



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:	COMPLETE
Inspection Date:	Tuesday, March 29, 2016
Start Date/Time:	3/29/2016 10:00:00 AM
End Date/Time:	3/29/2016 2:00:00 PM
Last Inspection:	Thursday, March 10, 2016

Inspector: Joe Helfrich,

Weather: Windy & cold 38

InspectionID Report Number: 5482

Accepted by: JHELFRIC
4/5/2016

Representatives Present During the Inspection:	
Company	Jaren Jorgensen
OGM	Dana Dean
OGM	Daron Haddock
OGM	Joe Helfrich
OGM	Steve Alder
OGM	Melissa Reynolds

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	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 inspect the alleged noncompliance areas listed in the ten day notice # X-16-140-545-004 issued to DOGM by OSM on 3/16/2016 and conduct a complete inspection of the remaining areas at the mine site. The Division's response to the TDN which includes modification and reinstatement of the NOV's that were the subject of the TDN is included as an attachment to this document. Other attachments include:
 The cover letter from Alan Boehms; A copy of the TDN; OSM's Minesite Evaluation;
 OSM's Oversight Inspection Report;
 Page 7F-68 from appendix 7F; Page 7K-3; Page 7K-12A from appendix 7K and;
 Photos taken during the inspection.
 NOV 19151 is being reinstated with a 30 day abatement period to grout the inlets to the sediment ponds or revise the appropriate portion fo the MRP based on current site conditions.
 NOV 19152 is being reinstated and will be terminated.
 NOV 19153 is being modified
 NOV 19154 is being reinstated and modified to address sediment control only with a 30 day abatement
 NOV 21171 is being issued and requires clean up of coal from the drainage and stream buffer zones.

Inspector's Signature

Daron A. Haddock for
Joe Helfrich,

Date

Tuesday, April 05, 2016

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 checked="" type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 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 checked="" type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The 5 year permit renewal for the mine was completed effective 11/2/2015 and expires 11/2/2020. There is one pending amendment currently under review by the Division, the Bear Canyon access road task # 5109.

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.

4.a Hydrologic Balance: Diversions

The silt fence that had been removed from the diversion below sediment pond A was actually preventing sediment from flooding storm water from entering the diversion and not from preventing sediment from the undisturbed diversion from entering Bear Creek. It is not specifically required by the MRP so it was removed. Admittedly it did have some value and therefore it was replaced. The culverts and ditches noted in the TDN were opened once the warming temperatures provided ample working conditions. Not all of the sediment control features (stow bale dikes and culverts) had been repaired, therefore NOV 19154 is being reinstated.

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. However, according to the MRP the inlet to pond D and inlet #1 to pond B require grouting. Since grout was not evident, NOV # 19151 was reinstated and the operator will be required to grout the inlets or he will need to modify the MRP to show that grout is not required on the inlets. The four ponds were inspected on March 30, 2016. There were no hazards or signs of structural weakness noted in the ponds. The sage and rabbit brush will be removed from the emergency spillway in pond B.

4.c Hydrologic Balance: Other Sediment Control Measures

The stream buffer zone items noted in the TDN have been addressed. The old car body parts and bony coal are pre-law items and not considered surface disturbing activities.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data for the 4th quarter of 2015 and Jan and Feb 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 17. Hard copies of the data were available for inspection and the data has 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 for January and February were inspected. 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 are in compliance with the UPDES permit.

7. Coal Mine Waste, Refuse Piles, Impoundments

The coal fines that had been removed from sediment pond A had been placed on the coal stockpile.

8. Noncoal Waste

The non-coal waste items noted in the TDN have been addressed. Because a number of noncoal waste items were identified in the March 3, 2016 inspection NOV #19152 is reinstated, however it is also terminated since the abatement has been accomplished as evidenced during this inspection.

13. Revegetation

No revegetation has occurred since the previous inspection. Areas where topsoil has been altered will be seeded this fall.

15. Cessation of Operations

The mine is currently active.

16.a Roads: Construction, Maintenance, Surfacing

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

16.b Roads: Drainage Controls

The snow, ice and dirt that had clogged the culverts and ditches noted in the TDN and along the access road to the #4 portal had been removed. Some culverts and erosion control structures still require additional maintenance. NOV #19154 was reinstated in order to ensure that the maintenance is completed.

18. Support Facilities, Utility Installations

Rhino Energy contacted the Division in February of 2016 requesting technical assistance to determine an access route to the topsoil BTCA area B and coal spill from the conveyor. Manual labor (rope & bucket) had been ongoing since July of 2015 in an effort to remove the coal on the hill side underneath the conveyor until weather conditions compromised the ability to continue the clean up of the coal. Some time thereafter a second spill occurred. Conditions were not permissible to enter the area until the first week of March. On March 10th a site visit was conducted to determine a site location for access to the coal spill. In February the permittee had also made contractual arrangements to rent a large shop-vac vehicle to resume clean-up efforts in the areas up stream from the conveyor crossing. The vehicle is due to arrive at the mine the week of April 4th. Coal and coal fines slurry is very much evident in the drainage beneath the conveyor and in the stream buffer zone along the undisturbed drainage of Bear Creek. NOV #21171 was issued which requires the repair of the overland conveyor and the clean up of all of the coal within 60 days.

19. AVS Check

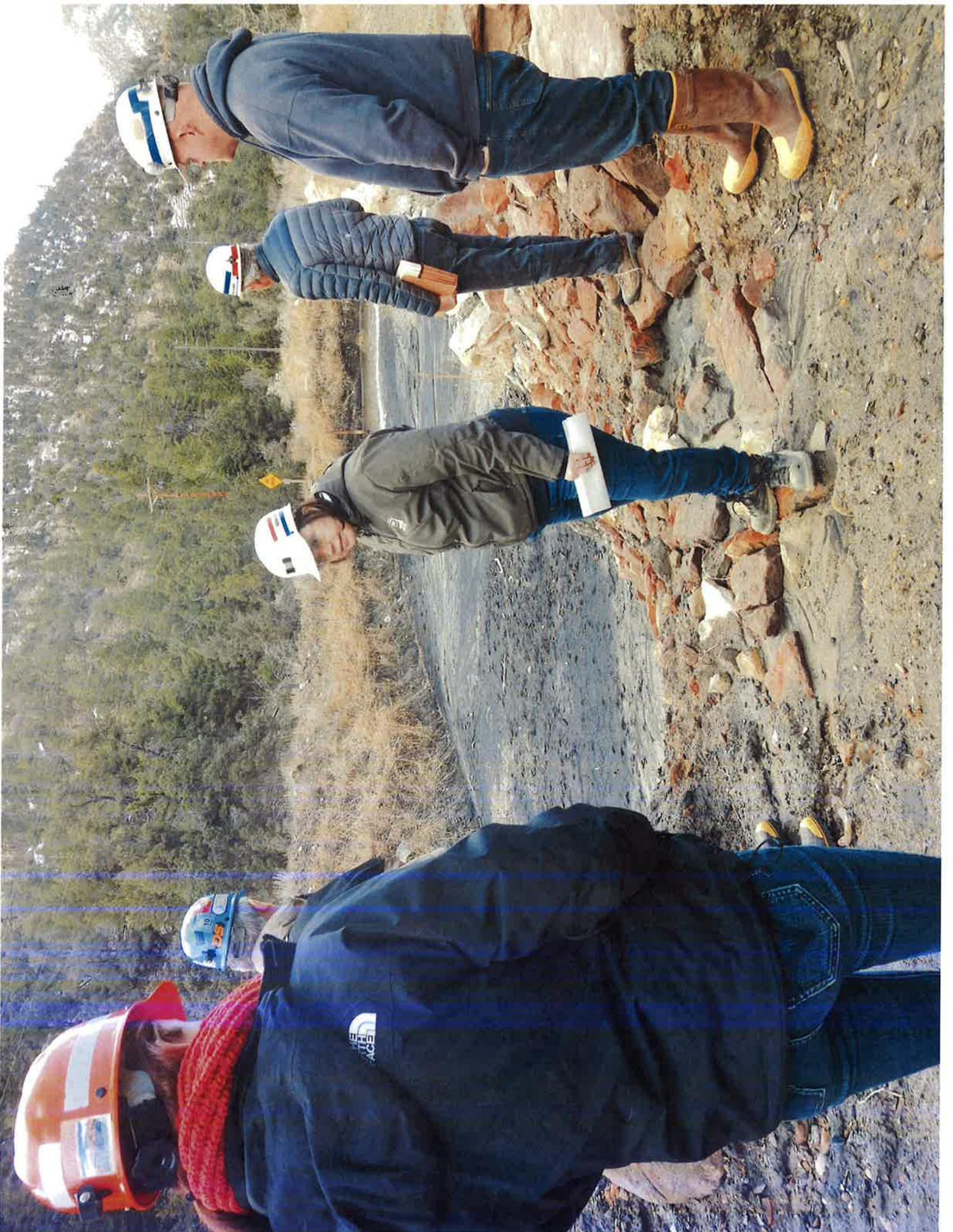
The ownership and control information for the parent company (Rhino Energy) has been updated and submitted with the annual report for the calendar year 2015.

