portal pads were pocked before seeding. The seed was hand broadcast and the area was covered with excelsior matting held down with stakes. Seeding occurred in May and June of 2005.

The requirements for phase I and II reclamation have been accomplished as the site has been regraded to achieve Approximate Original Contour and vegetation has been established adequate to control erosion.

CHRONOLOGY FOR PHASE I & II BOND RELEASE

September 26, 2013	Castle Valley Mining, LLC submits the Phase I & II bond release application for the Tank Seam Road, Upper Storage Pad and Portal Pad Access Area.
Early September, 2013	Castle Valley Mining, LLC sends letters to local governments, planning agencies, surface owners, and subsurface owners, notifying them of the proposed bond release.
June 25, July 2, 9 and July 16, 2013	Phase I & II Bond Release Published in the Emery County Progress
August 16, 2013	Public comment period closes: The Division receives no comments
October 15, 2013	The Division sends letters of invitation for the bond release inspection to be held October 30, 2013.
October 30, 2013	Phase I & II bond release inspection.
November 1, 2013	The Division receives concurrence from the State of Utah, Division of Wildlife Resources.
November 26, 2013	The Division receives concurrence from the Bureau of Land Management.
November 26, 2013	The Division recommends conditional approval based on BLM & OSM concurrence.

SUMMARY OF FINDINGS

The Phase I & II bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted on October 30, 2013. No problems were identified. The requirements for phase I and II bond release have been satisfied in that backfilling and grading have been accomplished and vegetation adequate to control erosion is established. The technical analysis for Phase I & II bond release for Tank Seam Road and other areas is attached.

PHASE I & II BOND RELEASE RECOMMENDATION

The Permittee has completed the requirements of the Phase I & II bond release for the Tank Seam Road and other areas. The recommendation is that the Division approve Phase I & II bond release of the 5.62 acres for the area. No release of bond funds will be approved with this action. While the Division is recommending phase I & II bond release on the 5.62 acres, we are not approving the release of any bond funds. The amount of bond required for the entire site has increased due to updating unit costs, bond re-evaluation, and escalation. The bond that would have been released is being re-apportioned to those costs.

O:\015025.BCN\WG4402\Decision Document\003 Decision Document.docx

GARY R. HERBERT
Governor
GREG BELL
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

Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150025
TaskID: 4402
Mine Name: BEAR CANYON MINE
Title: PHASE I & II BOND RELEASE

General Contents

Public Notice and Comment

Analysis:

The application for bond release includes an affidavit of publication for four consecutive weeks (June 25th, July 2, 9 and 16, 2013) in the Emery County Progress newspaper. The notice of the onsite inspection was sent to the interested parties on October 15, 2013 and the inspection was conducted on October 30th, 2013. A letter of concurrence from the Division of Wildlife Resources was received on November 1, 2013. Conditional approval is recommended upon concurrence from BLM (Bureau of Land Management) and the Office of Surface Mining (OSM).

jhelfric

Permit Application Format and Contents

Analysis:

The regulatory citations for Chapter 1 on page 1-12 of the application are R646-601-100 and 116.200. These regulations do not appear in the R645 coal rules for Utah's Coal Regulatory Program. The appropriate citation for General Contents is R645-301-100.

Deficiencies Details:

The applicant needs to cite the appropriate regulation for the General Contents section of the application (R645-301-100).

jhelfric

Reclamation Plan

General Requirements

Analysis:

Castle Valley Mining, LLC. applied for Phase I & II bond release for 5.62 acres associated with the Tank seam access road (reclamation area TS-10), tank seam portal pad (TS-11), the upper storage pad (TS-8) and all but 0.52 acres of the lower fan portal pad (TS-7). The public notice states that reclamation was completed in 2009. However, Division files indicate that earthwork on the Tank seam road, upper storage pad and portal pad access area was completed in the spring of 2005. Seeding occurred in May and June of 2005 (see email from Mark Reynolds to Pete Hess dated June 14, 2005). The post mining land use is wildlife habitat and grazing. The bond release application was received September 26, 2013.

The requirements for Phase I bond release are outlined in R645-301-880.310. Requirements for Phase II bond release are described in R645-301-880.320.

