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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:	PARTIAL
Inspection Date:	Tuesday, April 19, 2016
Start Date/Time:	4/19/2016 10:30:00 AM
End Date/Time:	4/19/2016 1:00:00 PM
Last Inspection:	Tuesday, March 29, 2016

Inspector: Joe Helfrich

Weather: Chilly partly cloudy

InspectionID Report Number: 5506

Accepted by: JHELFRIC

4/28/2016

Representatives Present During the Inspection:	
Company	Kenny Defa
Company	Jaren Jorgensen
OGM	Keenan Storrar
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
35.02	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 partial inspection including a review of the information in the Divisions response to the Ten Day Notice issued by OSM.

We traveled from the main office to Pond B. From there we headed up to Pond D to inspect the inlet and outlets. We then worked our way back down the road to inspect: 1) the ancillary road and coal spill above the Coal Storage bin and Catch Basin 2, 2) the access road to Catch Basin 1 and the coal beneath the belt, and 3) Bear Creek below the permit area. The pans below the belt were inspected for much of its length as it travels along the drainage of Wild Horse Ridge.

Inspector's Signature:

Joe Helfrich
Inspector ID Number: 1

Monday, April 25, 2016



Note: This inspection report does not constitute an official statement 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 Bear Canyon access road amendment, task # 5109 is pending completion of review by the Division. The due date is May 3rd. The amendment was received by the Division on March 21. However the construction crew for the mine built the road before the Division could complete their review of the amendment. As a result NOV 21177 was issued. Approval from the Division and topsoil protection are required to abate the violation.

3. Topsoil

The toe at the base of the WHR Topsoil Stockpile has been cut and moved to build the Access Road to Catch Basin 1 (Panorama 1). Much of the topsoil has been relocated to the top of the stockpile (Photos 1 and 2). However, in two locations it appears topsoil has been relocated off either side of the Primary Conveyor Road Access No. 1 (Photos 3 and 4).

There is no berm at the base of the WHR Topsoil Stockpile (Panorama 1). There are no sediment control measures for the other piles of topsoil on either side of the Primary Conveyor Road Access No. 1. This is in non-compliance with the MRP that states, "topsoil will be relocated on the same stockpile (as shown on Dwg 2-2B) and the berm will be re-established". A berm must be re-established around the Topsoil Stockpile and the separate piles on either side of the road must be maintained according to the MRP.

4.a Hydrologic Balance: Diversions

Diversion ditch D-15D was removed by the construction of the Access Road to Catch Basin 1 (Panorama 1). The runoff from watershed AD-16 is now captured and routed by the Access Road down to Catch Basin 1. The new Access road must be graded to direct water to the borrow ditch. The berm running along the borrow ditch must be regraded and strengthened along its length in order to properly route water to Catch Basin 1 (Photo 5).

There was no spillway inlet into Catch Basin 1 (Photo 6). This basin will likely need a hardened inlet in order to prevent the spillway from scouring and eroding.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The inlet to Pond B appeared to be stable and properly functioning (Photo 7 and 8). Pond D inlet appeared to be stable (Photo 9). The Permittee has until May 13th, 2016 to abate NOV 19151 requiring the inlets to these two ponds be grouted or to provide calculations showing grout is not needed.

The decant pipe in Pond D needs to be reduced to the correct height (Photo 10). When the height of the pipe is reduced, it must have a grease skimmer installed. The top of the decant pipe must be lower in elevation than the emergency spillway in the northeast corner of the pond. Dogm is requesting the permittee to complete this construction by no later than May 30th.

Pond C appeared to be filled with sediment past the 60 % cleanout marker (Photo 11). The decant pipe for Pond C was found to be open (Photo 12). The Division inspector closed the valve so it may be properly decanted when needed. The Division is requesting the permittee to provide an estimate of when the annual cleaning of the ponds is scheduled.

4.d Hydrologic Balance: Water Monitoring

Two sections of Bear Creek were walked and inspected for coal and coal fines. Bear Creek was walked for roughly 200 yards directly downstream of the disturbed permit area. The Division inspected the stream bed and banks as well as the high water marks along the stream. In the area directly downstream of the disturbed boundary there was no coal or coal fines found (Photo 13 – 16). Riffles and pools showed no signs of coal fines settling out. The sediment was dug into and no coal or coal fines were found.

Bear Creek was inspected at a second section where it flows underneath the highway and joins with Huntington Creek. There were chunks of coal in the stream bed as it flows underneath the highway (Photo 17) and chunks in the stream bed of Bear Creek after passing under the highway (Photo 18). It is unclear where these coal chunks originated from. Since there was no coal chunks directly below the mine it is more likely these coal chunks were introduced to the stream by falling off coal trucks. There were no coal fines in the stream and at the junction with Huntington Creek (Photo 19 - 20).