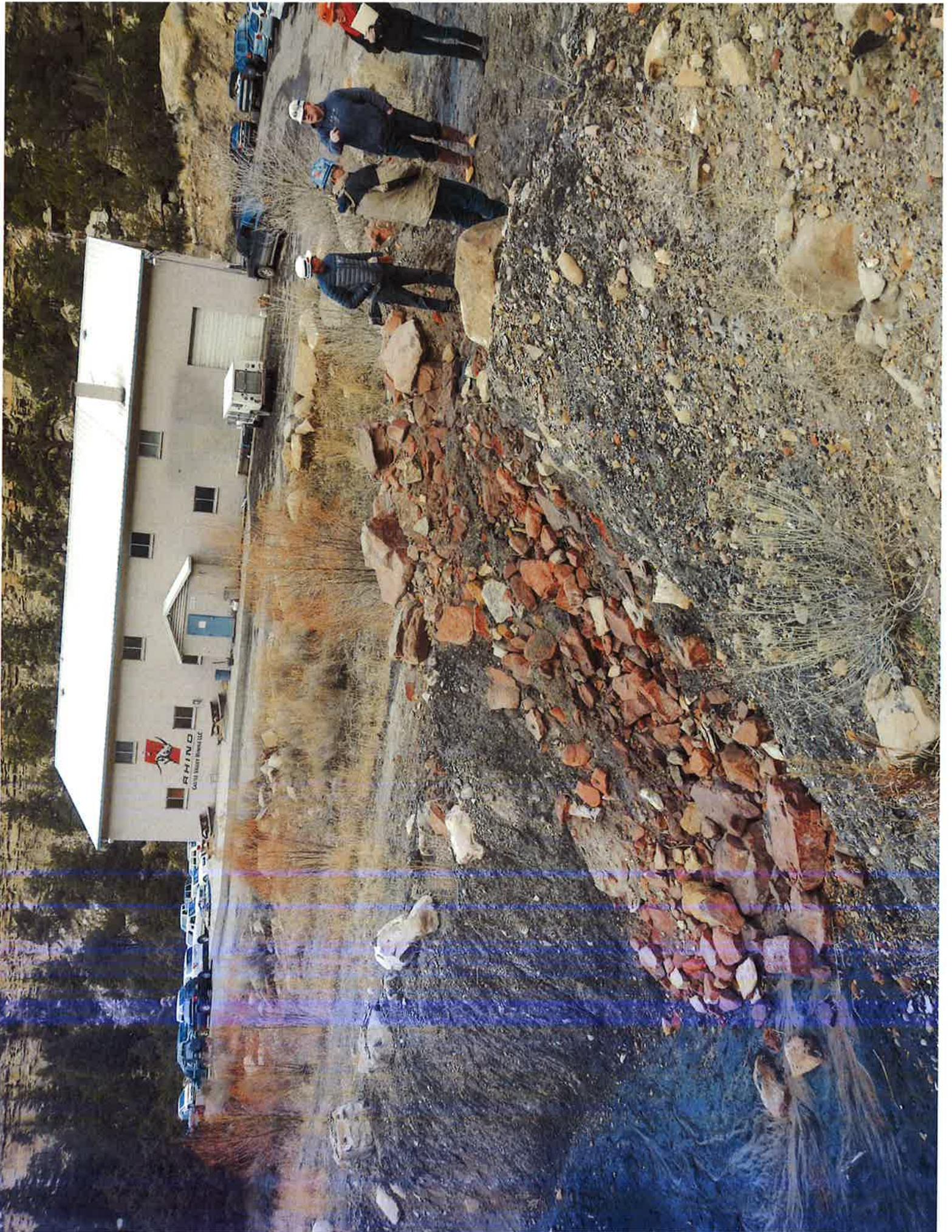
20. Air Quality Permit

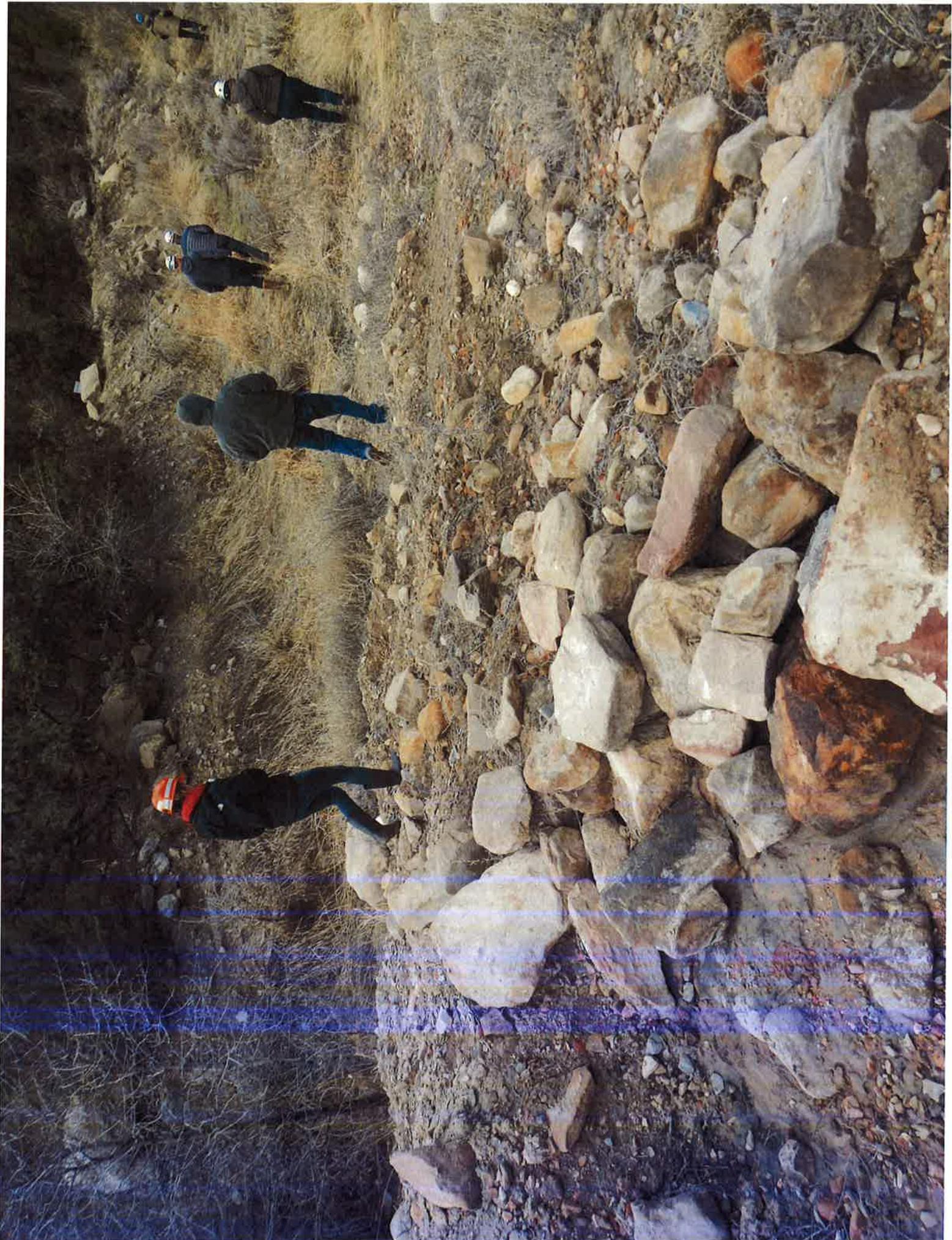
The air quality permit DAQE-GN0102400005-10 was transferred into Castle Valley Mining LLC. on 09/20/2010.