Conditional approval of this Phase I and II bond release application is recommended, pending receipt of revised Plate 2-1(provide a designation in the legend of Plates 2-1A for the area hatched in green on the final PE stamped map) and on making corrections to typos found in Tables 2-5 and 2-7, as discussed with Gary Taylor on November 22, 2013.

pburton

Approximate Original Contour Restoration

Analysis:

The reclaimed sites have adequately achieved approximate original contour (AOC). Road cut areas achieve the stability requirements of R645-301-553.530, and meet the approximate original contour criteria of R645-301-553.520.

All backfilling, soil stabilization, compacting and grading for the area in the application are as expected according to the MRP's anticipated final surface configuration of the permit area.

jowen

Mine Openings

Analysis:

All mine openings within the Phase I and II release area have been appropriately sealed and have backfill placed in front of them in accordance with MSHA, 30CFR 75.1711. Closures are considered permanent.

jowen

Topsoil and Subsoil

Analysis:

As shown on Plate 2-1 A, previously disturbed soils in reclamation TS 7 and TS 8 and Podo-Datino-Rock and Travesilla soil types were graded to reclaim the Tank Seam access road. Page 5F-8 formerly stated that the tank seam access road was 3,150 ft. long and provided access to the Bear Canyon #2 mine located in the Tank Seam. The road had an overall slope of 9% and did not exceed 17% at any point. Construction of the road was discussed in App. 5-G. A general reclamation description is found in Section 5H of the MRP. The description of the Tank seam access road reclamation was removed from p. 5-43 of the MRP with this application.

Table 1-4 Surface Disturbance Summary and Table 2-7 Reclamation Area Summary have been revised to remove 0.87 acres from the upper storage pad (TS-8); 2.91 acres of the tank seam access road (TS-10); 0.66 acres of the Tank Seam portal pad (TS-11) and 1.18 acres from the Blind Canyon Seam portal pad (TS-7). A typo on Table 2-7 for TS-7 reclaimed acres will be corrected with the final revision to the MRP.

Table 1-4 also shows that 1.85 acres were removed from the No.4 Mine access road. And, Table 1-4 shows an increase in the Wild Horse Ridge tank seam portal pad area from 0.55 acres to 2.22 acres (see footnote 1 below.) The new acreage total on Table 1-4 surface disturbance summary is 28.03 acres which agrees with the total acres shown at the bottom of table 2-7. Total reclaimed acres shown on Table 2-7 agrees with the bond release application for 5.62 acres.

Tables 1-4 and 2-7 state that there is approximately 0.51 acres remaining to be reclaimed in the Blind Canyon seam Portal area (TS-7). This figure is within the error of measurement from the difference between the figures shown on the table. i.e. The reclamation remaining in TS-7 may be as much as 0.63 acres (1.81 total less 1.18 reclaimed = 0.63).

Table 2-2 Soil Unit acreage within the Disturbed Area was initially revised, but then was removed from the application with the addendum received on 11/19/2013. The acreage in Table 2-2 will be updated with the mid-term, since the increased acreage on this table pertains to the Wild Horse Ridge construction (back in 2009) and does not pertain to bond release.

Table 2-3 Available Substitute Topsoil Material have been revised to show the partial reclamation of reclamation area TS-7 and full reclamation of area TS-8.

Table 2-5 Topsoil Summary has been revised to show that the 1,000 yards of soil stored along the tank seam road was

used. The final total shown on the table should read 58,457. The typo in this table will be corrected with a final copy of this MRP revision. The final total in Table 2-5 will be revised with the mid-term submittal, when Table 2-8 is updated to show all reclamation areas.

Table 2-8 Substitute Topsoil Summary table (see footnote 2 below) has been revised to show the reduction of substitute topsoil required and available in reclamation area TS-7 and the full reclamation of area TS-8. Table 2-8 will be updated with the mid-term to include reclamation areas TS 10 - TS-17.

Table 51-6 Area TS7 Cut & Fill Summary has been revised to show that approximately 867 cu yds remain for use as substitute topsoil along the road in TS-7 in cross sections 3+50, 4+00, 5+00 for future reclamation of this road. Reclamation areas TS-5 and TS-6 will also be used for the remaining reclamation of TS-7 area (p. 5I-61). Table 2-8 agrees with Table 51-6 for substitute topsoil volume.

