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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

June 25, 2014

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

Subject: 2013 Annual Report Review Completion, Bear Canyon Mine, C/015/0025, Task ID# 4506

Dear Mr. Heaps:

The Division staff has completed the review of the 2013 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 25, 2014.

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

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
Enclosure
O:\015025.BCN\WG4506\ReviewCompletionLetter.doc

Print Form

Submit by Email

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Annual Report

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 the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION			
Company Name	Rhino Energy	Mine Name	Bear Canyon Mine
Permit Number	C/015/0025	Permit expiration Date	2015-11-02
Operator Name	CASTLE VALLEY MINING	Phone Number	+1 (435) 687-5454
Mailing Address	BOX 475	Email	jjorgensen@rhinolp.com
City	HUNTINGTON		
State	UTAH	Zip Code	84528

DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	See Annual Report Attached on this E mail
Other:		

OPERATOR COMMENTS

IMPOUNDMENT CONSIST OF PONDS A,B,C,D. IMPOUNDMENTS CERTIFIED 12/30/2013. SEE ANNUAL REPORT ATTACHEMENT WITH THIS E MAIL. PAGES 1-4

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

The sediment ponds were inspected annually for the year 2013 on December 30, 2013. The reports are stamped by a Utah P.E. dated and signed. These reports are kept on file at the mine site for review during inspections. (KRH)

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan 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 from mining

Frequency: Annually

Status: On going

Reports: Submit surveyed monitoring data to the Division annually. **Please include a map showing the location of the subsidence points in relationship to the underground workings.**

Citation: MRP Chapter 5, Appendix 5C, pg 5c-8

Operator Comments

THE CERTIFIED MINE MAP WILL BE COMING THROUGH GROUND MAIL WITH SUBSIDENCE POINTS LOCATIONS. A PDF COPY WILL BE ATTACHED AS PAGE 5. ALSO ATTACHED WILL BE THE MONITORING DATA AS PAGE 6.

Reviewer Comments Met Requirements Did Not Meet Requirements

A subsidence mine map was provided with the annual report, along with the pertinent subsidence data collected. Data includes an easting, northing, and elevation for each subsidence monitoring location. The subsidence observed consistently ranged from 0 to less than 0.4 ft, with upheaval in some instances. This variance can be attributed to the margin of error for the subsidence survey method (JCO).

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 QUARTERLY SAFTEY TRAINING WE INCLUDE A WILDELIFE PROTECTION SEGMENT. THIS INCLUDES DISCUSSION OF OUR MINING FACILITY AND ACCESS ROADS, AND HOW WE CAN PROTECT THE WILDLIFE AROUND US AND WORK SAFELY TO.

Reviewer Comments Met Requirements

Did Not Meet Requirements

The permittee has addressed the requirements of this commitment.

Title: IDENTIFICATION OF NEW CULTURAL RESOURCES.

Objective: If during the course of mining operations, previously unidentified cultural resources are discovered, 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 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 CULTURAL RESOURCES ON THE MINING FACILITY. IF FOUND THE SITE WILL NOT BE DISTURBED AND CASTLE VALLEY MINING WILL INFORM THE DIVISION OF OIL, GAS, AND MINING

Reviewer Comments Met Requirements

Did Not Meet Requirements

The permittee has addressed the requirements of this commitment.

Title: RAPTOR SURVEYS

Objective: Verify presence of nesting birds, and status of nests. Raptor surveys will be conducted every year during the mine life. Include follow-up surveys if conducted.

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 SEPERATE ATTACHMENT MARKED ANNUAL REPORT CONFIDENTIAL INFORMATION IS THE RAPTOR SURVEY THAT WAS COMPLETED WITH EIS

Reviewer Comments



Met Requirements



Did Not Meet Requirements

The 2013 raptor survey was completed on May 1, 2013, one active nest in Fish Creek canyon that was not successful.



FUTURE COMMITMENTS AND CONDITIONS

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" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

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: Begin at reclamation
Reports: Annually after reclamation
Citation: Chapter three, page 3-41, paragraph 1
Title: SEALING OF WELLS
Objective: Permanent closure of wells using measures required by DOGM to prevent access and 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.
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 technology available and final mine site conditions.
Frequency: Once during 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 work is done.
Status: During last permit renewal prior to reclamation.
Reports: NA
Citation: Chapter 3, page 3-46, paragraph 2.
Title: ANALYSIS FOR RE-INITIATION OF SAMPLING SITES
Objective: Notify DOGM of any reactivation of water sampling stations if mining is to 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.
Frequency: Sampling to initiate at least 6 months prior to mining these areas.
Status: Ongoing
Reports: Notify Division in Annual report in mining is to occur.
Citation: Chapter 7, p 7-49.

Title: Substitute Topsoil Testing

Objective: To Confirm the suitability of substitute topsoil prior to reclamation.

Frequency: Within 5 years prior to reclamation

Status: Future Commitment

Reports: Proposed substitute topsoil that is designated by reclamation area in Summary table 2-8 and further described in appendix 5-1 will be re-tested in the final five years of operations according to table 5O-1 and testing will include total petroleum hydrocarbons by EPA Methods 8015 and 418.1

Citation: MRP, Chapter 2, Section R645-301-241, p 2-35

OPERATOR COMMENTS (OPTIONAL)

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map- see comments below		<input checked="" type="checkbox"/>	<input 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

Please include a mine map with dates of when the panels are projected to be mined. The Division requires that a map showing at least five years of projected mining be provided annually.

The appropriate subsidence map and mine map were provided with the annual report (JCO).