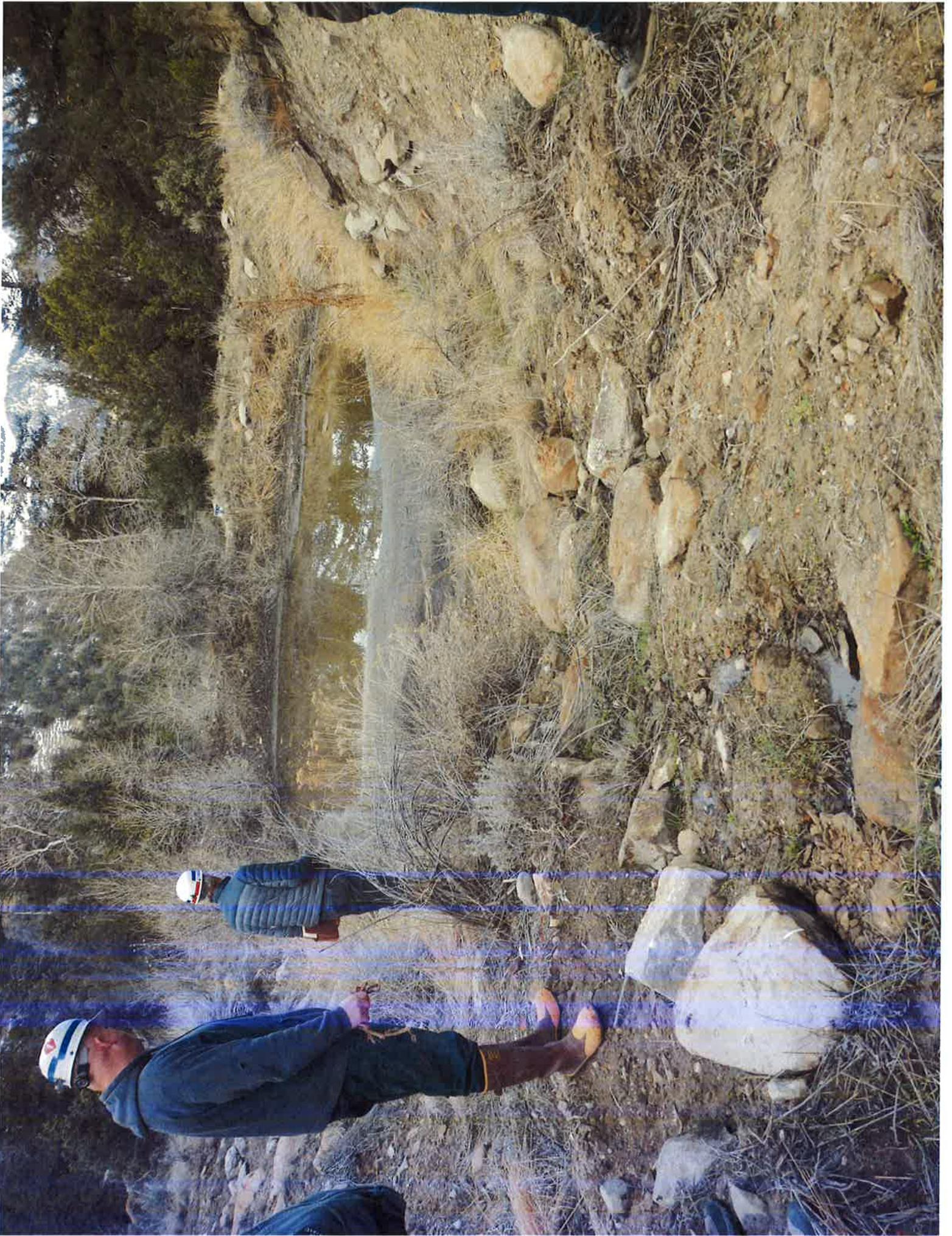
21. Bonding and Insurance

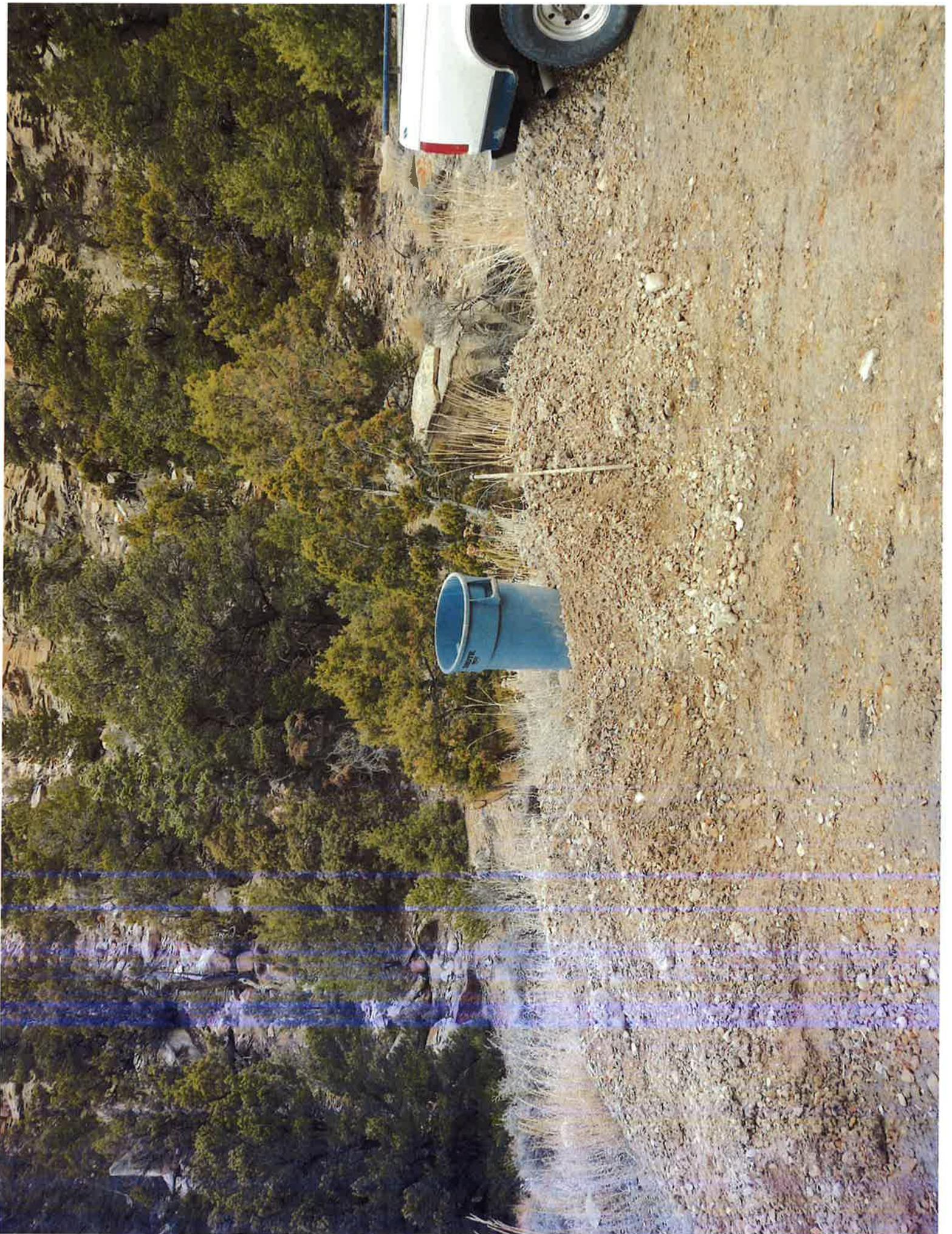
Surety Bond # 929518448 is posted in the amount of \$2,210,000 for Castle Valley Mining LLC. The liability insurance expires 6/1/2016.