7. Coal Mine Waste, Refuse Piles, Impoundments

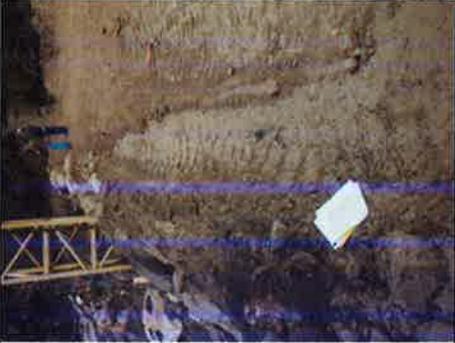
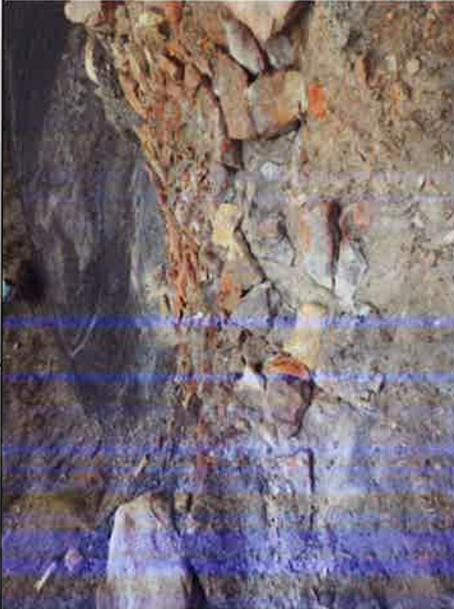
The pans underneath the WHR conveyor need immediate maintenance. NOV 21171 was issued to fix the conveyor and clean up the coal underneath the conveyor. The Permittee was given 60 days to abate the violation with the abatement date being June 13th. There is still a significant amount of coal underneath the conveyor along its entire length as it travels from the portal down Wild Horse Ridge (Photo 21 – 24). The pans underneath the conveyor have failed in multiple locations along the conveyor as it travels down Wild Horse Ridge (Photo 25 – 28). Refer to the attached page in this report from the MRP that outlines the construction and maintenance of the pans under the belt. The pans must be cleaned and water must be able to be flushed down the pans where it will discharge into one of the two catch basins. The pans need to be cleaned out (Photo 29 – 30). The added weight held in these pans is likely contributing to the failures of the belt line. There are also several areas along the conveyor that will require the dust side covers to be replaced.

16.a Roads: Construction, Maintenance, Surfacing

The Access Road to Catch Basin 1 was constructed prior to Division approval (Panorama 1). NOV # 21177 was issued for the Permittee not following the approved MRP. The Access Road is currently under review by the Division under Task #5109. Additional information regarding the violation and associated amendment are provided under item #1.

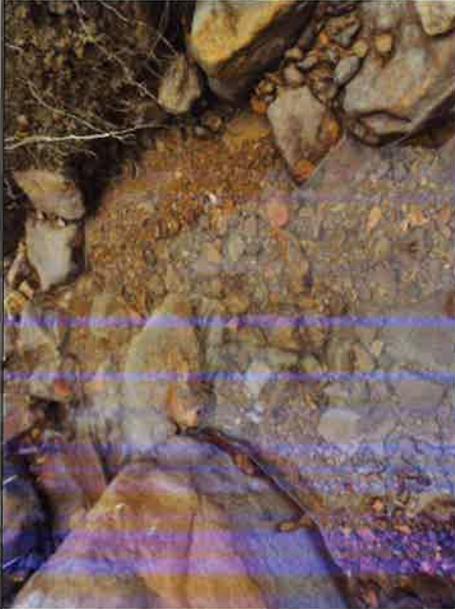
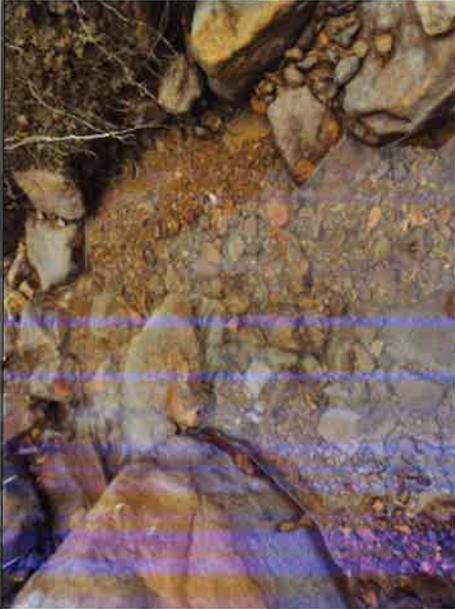
ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit	
	
