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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:	IND PART OVERSITE
Inspection Date:	Thursday, March 03, 2016
Start Date/Time:	3/3/2016 8:00:00 AM
End Date/Time:	3/3/2016 12:00:00 PM
Last Inspection:	Wednesday, February 10, 2016

Representatives Present During the Inspection:	
OSM	Spencer Shumate
OGM	Karl Houskeeper
Company	Kenny Defa

Inspector: Karl Houskeeper,
Weather: Clear Skies, Temp. 63 Deg. F.
InspectionID Report Number: 5454

Accepted by: JHELFRIC
3/8/2016

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**
35.02	**Total Disturbed**
	Phase I
	Phase II
	Phase III

Mineral Ownership

- [x] **Federal**
- [ ] **State**
- [ ] **County**
- [x] **Fee**
- [ ] **Other**

Types of Operations

- [x] **Underground**
- [ ] **Surface**
- [ ] **Loadout**
- [ ] **Processing**
- [ ] **Reprocessing**

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The inspection is an independent partial over site conducted by the (OSM) Office of Surface Mining and Reclamation, Spencer Shumate, as a follow up inspection from the OSM inspection conducted on 05/13/2015.

Five compliance issues were identified as concerns by OSM during the inspection. The five items are listed below and will be addressed by one (TDN) Ten Day Notice from OSM to the State of Utah:

#1 Non Coal Waste (see item 8)
#2 Stream Buffer (see item 22)
#3 Other Sediment Control (see item 4c)
#4 Support Facilities (see item 18)
#5 Diversions (see item 4a)

This same items were concerns for OSM during their 05/13/2015 inspection visit. State Violations were issued at that time of which several were vacated thereafter.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Thursday, March 03, 2016

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

UTAH DNR OIL, GAS & MINING

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

2. Signs and Markers

The mine identification sign was observed at the entrance into the mining permit area and contained all of the required information.

4.a Hydrologic Balance: Diversions

C-4D outlet, located by the fuel storage area and road access into the shop area was between 50 % to 75 % full of sediment during the inspection.

Numerous culvert inlets along side of the portal access road contained snow and mud mixtures.

Inlet of C-6D Was approximately 75% full of sediment. This inlet is on the pad area of the shop and directly behind a grease trap used to catch fluids and sediment from vehicles that are cleaned. The grease trap was completely filled and needs to be cleaned out.

The diversion that runs behind the shop area had numerous items of non coal waste, pallets, wood and wires.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Trash was observed in all of the sediment ponds and sediment from a pond cleaning is on the bank of sediment pond A. The Trash in the sediment ponds along with the pond cleaning sediment of the bank were of concern to OSM (see item 8).

4.c Hydrologic Balance: Other Sediment Control Measures

The ASCA Alternative Sediment Control Areas Along the access road to the main portal area were observed. OSM Commented that a few of these areas associated with the switch backs along the access road showed signs that work had been completed since the previous OSM inspection.

Numerous other ASCA areas were observed and contained snow/ice and mud from road usage and maintenance. These ASCA sites were of concern to OSM. Most of these areas were associated with culvert inlets.

8. Noncoal Waste

Noncoal waste items were observed in all of the sediment ponds, parking area, diversions and pad areas. Noncoal waste was throughout the mine site.

18. Support Facilities, Utility Installations

OSM expressed concerns that conveyor covers and pan lines are not maintained or installed properly to prevent coal accumulation on the ground with-in the conveyor corridor. Coal was observed in these areas of concern during the inspection.

Water was observed coming out of the load out belt conveyor portal. Probably from wash down. This water was coming out and then depositing coal on to the asphalt roadway of the load out area. The water was draining across the road way and then into the road diversion.

Material was being stored in wooden boxes above and to the side of the main portal access area. Questions were raised as whether this was an approved storage area. During the prior OSM inspection this area was requested to be cleaned and since that inspection material storage is taking place.

22. Other

OSM observed several areas where there are coal fines with-in the reaches of the designated stream buffer zones. Some areas had wood and old car parts. The company representative Kenny Defa indicated that residents had lived or occupied some of these same areas pre-law.

Coal is present on the ground under conveyor belt ways. OSM expressed concerns that conveyor covers and pan lines are not maintained or installed properly to prevent this coal accumulation on the ground.