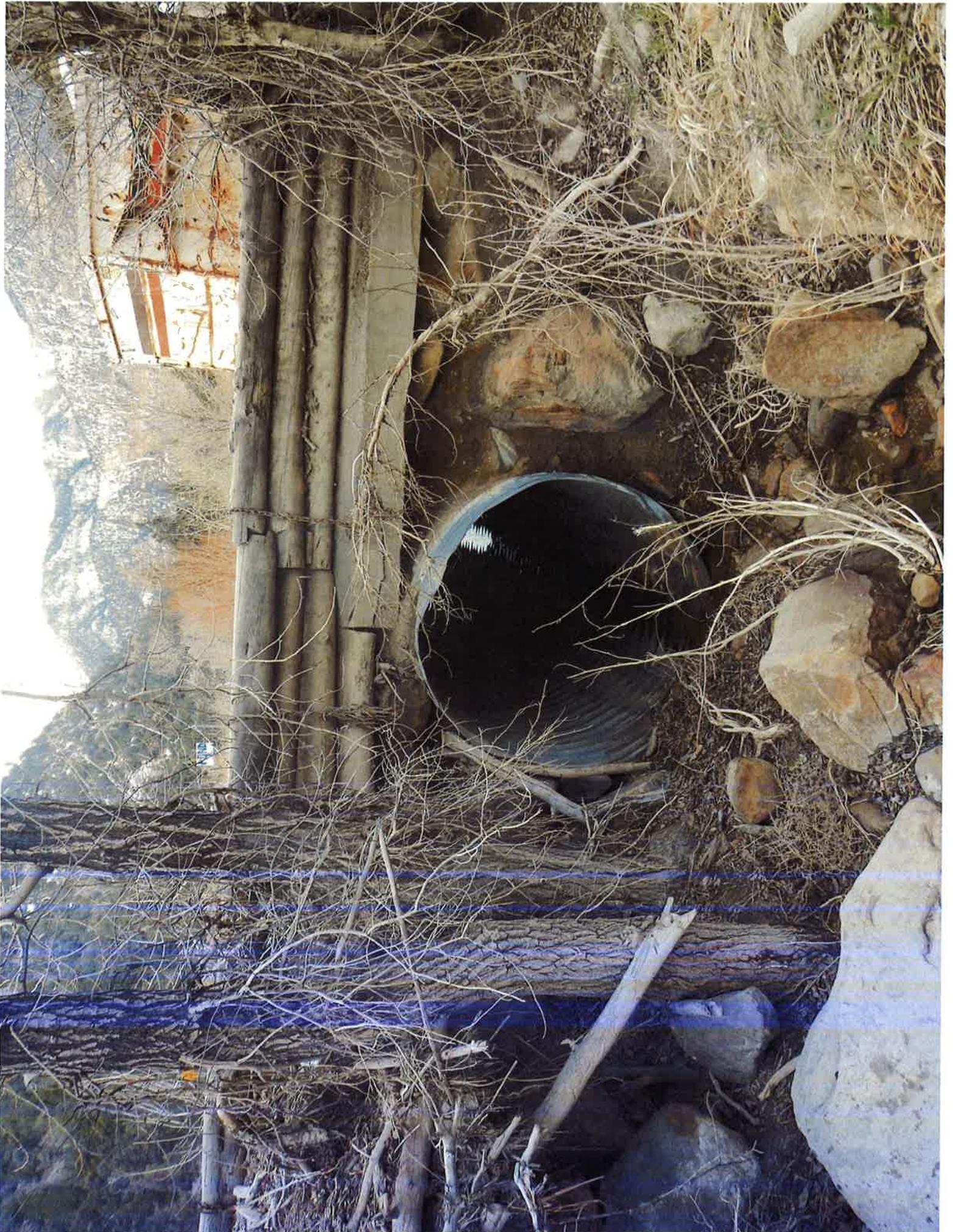


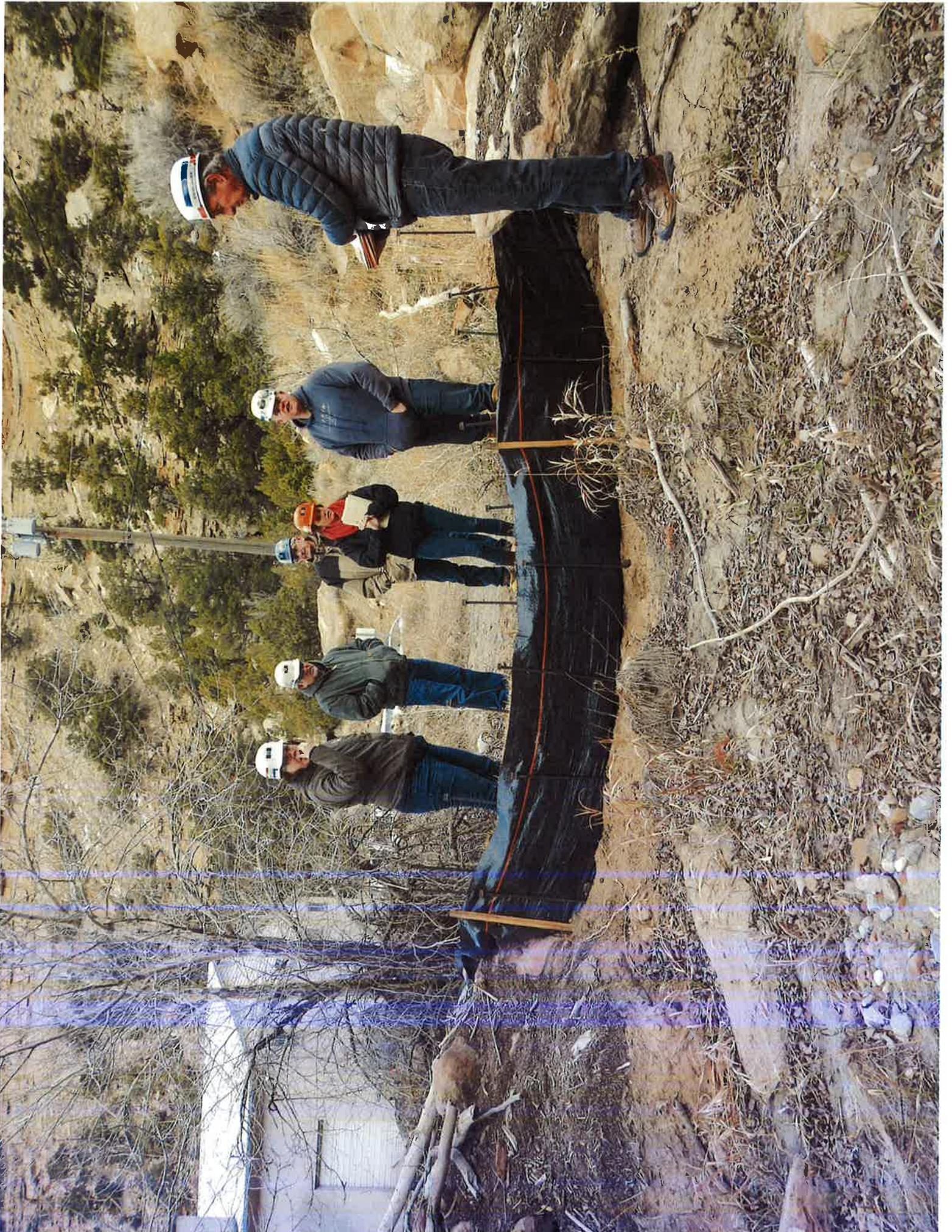




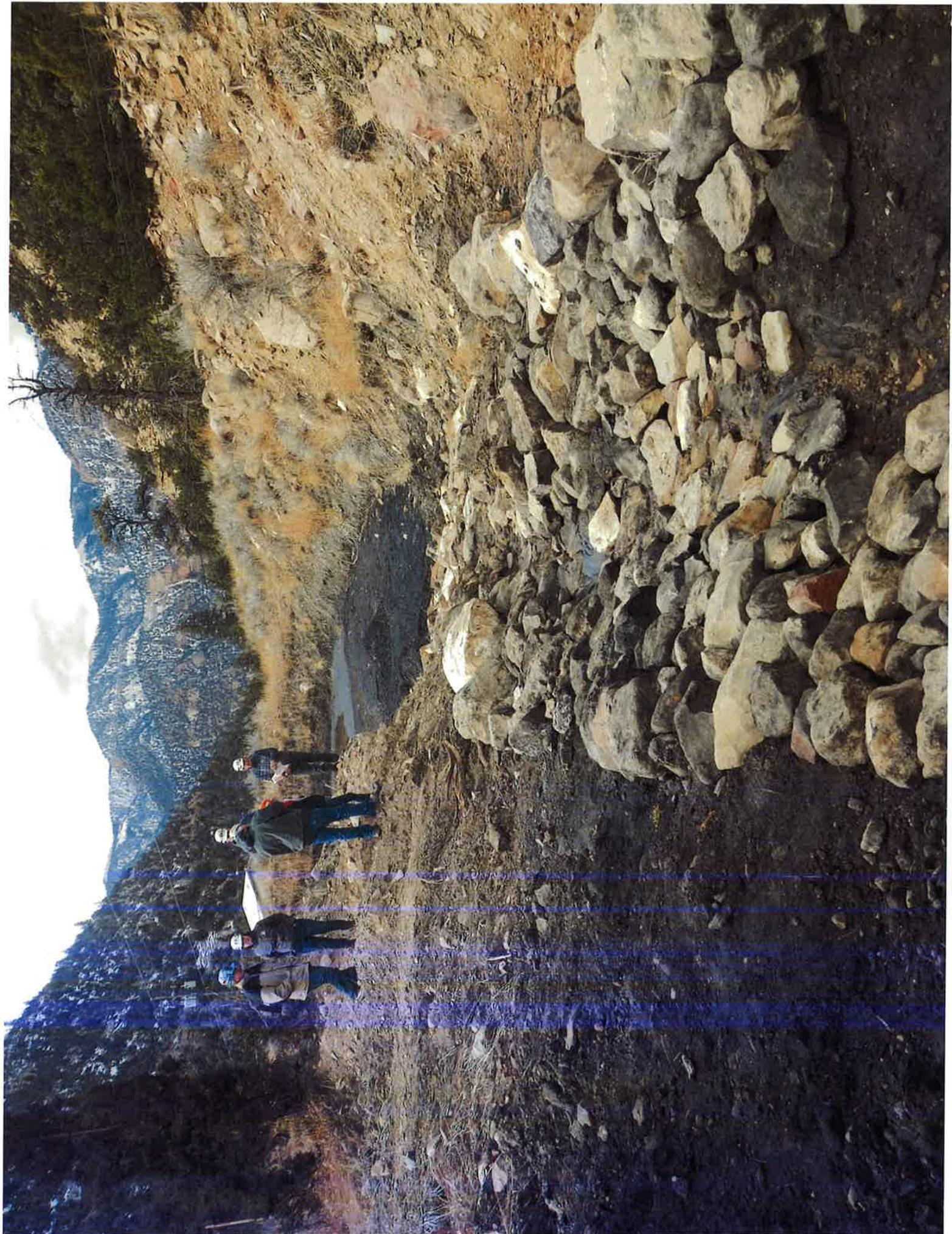


