



**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:	<b>C0150025</b>
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, July 20, 2016
Start Date/Time:	7/20/2016 9:45:00 AM
End Date/Time:	7/20/2016 1:15:00 PM
Last Inspection:	Wednesday, June 29, 2016

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

Inspector: Joe Helfrich  
 Weather: Sunny 75 slight breeze  
 InspectionID Report Number: 5585  
 Accepted by: JHELFRIC  
 8/2/2016

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	<b>Total Permitted</b>	<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Underground
35.02	<b>Total Disturbed</b>	<input type="checkbox"/> State	<input type="checkbox"/> Surface
	<b>Phase I</b>	<input type="checkbox"/> County	<input type="checkbox"/> Loadout
	<b>Phase II</b>	<input checked="" type="checkbox"/> Fee	<input type="checkbox"/> Processing
	<b>Phase III</b>	<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.

**Inspector's Signature:**

*Joe Helfrich*  
 Joe Helfrich,  
 Inspector ID Number: 1

**Date** Thursday, July 21, 2016



**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 type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **2. Signs and Markers**

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

## **3. Topsoil**

The toe of the topsoil pile located across the drainage from the access road to the #4 portals has been relocated to other areas on the existing pile to allow for the construction of an access road to BTCA area B (as described on page 7K-3 of appendix 7K) and the conveyor coal spill area. The toe of the pile and relocated soil will need to be seeded this fall with the seed mix noted in the approved MRP. The stockpile is adequately bermed to prevent soil loss from precipitation events.

### **4.a Hydrologic Balance: Diversions**

The culverts and ditches in the main surface facility and access road to the #4 portal were open and functioning adequately at the time of the inspection. The sediment control features (stow bale dikes and culverts) had been repaired.

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The inlet to pond D was functioning correctly allowing run-off from the pad to enter the pond at the time of the inspection. The four ponds were inspected on May 6, 2016. There were no hazards or signs of structural weakness noted in the ponds. The sage and rabbit brush has been removed from the emergency spillway in pond B.

### **4.d Hydrologic Balance: Water Monitoring**

Water monitoring data for the 1st and 2nd quarters of 2016 were available for inspection. Water monitoring points for the first quarter of 2016 include BC 1, 2, 3 and 4, CK 1 and 2 and SBC 3, 4, 5, 9a and 14 and 17. The data for the second quarter had not yet been submitted electronically into the Division's data base. No exceedences of the required parameters were noted.

### **4.e Hydrologic Balance: Effluent Limitations**

Hard copies of the DMR's were available for review through July of 2016. The mine water discharge point 004 is the only point of 5, (the other 4 are sediment pond outfalls) that discharges. The required monitoring parameters for the effluent limitations were in compliance with the UPDES permit.

## **8. Noncoal Waste**

There are a number of large containers located throughout the main facilities and at the portals located along the access road to the # 4 mine. Non-coal waste was being properly stored in these areas at the time of the inspection.

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

The roads throughout the site are in good repair and functioning properly. A short access road to the topsoil BTCA area B and conveyor coal spill has been constructed according to the recommendations provided by the Division's soils scientist.

**16.b Roads: Drainage Controls**

The culverts and ditches along the access road to the #4 portal had been cleaned and are in good repair. The work has been completed on the culverts and erosion control structures that required additional maintenance.

**18. Support Facilities, Utility Installations**

By renting a different vacuum truck and using in-house personnel the mining company has been able to remove the majority of the coal from underneath the conveyor. Lump coal too big to be vacuumed is being collected in 5 gallon pails and hauled out by hand.

**19. AVS Check**

The ownership and control information for the parent company (Rhino Energy) has been updated and submitted with the annual report for the calendar year 2015.

**21. Bonding and Insurance**

Surety Bond # 929518448 is posted in the amount of \$2,210,000 for Castle Valley Mining LLC. The liability insurance expires 6/1/2017.