



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, September 09, 2015 |
| Start Date/Time: | 9/9/2015 10:00:00 AM          |
| End Date/Time:   | 9/9/2015 12:00:00 PM          |
| Last Inspection: | Wednesday, August 26, 2015    |

Inspector: Joe Helfrich

Weather:

InspectionID Report Number: 5298

Accepted by: JHELFRIC  
10/1/2015

| Representatives Present During the Inspection: |                  |
|--|------------------|
| Company  | Jaren Jorgensen  |
| OGM  | Daron Haddock    |
| OSM  | Spencer Shumate  |
| OGM  | Keenan Storrar   |
| OGM  | Joe Helfrich     |
| Landowner                                      | Charles Reynolds |
| OGM  | Cheryl Parker    |
| OGM  | Daron Haddock    |
| BLM  | Steve Falk       |

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 | <b>Total Permitted</b> |
| 40.64     | <b>Total Disturbed</b> |
|           | <b>Phase I</b>         |
|           | <b>Phase II</b>        |
|           | <b>Phase III</b>       |

#### 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 phase III bond release inspection on the tank seam road. The length of the reclaimed road was hiked to evaluate the stability of and vegetative growth on the reclaimed area. The site had basically remained the same since the previous phase II bond release several years ago.

Inspector's Signature

Joe Helfrich,

Inspector ID Number: 1

Date

Monday, September 14, 2015



Permit Number: C0150025  
Inspection Type: BOND RELEASE  
Inspection Date: Wednesday, September 09, 2015

**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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 3. Topsoil   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.a Hydrologic Balance: Diversions                               | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.b Hydrologic Balance: Sediment Ponds and Impoundments          | <input type="checkbox"/>            | <input type="checkbox"/> | <input 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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations                     | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 5. Explosives  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 6. Disposal of Excess Spoil, Fills, Benches                      | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 7. Coal Mine Waste, Refuse Piles, Impoundments                   | <input type="checkbox"/>            | <input 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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 10. Slides and Other Damage                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation                                  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 12. Backfilling And Grading                                      | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 15. Cessation of Operations                                      | <input type="checkbox"/>            | <input 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 type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 18. Support Facilities, Utility Installations                    | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 19. AVS Check  | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 20. Air Quality Permit   | <input type="checkbox"/>            | <input type="checkbox"/> | <input 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**

A notice describing the area requested for phase III bond release had been posted in a local newspaper for 4 consecutive weeks.

**4.c Hydrologic Balance: Other Sediment Control Measures**

The length of road slated for bond release was inspected for the probability of success in reclamation efforts to prevent, control, and/or reduce sediment erosion. The Permittee used the reclamation technique along the road length known as full obliteration recontouring and restoration of natural slopes. This is a very effective restoration technique of forest roads and considered by many to be the BMP for road restoration.

The reclaimed road passes below two very steep ephemeral watersheds that are roughly 9 acres in size. At these crossings the channels are reclaimed using very heavy rip-rap and are in stable conditions. It appears these reclaimed channels will continue to be stable for a very long period of time.

**8. Noncoal Waste**

The site is reclaimed with no signs of non-coal waste materials. (CP)

**10. Slides and Other Damage**

No slides or subsidence were witnessed during the inspection along the entire length of the Old Tank Seam road. The length of the road is stable and recommended for complete bond release.

No slides, riles, or signs of instability were witnessed during the inspection of the length of the road. The minimum requirements of R645-301-540 are met and the area is recommended for bond release. (CP)

**12. Backfilling And Grading**

Backfilling and grading of the Old Tank Seam road was reclaimed to original AOC and was completed in 2005. The entire length of the road was inspected and shows no signs of instability. The entire length of the road and five portals along the Old Tank Seam portal are recommended for Phase III bond release at this time.

### **13. Revegetation**

On July 6, 2015 the Division received an application for phase III bond release on a 5.62 acre parcel of reclaimed land known as the tank seam road. This memo will include a review of the vegetation monitoring information for 2014 included in appendix Q of the application, Appendix A vegetation analysis of reference areas and appendix P, the 2012 vegetation sampling data for the tank seam road. Vegetation sampling for year 9 of the liability period was conducted on July 23rd and 24th of 2014.

The vegetation survey was conducted in accordance with the current DOGM Vegetation Information Guidelines and the MRP criteria for demonstrating successful revegetation. Data in the reclaimed areas were compared to that in the reference area in order to determine if the standards for vegetation success had been met. Qualitative and quantitative vegetation sampling methods as well as production were employed on the tank seam road. Percent cover, woody species density, species diversity and production values either met or exceeded those of the reference area. The permittee is currently conducting a vegetation survey of the tank seam road for year ten, the final year of the liability period in order to meet the phase III bond release requirements of the Utah coal regulations.

Barring any unforeseen circumstances the vegetation survey information in the phase III bond release application and results of the 2015 vegetation survey should meet the requirements of this section of the regulations. Approval is recommended pending concurrence from the Office of Surface Mining (OSM).

In addition to the technical review of the phase III application the on-site inspection of the tank seam road indicated that the vegetation was well established and the site was stable.

#### **16.a Roads: Construction, Maintenance, Surfacing**

The Old Tank seam road was reclaimed to AOC meeting the R645-301-534 requirements. The entire length of the road is recommended for Phase III bond release.

#### **16.b Roads: Drainage Controls**

The drainage along the Tank seam road appears to be operating as intended as the site remains stable. The entire length of the road is recommended for Phase III bond release.

## **21. Bonding and Insurance**

Current Bond held for the Bear Canyon Mine is a surety bond for the amount is \$2,210,000. Western Surety Company maintains the surety bond effective as of 8/15/14. The Permittee has applied for Phase III bond release, Task 4947, currently under review by the Division for release of 5.62 acres along the Tank Seam Access road for a total of \$52,000 release. The minimum requirements of R645-301-540 and R645-301-800 are met and the area is recommended for bond release. (CP)  
The insurance with National Union Fire Insurance Company of Pittsburgh with a new expiration date on 6/1/16 and states adequate coverage, covering explosives and due on occurrences. (CP)











































