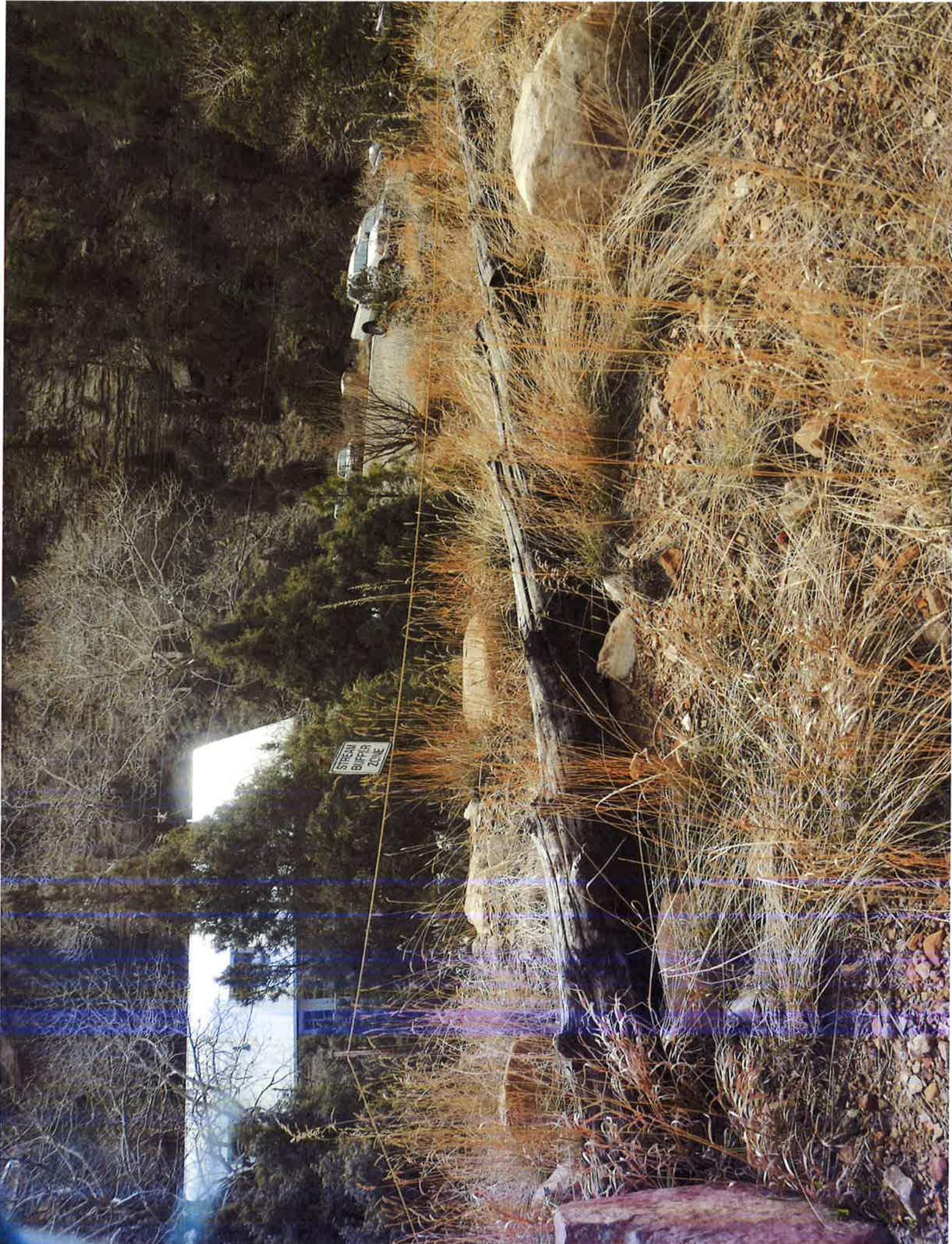


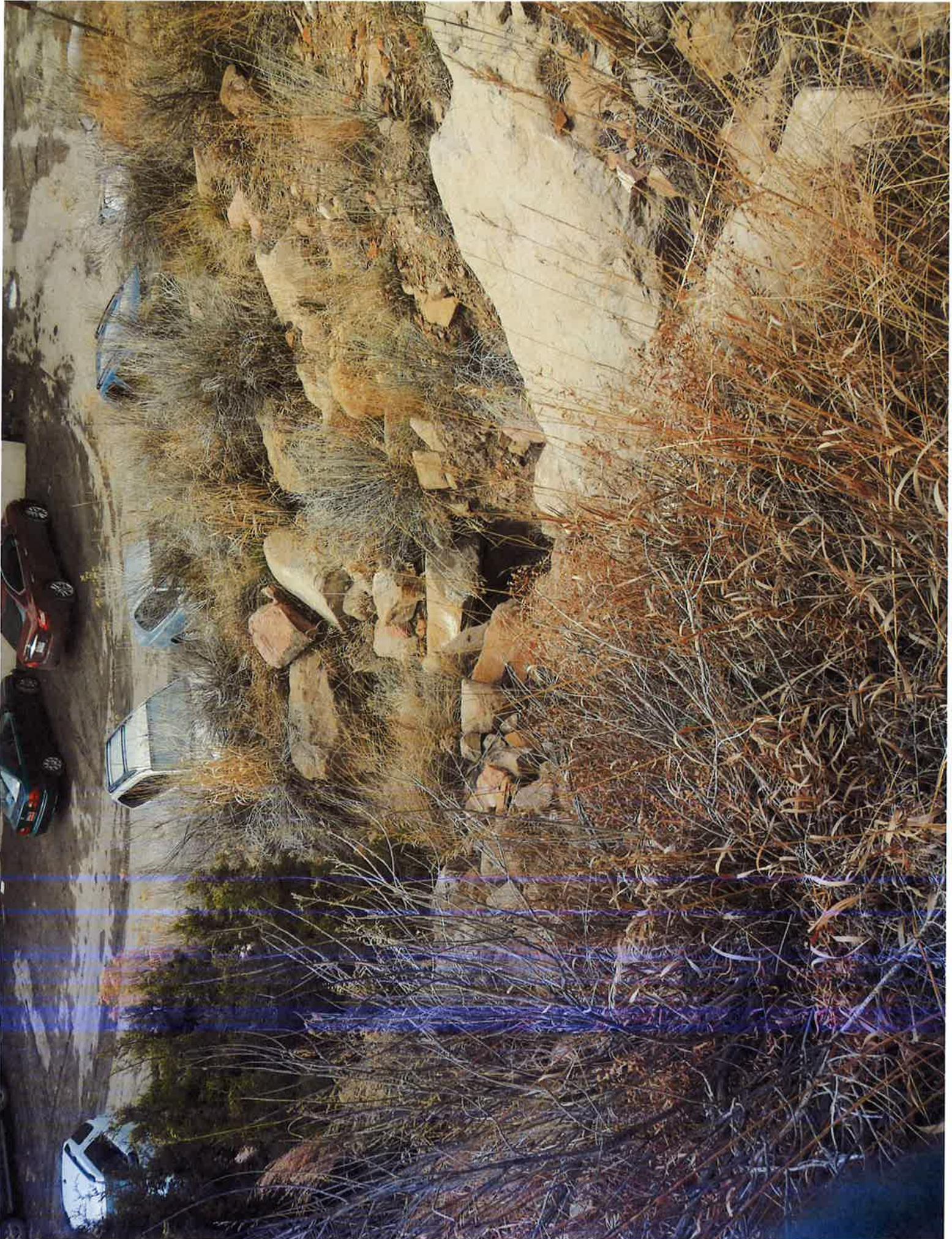


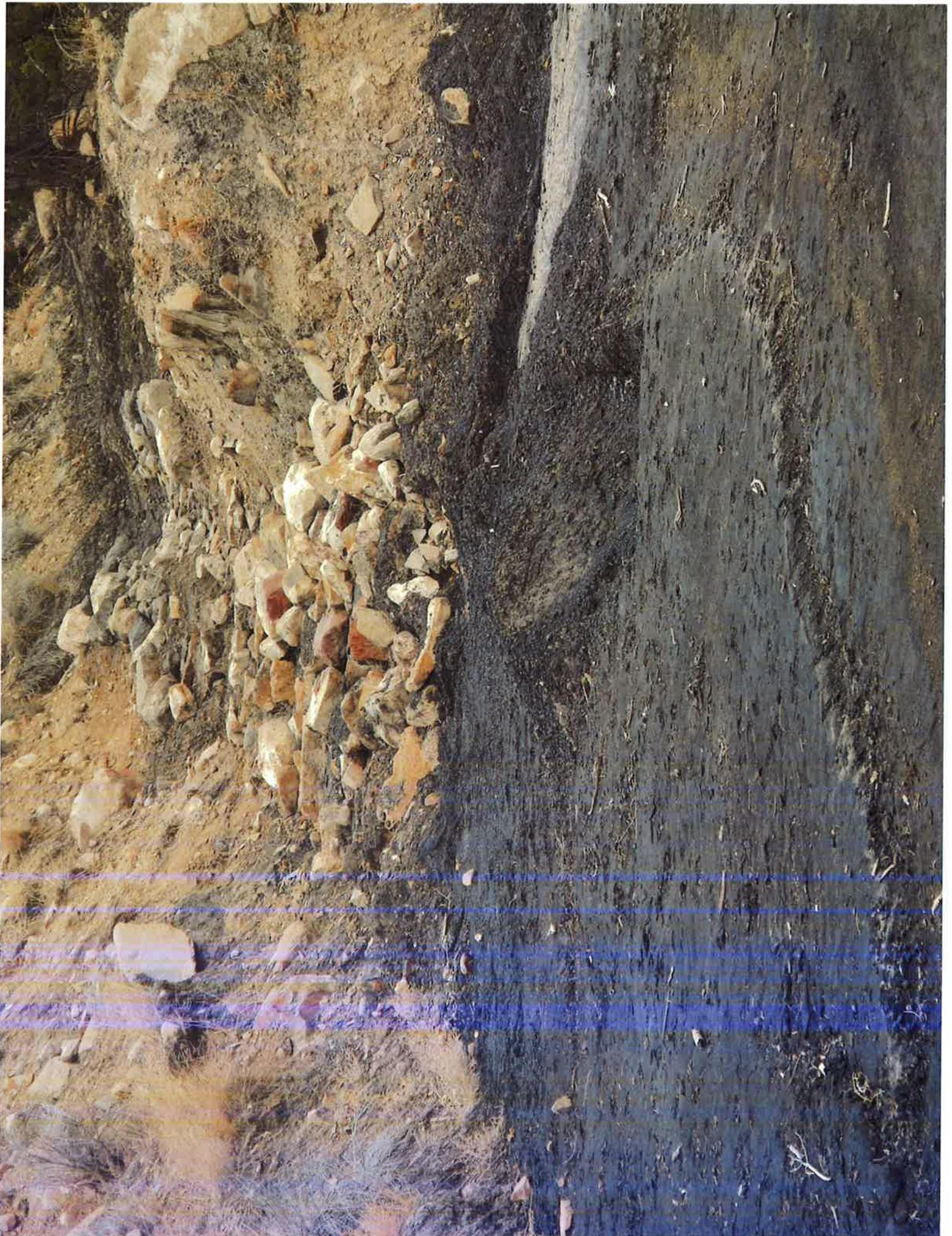