The applicant has met the requirements for Phase I and Phase II bond release and conditional approval is recommended, pending receipt of corrected Tables 2-7 and Table 2-5 (as discussed with Gary Taylor on November 22, 2013).

---

1. These figures are the same as those shown for TS 16 and TS17 on the approved Table 2-7 (incorporated 11/3/2005), which suggests that Table 1-4 should have been updated with WHR As-builts (Task 2811, approved 9/28/2007). The cover letter to the addendum received on 11/19/2013 states that the acreage figures are consistent with existing maps. The acreage figures on Table 1-4 should be accepted and approved. Although not related to the bond release submittal, these updated figures do make the plan current.

2. Considered by Charles Reynolds in 2009 to be the most accurate table in the plan (see Task 2811 memo dated 6/29/2007 and included with Tank Seam As Built final approval dated 9/28/2007. this table will updated to include all reclamation areas with the mid-term response.

pburton

Hydrological Information Reclamation Plan

Analysis:

According to the bond release application, reclamation work on the Tank Seam Portal Pad and access road included re-grading disturbed areas and placing fill to return to original contours, pocking and gouging, re-seeding, and covering with geo-textile mats as necessary.

Diversion calculations have been updated including Ditches D-1D, D-1U, D-17U, D18U, and D19U marked as reclaimed. Also the culvert characteristics table has been updated with the removal of culverts C-1U, C-2U, C-3U, C-4U, C-16U, C-17U, C-18U, C-19U, C-20U, C-1D, C-3D, and C-11D now all marked as reclaimed.

The reclamation site is located on a steep eroding hillside where movement of hillside rock debris is common place. The site was inspected on October 8, and October 30, 2013 for bond release. During inspection recently occurring rock slides were observed from undisturbed areas. These slides appeared to be a natural occurrence due to Utah topography and geology. No slides adversely impacted the reclamation area and if anything added additional rip rap to the reclaimed areas and demonstrating the stability of the reclamation work. All reclaimed areas appear stable with no excessive erosion. In addition, vegetation appears as capable as native vegetation at controlling suspended solids runoff.

khoffman

Revegetation General Requirements

Analysis:

The application includes the 2012 vegetation survey data for the Tank Seam road and portal area and associated reference area. The site was surveyed on August 24th and September 5th by EIS Environmental Engineering and Consulting. A total of 48 transects were completed over an area of approximately 5 acres.

The following information was excerpted from the application:

Grasses dominated the vegetation in the reclamation area as well as the reference area. Grasses accounted for 64.4% of the total vegetation present. Forbes consisted of 31.5% and shrubs made up the difference at 4.l %. The total cover of vegetation in this area was at 15.8% with the rest made up from rock, soil and litter.

The reference area's vegetation was composed of 98% grasses (Salina Wildrye), 2% shrubs (Curl-leaf Mahogany), and no forbs were recorded by transects. The percent of coverage by vegetation was 12.8% with the remaining percentage made up of soil, rock, and litter.

The information in the application is adequate to demonstrate that vegetation is established on the reclaimed site and meet the requirements of this section of the regulations.

jhelfric

Stabilization of Surface Areas

Analysis:

All backfilling, soil stabilization, compacting and grading, are as expected according to the MRP's anticipated final surface configuration of the permit area.

An on-site inspection verified that the reclaimed areas have maintained stability since the time of reclamation.

jowen

Stabilization of Surface Areas

Analysis:

The regraded access road and portal pads were pocked before seeding. The seed was hand broadcast and the area was covered with excelsior matting held down with stakes. Locations of the Phase I and II bond release locations that received these treatments are shown on Plate 2-1A, however the legend must be updated to explain the green hatched area on the plate.