<p>PHOTO 1 Relocation of topsoil to the top of the Stockpile. April 19, 2016</p>	<p>PHOTO 2 Relocation of topsoil to the top of the Stockpile. April 19, 2016</p>
	
<p>PHOTO 3 Topsoil located on the wrong side of Access road and Primary Conveyor Road Access No. 1. April 19, 2016</p>	<p>PHOTO 4 Topsoil relocated to the wrong side of Primary Conveyor Road Access No. 1 April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit

		
<p>PHOTO 5 Berm constructed of loose fill. April 19, 2016</p>		<p>PHOTO 6 Spillway into Catch Basin 1 made up of loose fill. April 19, 2016</p>
		
<p>PHOTO 7 Pond B inlet appears stable and is properly functioning. April 19, 2016</p>		<p>PHOTO 8 Pond B inlet appears stable and is properly functioning. April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit

	<p>PHOTO 9 Pond D inlet appears to be stable. April 19, 2016</p>
	<p>PHOTO 10 The decant pipe in Pond D must be cut to the correct height and an oil skimmer must be installed. April 19, 2016</p>
	<p>PHOTO 11 Sediment in Pond C above the 60% cleanout mark. April 19, 2016</p>
	<p>PHOTO 12 Pond C decant pipe found with valve open. April 19, 2016</p>

<p>ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit</p>	
	<p>PHOTO 13 No coal fines seen directly downstream of disturbed permit boundary. April 19, 2016</p>
	<p>PHOTO 14 No coal fines seen directly downstream of disturbed permit boundary. April 19, 2016</p>
	<p>PHOTO 15 No coal fines seen directly downstream of disturbed permit boundary. April 19, 2016</p>
	<p>PHOTO 16 No coal fines seen directly downstream of disturbed permit boundary. April 19, 2016</p>

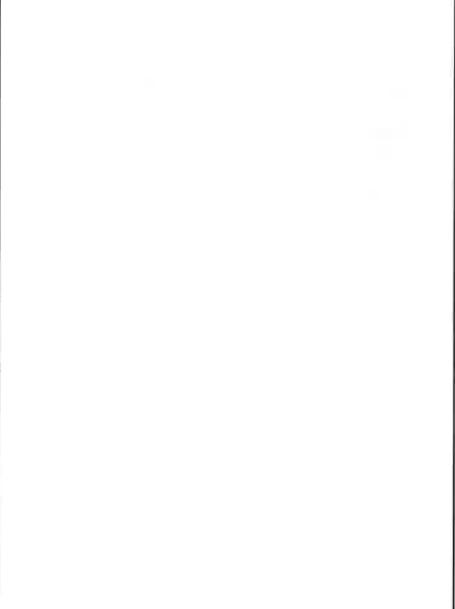
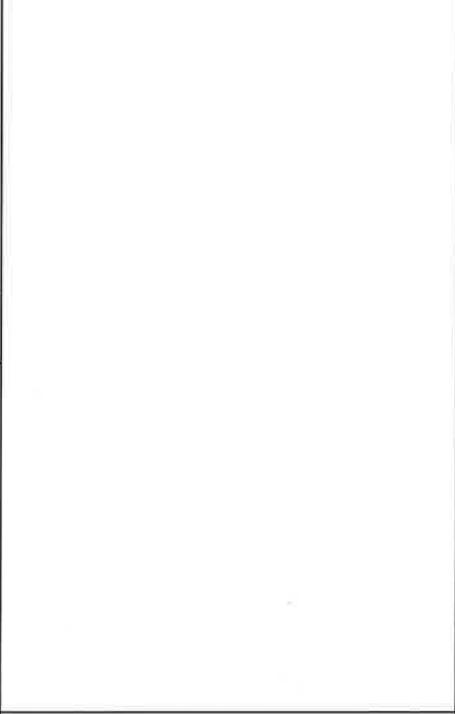
<p>ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit</p>	
	
<p>PHOTO 17 Coal chunks in Bear Creek in culvert under highway. April 19, 2016</p>	<p>PHOTO 18 Coal chunks in Bear Creek downstream of highway crossing. April 19, 2016</p>
	
<p>PHOTO 19 No fines or major coal chunks at junction with Huntington Creek. April 19, 2016</p>	<p>PHOTO 20 No fines or major coal chunks at junction with Huntington Creek. April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit