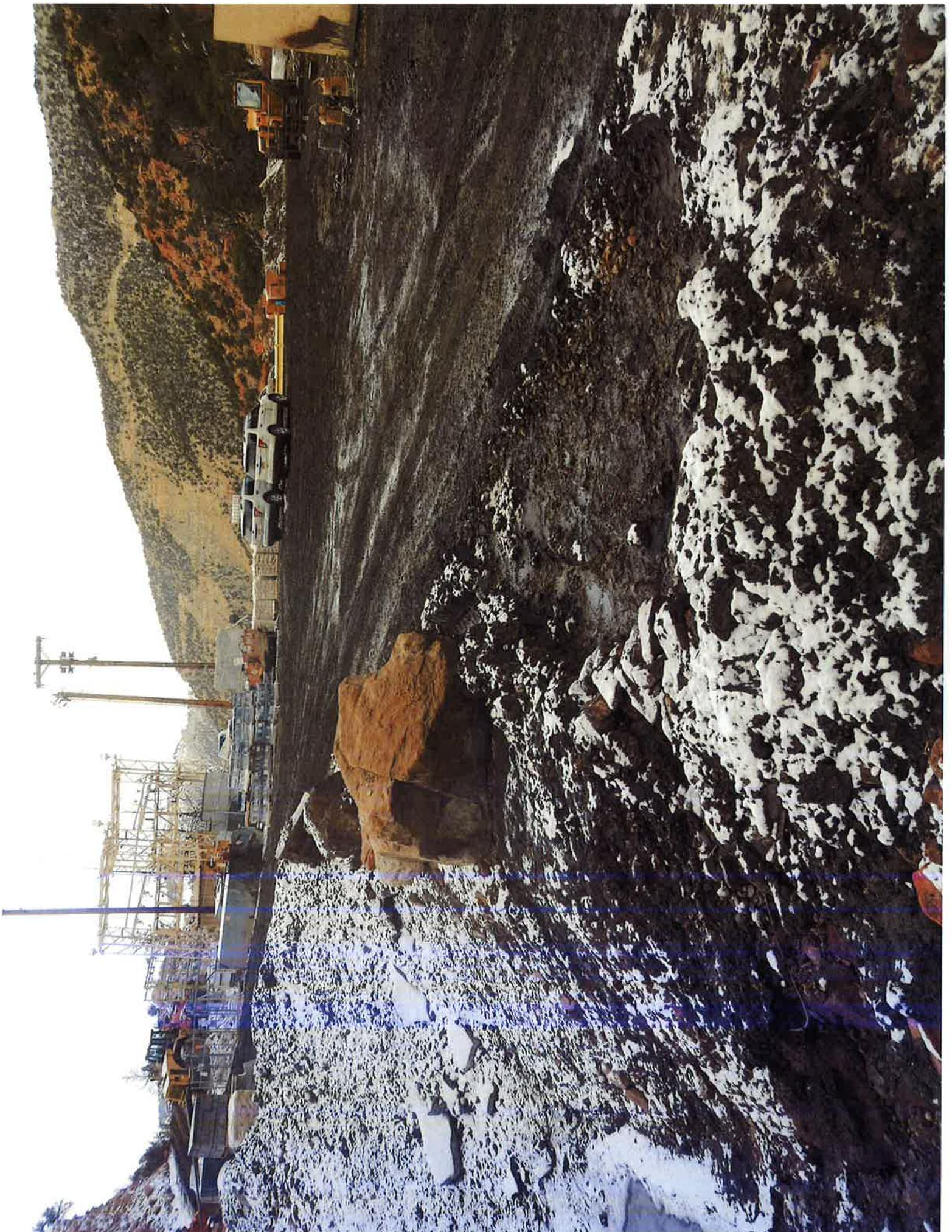


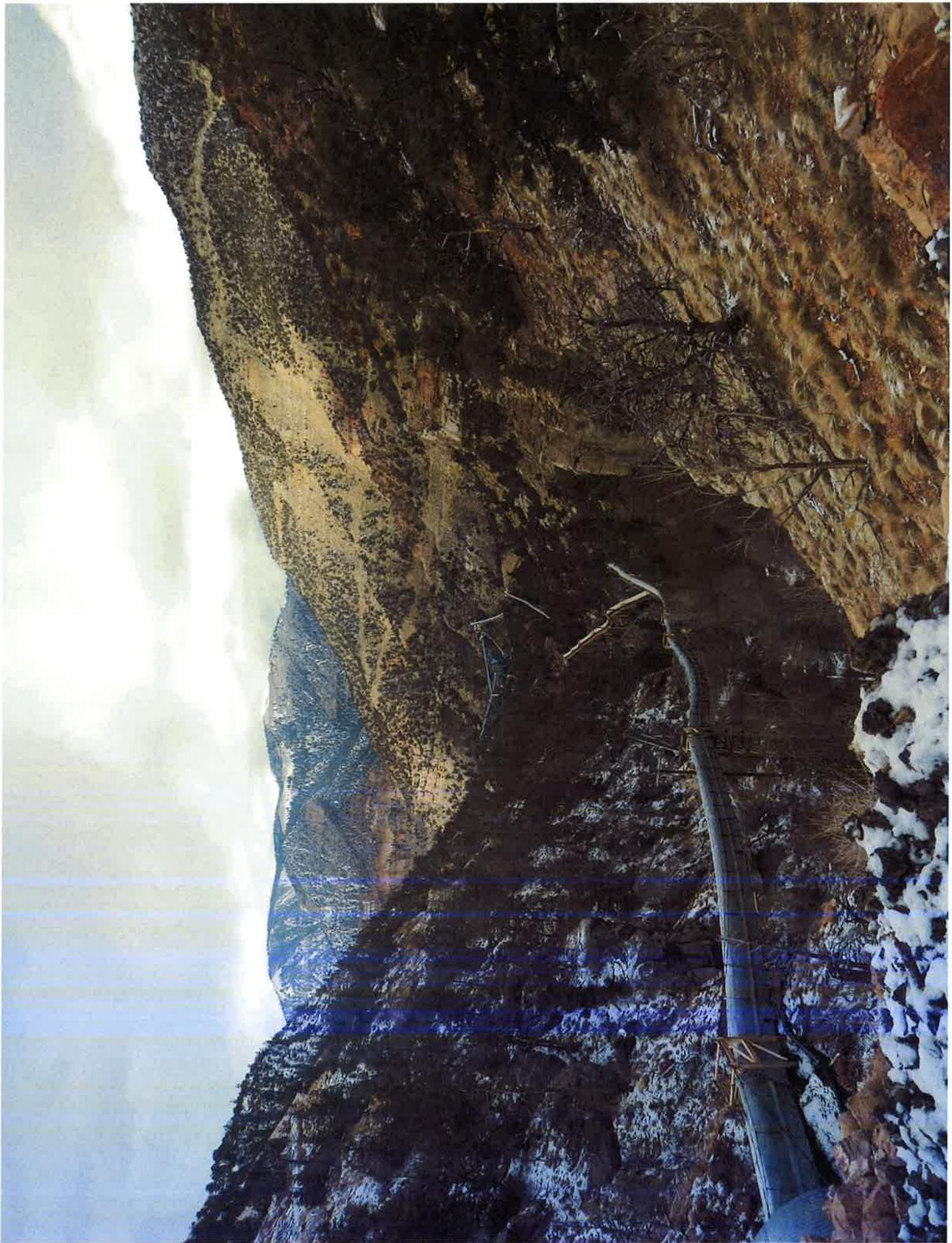


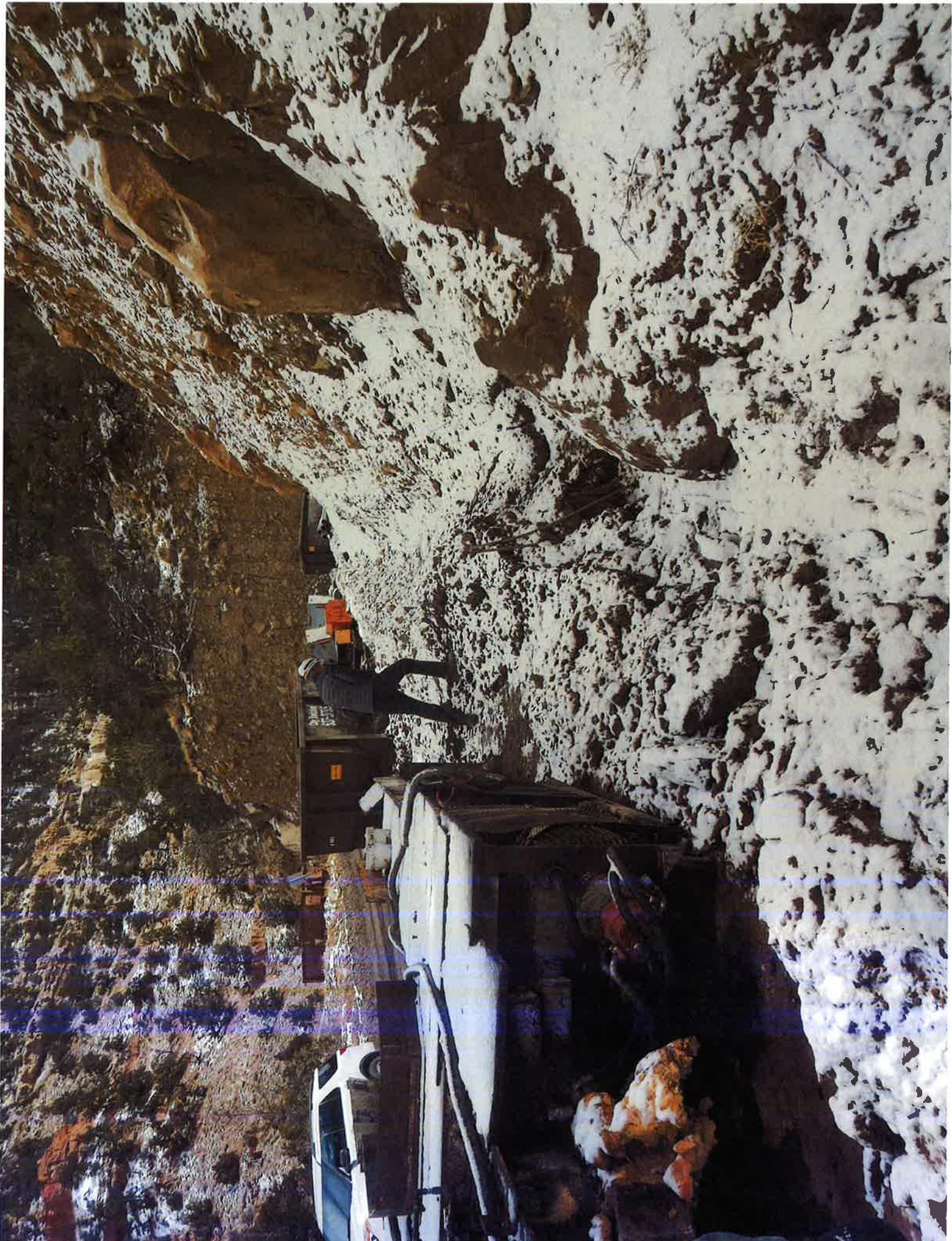