Page 5F-8 formerly stated that the tank seam access road was 3,150 ft. long and provided access to the Bear Canyon #2 mine located in the Tank Seam. The road had an overall slope of 9% and did not exceed 17% at any point. Construction of the road was discussed in App. 5-G. A general reclamation description is found in Section 5H of the MRP. The following description of the Tank seam access road reclamation was removed from p. 5-43 of the MRP:

Back filling began at the tank seam portal area. Fill from the outslope was placed in eighteen inch lifts for compaction. Fill was excavated from around large boulders, which were left in place during construction using a backhoe. (During our site visit, comments were made on how the boulder placement looked very natural.) Channels were restored by duplicating the configuration shown in App. 7-H. Topsoil was redistributed on the final graded surface. Boulder sized rock fragments were embedded into the upper lifts of the final graded surface to achieve a rock cover of 32.75%, to equal the reference area shown on page 5A-24. A backhoe bucket was then used to pock the surface 8 - 12 inches dept. The bucket also spread topsoil at the top of the cut. As reclamation was completed on each segment of road, the reclaimed surface was hand seeded and covered with excelsior matting. The matting was stapled down.

The Permittee has adequately applied best management practices to control erosion and prevent sediments from leaving the site. Conditional approval is recommended pending receipt of Plate 2-1A with a revised legend, as discussed with Gary Taylor.

pburton

Bonding and Insurance General

Analysis:

Bonding information was updated for bond release but was not adjusted for current unit costs. It is expected that updated unit costs will be updated and presented in the response to the midterm review conducted by the Division in 2013.

Adjustments were made the the earthwork and re-vegetation portions on the bond to reflect the Tank Seam Road reclamation.

The re-calculated bond includes the new direct cost values as follows:

Demolition and Removal	$374,742
Backfilling and Grading	$715,605
Revegetation	$439,917

This represents a total direct cost of $1,530,264. After added indirect costs and appropriate escalation (1.5% for 5 years), the total bond amount is estimated at $2,090,000. This represents a decrease from the calculated bond amount of $2,280,000.

The mine currently has $1,830,000 in posted surety bond.

The phase I and II bond application meets the requirements for a bond reduction as a result of successful reclamation of the tank seam road. However, the amount of bond required will not decrease due to other increases that resulted from updating unit costs to current year dollars, bond re-evaluation, and providing adequate escalation.

jowen

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com webwsite; the first publication was on the 25th day of June, 2013, and that the last publication of such notice was in the issue of such newspaper dated the 16th day of July, 2013.

Richard Shaw – Publisher

Subscribed and sworn to before me this 16th day of July 2013.

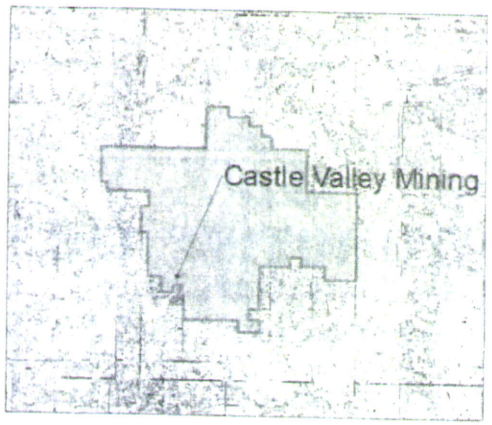
Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, $ 408.00

LINDA THAYN
NOTARY PUBLIC-STATE OF UTAH
COMMISSION# 604351
COMM. EXP. 01-10-2015

PUBLIC NOTICE
APPLICATION FOR PHASE I AND II BOND RELEASE
BEAR CANYON MINE
CASTLE VALLEY MINING, LLC
PERMIT C/015/0025, RENEWED 12/15/2008
EMERY COUNTY, UTAH

Notice is hereby given that Castle Valley Mining, LLC, 5550 W. Bear Canyon Rd., Huntington, Utah 84528, with Tony Welch as Resident Agent, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase I and II bond release on disturbed lands currently in Permit C/015/0025 pursuant to R645-301-880 and R645-30-400 of the Utah Coal Program Regulations. The permit area as shown below is from the Hiawatha U.S. Geological Survey 7.5-minute Quadrangle map. The permit area affected is located in Emery County, Utah, in Township 16 South, Range 7 East, Section 26, Salt Lake Base & Meridian.



