



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:	COMPLETE
Inspection Date:	Wednesday, March 25, 2015
Start Date/Time:	3/25/2015 9:00:00 AM
End Date/Time:	3/25/2015 10:30:00 AM
Last Inspection:	Wednesday, February 04, 2015

Representatives Present During the Inspection:	
OGM	Joe Helfrich
Company	Larry Acuff
Company	Jaren Jorgensen

Inspector: Joe Helfrich

Weather: Dry, sunny 55

InspectionID Report Number: 4152

Accepted by: JHELFRIC

4/7/2015

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
40.64	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 this site visit was to conduct a complete inspection at the Bear Canyon mine. The surface foreman (Larry Acuff) accompanied the undersigned on the inspection of the surface facilities. A hard copy of the MRP and associated records were available for inspection at the mine. CVM is currently mining in 5th left 4D and 6th left A of the Blind Canyon seam. CVM plans to mine in the Hiawatha seam in the near future and would like to know if they need to update their PHC (Appendix 7N).

Inspector's Signature:

Joe Helfrich
Joe Helfrich,

Date Wednesday, April 01, 2015

Inspector ID Number: 1

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining. telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit C/015/0025 on file was issued effective 12/16/2010 and expires on 12/10/2015 to Castle Valley Mining LLC. CVM is preparing an application for phase III bond release on the tank seam road. The Division has given CVM through their consultant (EIS) the go ahead to publish the notice in the local newspaper and send notices to the appropriate private and government entities. The Division's GIS analyst (Rachel Williams) noted several minor discrepancies in the legal description of the Bear Canyon mine's permit boundary. This information has been forwarded to CVM.

2. Signs and Markers

The mine identification sign is located at the entrance into the mining permit area. The sign is posted on a gate and contains the information as required and set forth by the Utah R645 Coal Rules. The sign is in compliance with the regulations.

4.a Hydrologic Balance: Diversions

The very top of the diversion along the conveyor access road has been maintained and is diverting runoff away from the conveyor road. The ditches, berms and culverts throughout the surface facilities and access roads to the portals were in good repair and functioning adequately at the time of the inspection. Some minor culvert maintenance was in progress on the access road to the # 4 mine portals.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Fourth quarter inspections of the four ponds were available for inspection. They were completed on December 16 th 2014 showing no structural weaknesses or hazzards. The four ponds were cleaned to capacity in excess of the designed storm event (10 year/24 hour) in the fall of 2014. The pond at the #3 portal has been rebuilt with riprap and a new culvert.

4.c Hydrologic Balance: Other Sediment Control Measures

The catch basins and straw bales along the access roads were in good repair and functioning adequately at the time of this inspection.

4.d Hydrologic Balance: Water Monitoring

A hard copy of the fourth quarter water monitoring data was available for inspection, required parameters are in compliance with the coal regulations.

4.e Hydrologic Balance: Effluent Limitations

Copies of the DMR's were current through February of 2015. The mine water discharge at point 004 was in compliance with the effluent limitations, the other points at the sed ponds (a02,b03,c06and d07) have not discharged.

8. Noncoal Waste

Noncoal waste was being properly handled at the time of the inspection.

9. Protection of Fish, Wildlife and Related Environmental Issues

CVM plans to conduct a raptor survey this Spring.

13. Revegetation

Year ten vegetation monitoring for the tank seam road was completed in 2014. The permittee is now eligible for phase three bond release on this area. See additional comments under item #1.

14. Subsidence Control

Given the current mining conditions there has been no detectable subsidence at the mine.

16.b Roads: Drainage Controls

The drainage controls along the roads at the mine are well maintained.

19. AVS Check

Updates to the corporate structure are included in the annual report for the calendar year 2014 for CVM.

20. Air Quality Permit

The air quality permit DAQE-GN0102400005-10 was transferred into Castle Valley Mining LLC. Name on 09/20/2010.

21. Bonding and Insurance

Surety Bond # 929518448 is posted in the amount of \$1,830,000 for Castle Valley Mining LLC. The liability insurance expires 6/1/2015.