



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, October 13, 2015
Start Date/Time:	10/13/2015 1:00:00 PM
End Date/Time:	10/13/2015 3:00:00 PM
Last Inspection:	Wednesday, September 09, 2015

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

Inspector: Joe Helfrich
 Weather: sunny 70
 InspectionID Report Number: 5332
 Accepted by:

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		Mineral Ownership	Types of Operations
10,991.83	Total Permitted	<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Underground
40.64	Total Disturbed	<input type="checkbox"/> State	<input type="checkbox"/> Surface
	Phase I	<input type="checkbox"/> County	<input type="checkbox"/> Loadout
	Phase II	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Processing
	Phase III	<input type="checkbox"/> Other	<input type="checkbox"/> 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. A previous site visit was conducted on September 30th. However Mr. Jorgensen was not available at the mine site.

Inspector's Signature:

Date Tuesday, October 20, 2015

Joe Helfrich,
 Inspector ID Number: 1



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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 has submitted an application for permit renewal, task 4957, received July 7, 2015. The review of the information is due on November 2, 2015. The Division received Castle Valley Mining's application for phase III bond release on the tank seam road on July 6th. The bond release inspection for the road was conducted on September 9, 2015. DOGM has requested concurrence for phase III bond release on the Tank Seam road from OSM as noted in the correspondence dated October 8, 2015 from DOGM to OSM requesting concurrence with DOGM's permit findings. The BLM has also provided correspondence dated October 6, 2015 noting adequate reclamation and portal sealing. Copies of these two documents are attached to this report.

2. Signs and Markers

The sign at the entrance was clearly visible and contained the required information.

3. Topsoil

The topsoil salvaged for reclamation is vegetated and bermed.

4.a Hydrologic Balance: Diversions

The upgrades, repairs and maintenance to these structures during June and July of this year have improved the drainage within the disturbed area.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Third quarter inspections of the four ponds were available for inspection. They were completed on September 15th, 2015 indicating no structural weaknesses or hazards.

4.d Hydrologic Balance: Water Monitoring

A hard copy of the second quarter and July and August water monitoring data was available for inspection, required parameters were in compliance with the coal rules.

4.e Hydrologic Balance: Effluent Limitations

Copies of the DMR's were current through September of 2015. The mine water discharge at point 004 was in compliance with the effluent limitations, the other points at the sed ponds (a002,b003,c006and d007) had not discharged.

7. Coal Mine Waste, Refuse Piles, Impoundments

The clean up efforts for the spilled coal under the conveyor are still ongoing. The upper end has some residual coal in the drainage and on the stream banks. The interim sediment control measures (straw bales & silt fencing) located just above the conveyor transfer cross culvert have been providing additional sediment control during the clean-up process. The coal spillage along the lower end of the conveyor near the transfer point is being removed with ropes and buckets.

13. Revegetation

Year 10 vegetation and production surveys were conducted on September 30th and October 1st as a requirement for phase III bond release on the tank seam road.

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. Castle Valley mining will submit any subsidence related information in the annual report.

16.a Roads: Construction, Maintenance, Surfacing

The roads throughout the mine property are in good condition and watered periodically as needed for dust control.

19. AVS Check

The ownership and control information has been updated within the past month as a requirement for permit renewal.

20. Air Quality Permit

The air quality permit DAQE-GN0102400005-10 was transferred into Castle Valley Mining LLC. 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.