The Phase I and II bond release application is for a bond reduction of $ 331,000.00 on the current bond of $1,825,000.00 for the Tank Seam Access Road and covers a total of 5.62acres. All areas within the Tank Seam Access Road meet the requirements of the regulations for post mine land use of Wildlife Habitat, Recreational, Grazing and Timber, including stabilization of lands, restoration of drainage, and vegetation establishment. Reclamation of 5.62 acres was completed in the summer of 2009.

Written comments, objections and requests for an informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84111-5201

Closing date for submission of such comments, objections and request for an informal conference on this proposal must be submitted within 30 days of the last publication.

Published in the Emery County Progress June 25, July 2, 9 and 16, 2013.

GARY R. HERBERT
Governor

GREG BELL
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:	BOND RELEASE
Inspection Date:	Wednesday, October 30, 2013
Start Date/Time:	10/30/2013 10:00:00 AM
End Date/Time:	10/30/2013 12:30:00 PM
Last Inspection:	Tuesday, October 22, 2013

Inspector: Daron Haddock,

Weather: cloudy and cool

InspectionID Report Number: 3660

Accepted by: dhaddock
11/26/2013

Representatives Present During the Inspection:	
Company	Jaren Jorgensen
Company	Tom Paluso
Company	Gary Taylor
Federal	Flynn Dickinson
OGM	Daron Haddock
OGM	Joe Helfrich
OGM	Kenneth Hoffman
Company	Charles Reynolds

Permitee: **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

- [x] Federal
- [ ] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

This inspection was done in order to evaluate the reclamation of the Tank Seam Road area and Portals for Phase I and Phase II bond release. The bond release was properly noticed and members of the public and other agencies were invited to participate. Along with the other participants in the inspection, Sue Wiler from the BLM and Nicole Nielsen with DWR also were present.

On October 8, 2013 Priscilla Burton, Ken Hoffman, James Owen and Joe Helfrich walked the reclaimed area in conjunction with their review of Task 4402, bond release application. Their comments are included in this report.

Inspector's Signature Daron Haddock

Daron Haddock,
Inspector ID Number: 28

Date Friday, November 01, 2013

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

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

1. Permits, Change, Transfer, Renewal, Sale

Rhino Castle Valley Mining, LLC. applied for Phase I & II bond release for 5.62 acres associated with the Tank seam access road (reclamation area TS-10), tank seam portal pad (TS-11), the upper storage pad (TS-8) and all but 0.52 acres of the lower fan portal pad (TS-7). The description of the Tank seam access road reclamation was removed from p. 5-43 of the MRP with this bond release application, so it is repeated here:
"Back filling began at the tank seam portal area. Fill from the outslope was placed in eighteen inch lifts for compaction. Fill was excavated from around large boulders, which were left in place during construction using a backhoe. (During our site visit, comments were made on how the boulder placement looked very natural.) Channels were restored by duplicating the configuration shown in App. 7-H. Topsoil was redistributed on the final graded surface. Boulder sized rock fragments were embedded into the upper lifts of the final graded surface to achieve a rock cover of 32.75%, to equal the reference area shown on page 5A-24. A backhoe bucket was then used to pock the surface 8 - 12 inches dept. The bucket also spread topsoil at the top of the cut. As reclamation was completed on each segment of road, the reclaimed surface was hand seeded and covered with excelsior matting. The matting was stapled down. "
Page 5F-8 formerly stated that the tank seam access road was 3,150 ft. long and provided access to the Bear Canyon #2 mine located in the Tank Seam. The road had an overall slope of 9% and did not exceed 17% at any point. Construction of the road was discussed in App. 5-G. A general reclamation description is found in Section 5H of the MRP.

3. Topsoil

Division files indicate that earthwork on the Tank seam road, upper storage pad and portal pad access area was completed in the spring of 2005. The two topsoil stockpiles illustrated in Plate 2-2E were located along the road, but were fully utilized in reclamation of the road. Previously disturbed soils in reclamation TS 7 and TS 8 of the Podo-Datino-Rock and Travesilla soil types were graded to reclaim the lower Tank Seam access road (see Plate 2-1A). The regraded access road and portal pads were pocked before seeding. The seed was hand broadcast and the area was covered with excelsior matting held down with stakes. Locations of the Phase I and II bond release locations that received these treatments are shown on Plates 2-1A. Seeding occurred in May and June of 2005 (see email from Mark Reynolds to Pete Hess dated June 14, 2005).