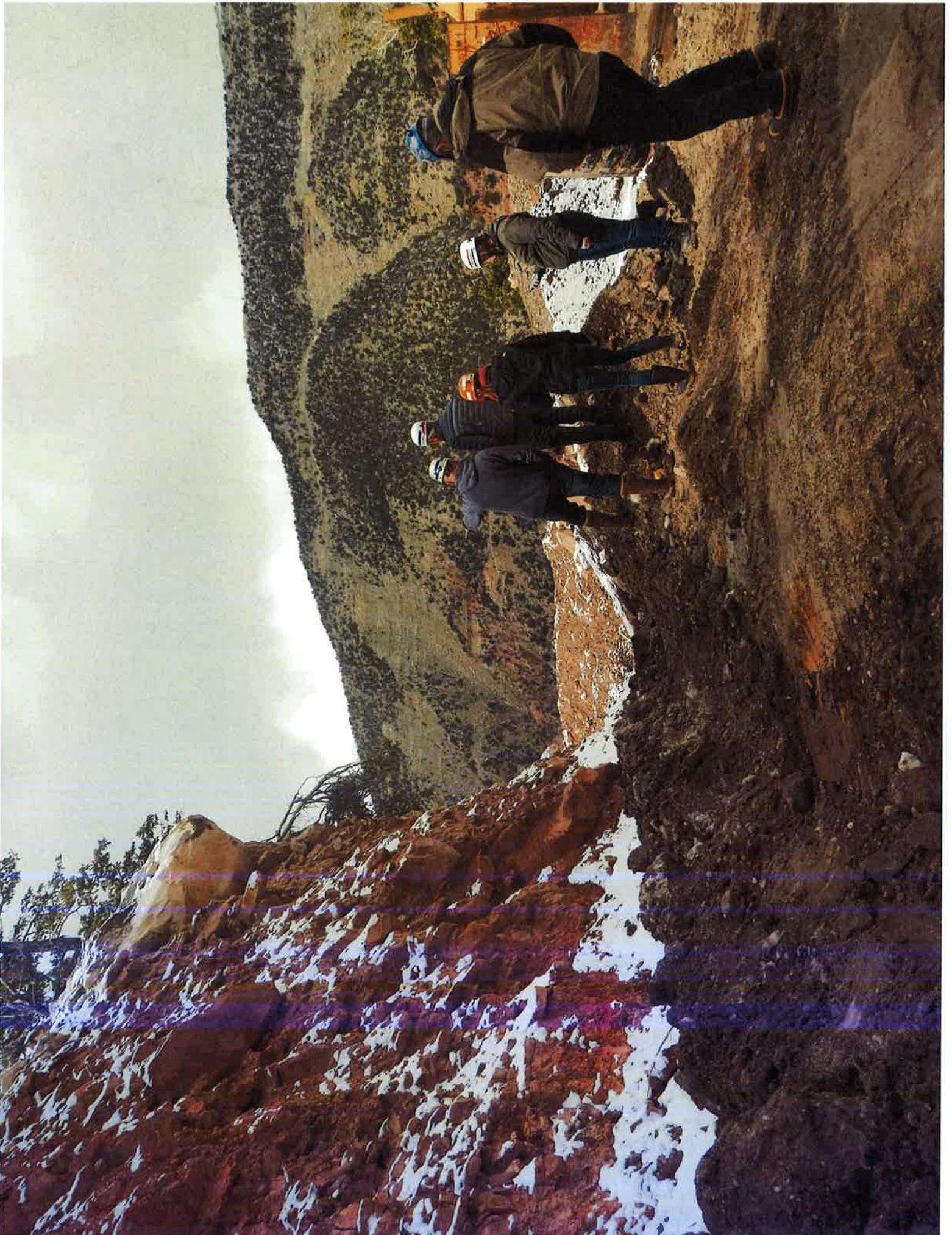




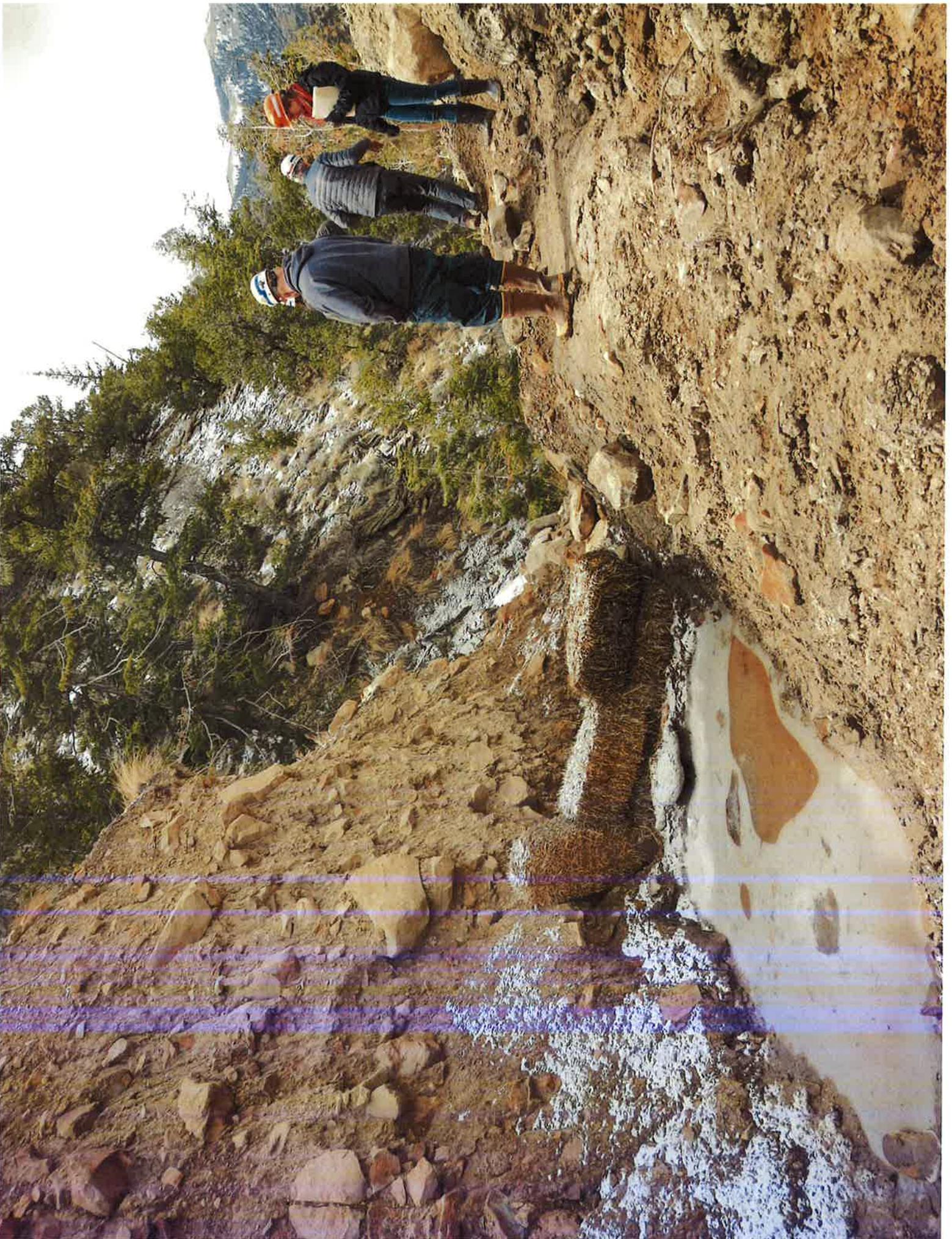


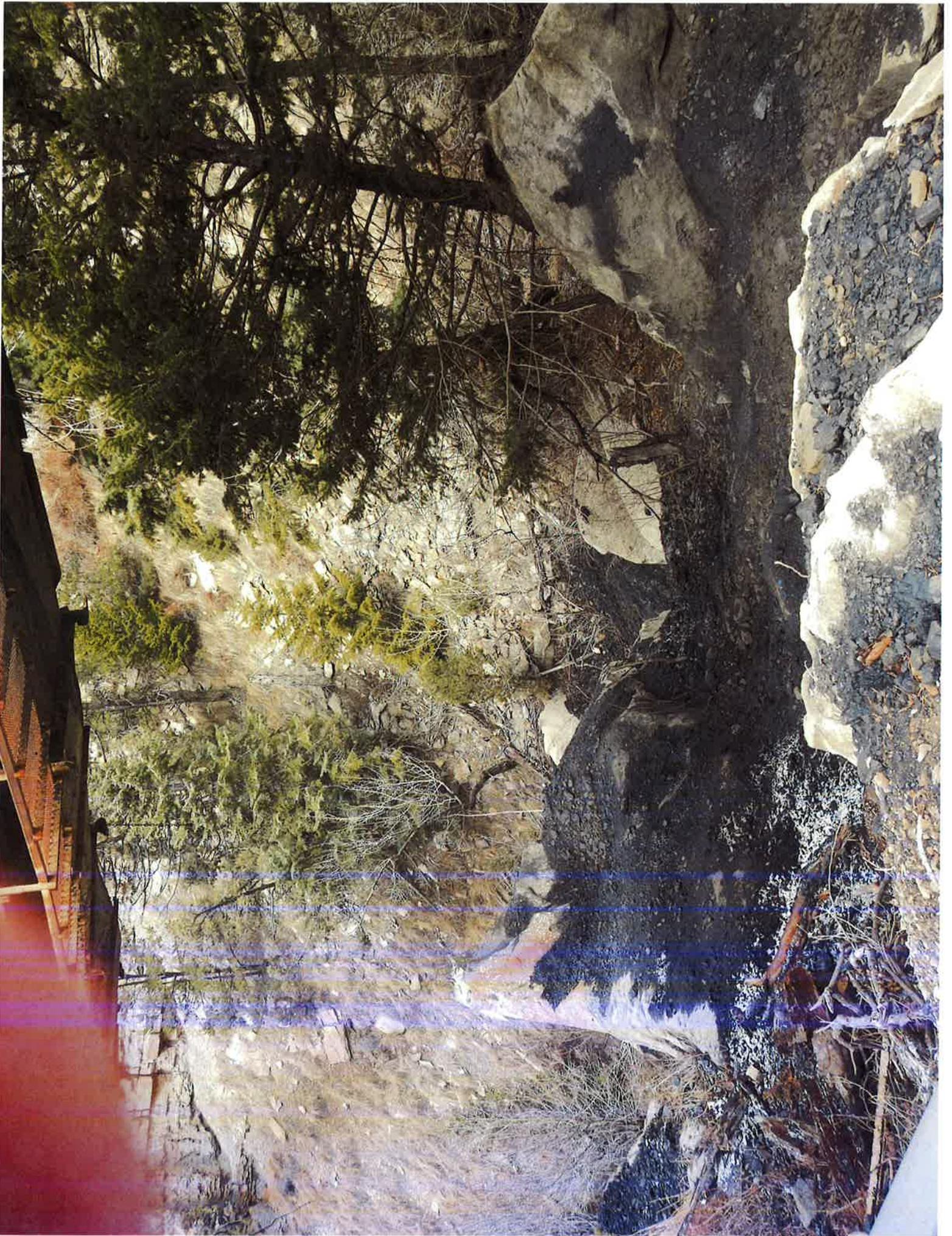






