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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

Inspection Report

Permit Number:	C0150025
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, June 30, 2015
Start Date/Time:	6/30/2015
End Date/Time:	6/30/2015
Last Inspection:	Wednesday, May 13, 2015

Inspector: Joe Helfrich

Weather:

InspectionID Report Number: 4236

Accepted by:

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

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
40.64	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 mine is currently active with advance mining in the 5th left, D4 crosscut and pillaring out of 6left A and row 14 of the tank seam and east mains of the bear canyon seam.

Inspector's Signature:

Joe Helfrich,

Inspector ID Number: 1

Date

Tuesday, July 07, 2015

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
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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 type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 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. Castle Valley Mining LLC is preparing an application for permit renewal. The Division received Castle valley Mining's application for phase III bond release on the tank seam road on July 6th.

2. Signs and Markers

The sign at the entrance contained the required information

4.a Hydrologic Balance: Diversions

Preliminary abatement measures for the diversions along the access road to the #4 portal were discussed with the permittee, a technical inspection with Division hydrologist Keenan Storrar is scheduled for July 9th to evaluate BTCA options on the current sediment control structures.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Abatement measures for the inlets to the 4 sediment ponds were discussed. Inlets to ponds B and D are shown on plates 7-3 and 7-11. First quarter inspections of the four ponds were available for inspection. They were completed on February 20th, 2015 showing no structural weaknesses or hazzards. Second quarter inspections were conducted on May 4th and June 9th, 2015 showing no structural weaknesses or hazzards.

4.c Hydrologic Balance: Other Sediment Control Measures

The silt fence located in the diversion at the base of sediment pond A is silted in. Although not included in the MRP it does capture sediment that would otherwise be deposited in to Bear Creek. A technical inspection with Division hydrologist Keenan Storrar is scheduled for July 9th to evaluate BTCA options on this sediment control structure as well as the ASCAS on the #4 portal road..

4.d Hydrologic Balance: Water Monitoring

A hard copy of the first 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

The abatement measures for NOV 19152 were discussed with the permittee noting that non-coal waste needed to be removed from diversions, stream buffer zones, sediment ponds, outsoles of pads, drainages and cleaned up and properly placed in disturbed areas.

14. Subsidence Control

With MSHA's requirements for increased pillar sizes there is no measurable subsidence associated with first mining. However there may be some subsidence associated with the current pillaring activities.

16.a Roads: Construction, Maintenance, Surfacing

The roads at this facility were in good repair and functioning adequately at the time of the inspection.

16.b Roads: Drainage Controls

The abatement measures for NOV 19154 were discussed as noted in section 4a of this report. Specific abatement measures will be outlined in the next inspection report.

19. AVS Check

The permittee is preparing an application for permit renewal that will include any updates or changes to the corporate structure of Castle Valley Mining LLC.

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 6/1/2016.