The road reclamation ends in a intermittent drainage, above the coal storage yard. Plate 5-2C shows that the reclamation ends at the location of the fan portal (reclaimed) and just above the bin structure and (sealed) Hiawatha portal and sealed belt portal. This area is labeled TS-7 on Plate 2-3. The downcast material from road construction is available for reclamation of the road in sections TS7 and TS6. The location of the disturbed area boundary was noted as the limits of disturbance for reclaiming the road.

4.a Hydrologic Balance: Diversions

The site is stable with the natural drainage channels being re-established. There is evidence of recent large storm events that have hit the mine site and washed large boulders down some of the natural channels but the reclaimed site has really weathered them well. Erosion on the reclaimed area appears to be adequately controlled.

6. Disposal of Excess Spoil, Fills, Benches

Backfilling of the Portal Pad and road benches was done in a manner that achieves Approximate Original Contour. In many locations the backfilling was done so well it is difficult to see where the site was disturbed.

8. Noncoal Waste

The area of the Tank Seam Road and Portals is clear of noncoal waste. There is no garbage or trash on the site.

9. Protection of Fish, Wildlife and Related Environmental Issues

There is excellent growth of vegetation at the site. All of the species planted were identified on the reclamation area. Even though the growing season is mostly over, the plants can still be identified and they seem to be doing well. The post mining land use is wildlife habitat and grazing.

12. Backfilling And Grading

The company has done a stellar job in backfilling the Tank Seam Road and Portal area. The site blends in with the natural surroundings and achieves AOC. The site had been surface roughened and seems to be pretty stable, even though there had been some recent flash flooding caused by heavy thunderstorms.

13. Revegetation

Excellent revegetation with both density and diversity.

GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Wildlife Resources
GREGORY SHEEHAN
Division Director

November 1, 2013

Utah Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, Utah
84116

Subject: Notification of Bond Release Application and Invitation to Attend a Phase I and II Bond Release Inspection for Reclaimed Areas, Rhino/Castle Valley Mining, LLC, Bear Canyon Mine, C/015/0025, Task ID #4402

To Whom It May Concern,

On October 30, 2013 I attended site visit for the phase I and II bond release at the Bear Canyon Mine site. The area that had been reclaimed had great plant cover for the site. The reclaimed area had establishment of seeded plant species and also had establishment of desirable non-seeded plants species. There was sign of wildlife in the area along with sign of wildlife utilizing the reclaimed area. The area that bond release is being requested has been reclaimed to a state that benefits wildlife.

Thank you for the opportunity to attend the site visit for the proposed bond release and provide comment. If you have any questions, please call Nicole Nielson at our Price office (435-820-0687) or nicolenielson@utah.gov.

Sincerely,

Chris Wood
Regional Supervisor

CW/nn

319 North Carbonville Road, Suite A, Price, UT 84501
telephone (435) 613-3700 • facsimile (435) 613-3704 • *www.wildlife.utah.gov*

C/015/025 Incoming
#4402
ok

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District, Price Field Office
125 South 600 West
Price, UT 84501
http://www.blm.gov/ut/st/en/fo/price.html

NOV 2 2 2013

RECEIVED
NOV 26 2013
DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
3474 (UTG023)

Daron Haddock
Utah Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Subject: Phase I and II Bond Release Inspection for Reclaimed Area of the Tank Seam Road and Portal Area – Task ID #4402

Dear Mr. Haddock:

The Bureau of Land Management (BLM) Price Field Office participated in the Phase I and II Bond Release Inspection that took place on October 30, 2013. Rhino/Castle Valley Mining LLC, Bear Canyon Mine has completed Phase I and II of the approved reclamation plan for the Tank Seam road and portal area of 5.62 acres.

The BLM concurs with the reclamation that has taken place.

If you have any questions concerning this matter, please contact Sue Wiler at (435) 636-3651.

Sincerely,

Patricia A. Clabaugh

Patricia A. Clabaugh
Field Manager

cc: Roger Bankert Utah State Office (UT923)