	
<p>PHOTO 21 Coal under belt on WHR uphill from the Coal Storage Bin. April 19, 2016</p>	<p>PHOTO 22 Coal under belt on WHR uphill from the Coal Storage Bin. April 19, 2016</p>
	
<p>PHOTO 23 Coal under belt on WHR uphill from the Coal Storage Bin. April 19, 2016</p>	<p>PHOTO 24 Coal under belt on WHR just above Catch Basin 1. April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit	
	
<p>PHOTO 25 Pans in need of maintenance. April 19, 2016</p>	<p>PHOTO 26 Missing pan underneath the conveyor. April 19, 2016</p>
	
<p>PHOTO 27 Pan in need of maintenance. April 19, 2016</p>	<p>PHOTO 28 Pans missing under the conveyor. April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit

	
<p>PHOTO 29 Pans need to be cleaned out. April 19, 2016</p>	<p>PHOTO 30 Pans need to be cleaned out. April 19, 2016</p>
	
<p>PHOTO 31 April 19, 2016</p>	<p>PHOTO 32 April 19, 2016</p>

ATTACHMENT A – Photos Bear Canyon Inspection April 19, 2016 site visit



PANORAMA 1

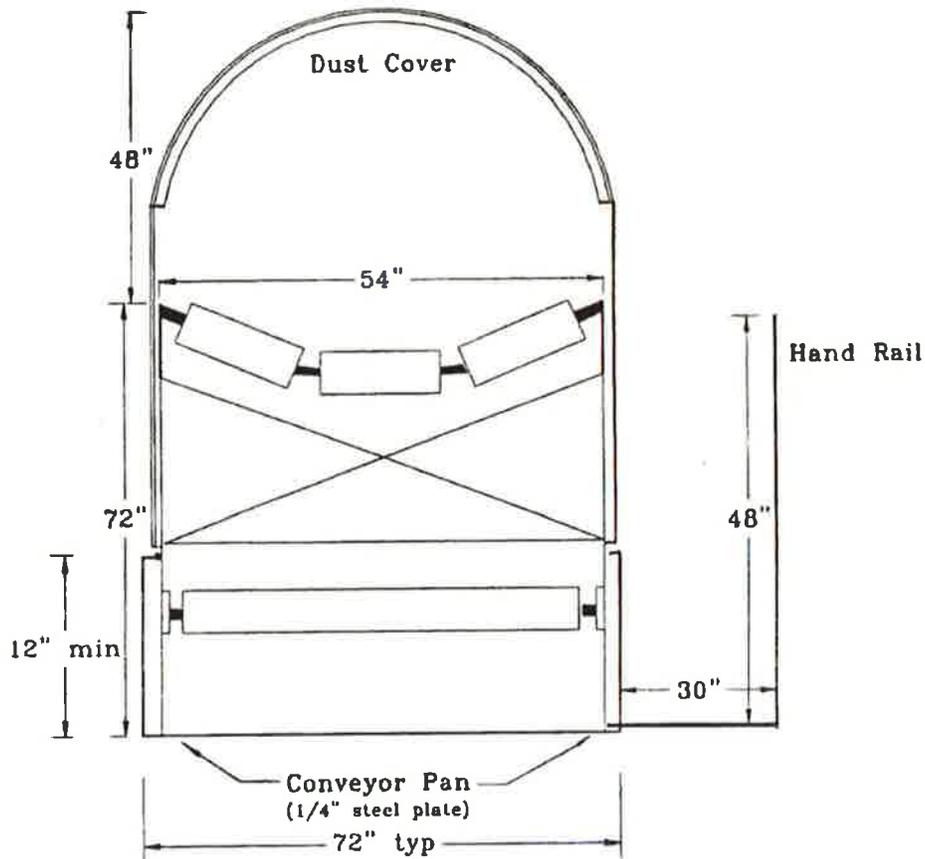
Access Road to Catch Basin 1 has been constructed. The toe of WHR topsoil pile has been cut on the left and a significant amount was relocated to the top of the pile on the right. There is no berm at the base of the topsoil pile.
April 19, 2016

PANORAMA 2

April 19, 2016



Figure 7K-1 Typical Conveyor Pan Structure



NOTE: The conveyor pan will have a minimum side height of 12 in. to contain all water and coal fines. A minimum of 36" clearance between the bottom of the pan and the ground will be maintained to provide for wildlife passage under the structure. Areas with significant coal fine spillage will be cleaned by hand and shoveled onto the belt. Periodically, the pan will be cleaned by washing, with all wash water being contained within the pan and draining downslope until it can be discharged into the sediment control structures. Dust covers will be installed to prevent windblown fines from leaving the conveyor belt.