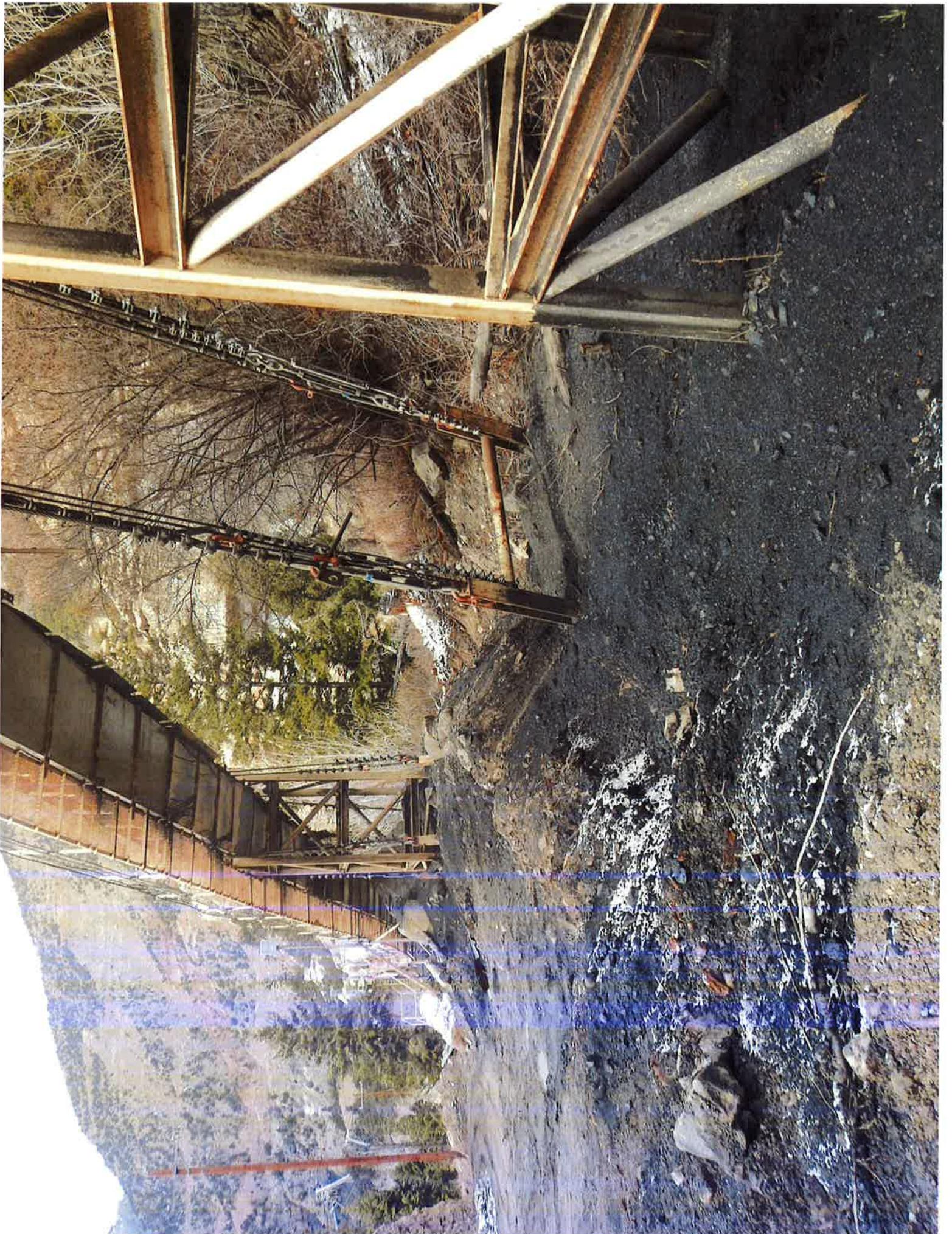


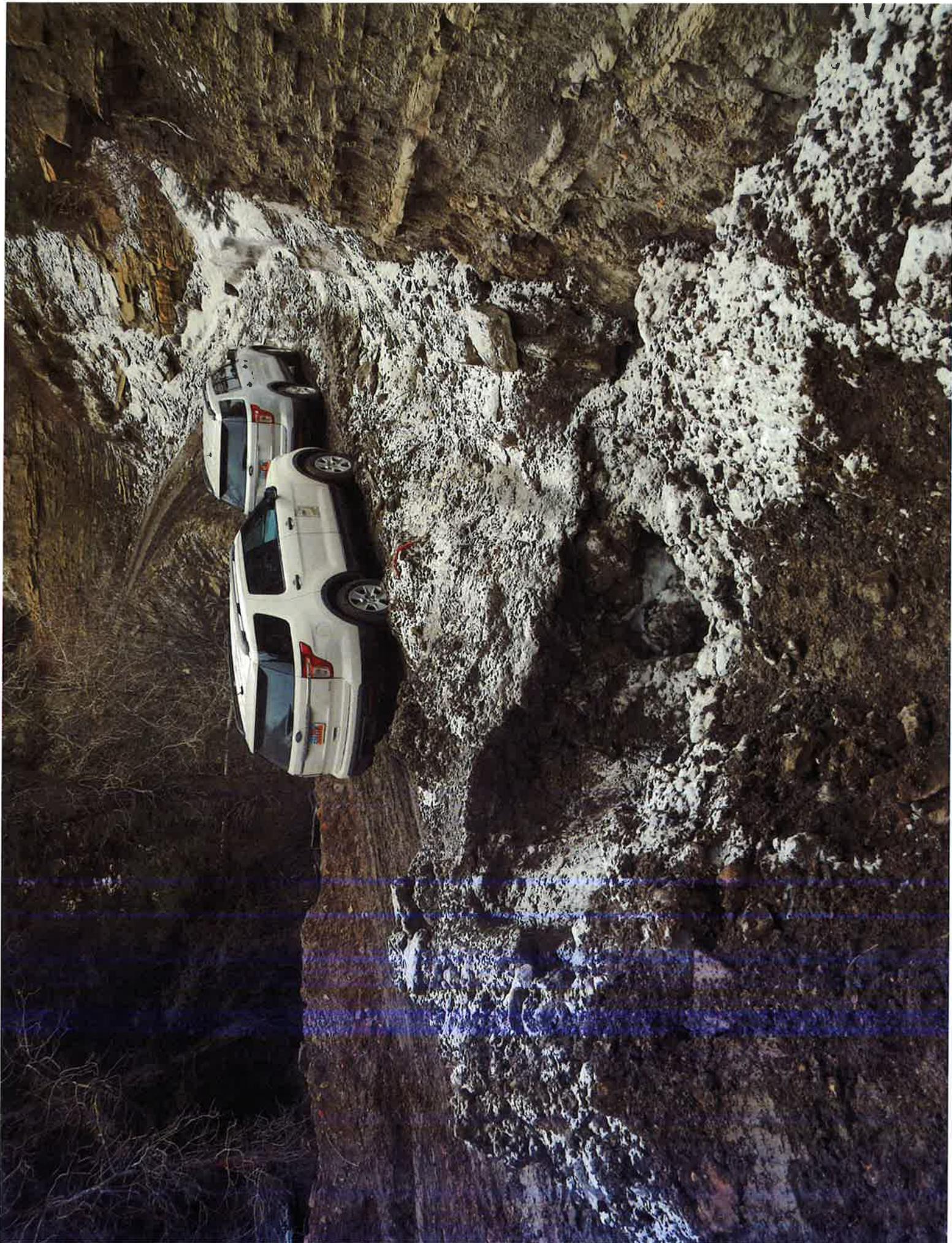


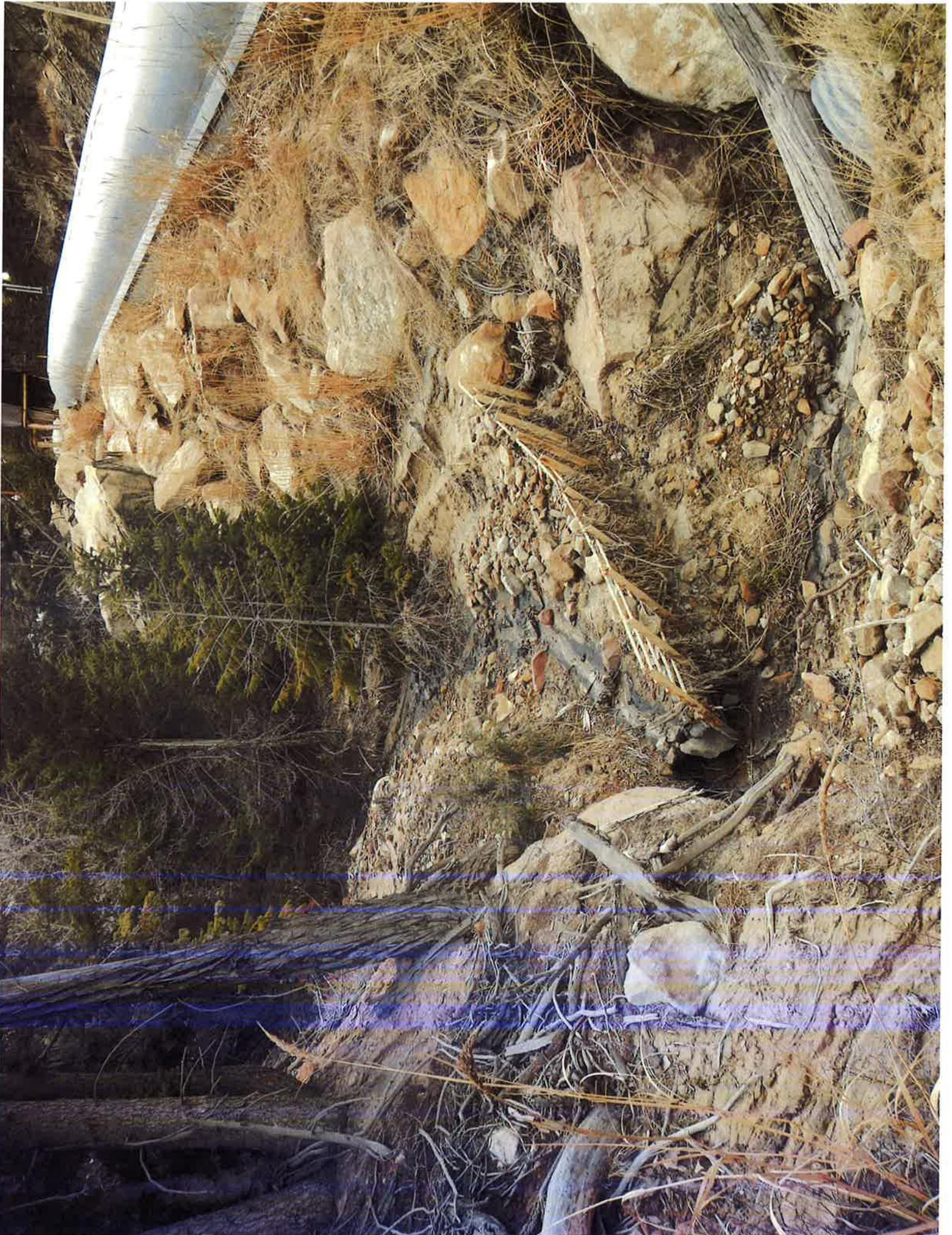


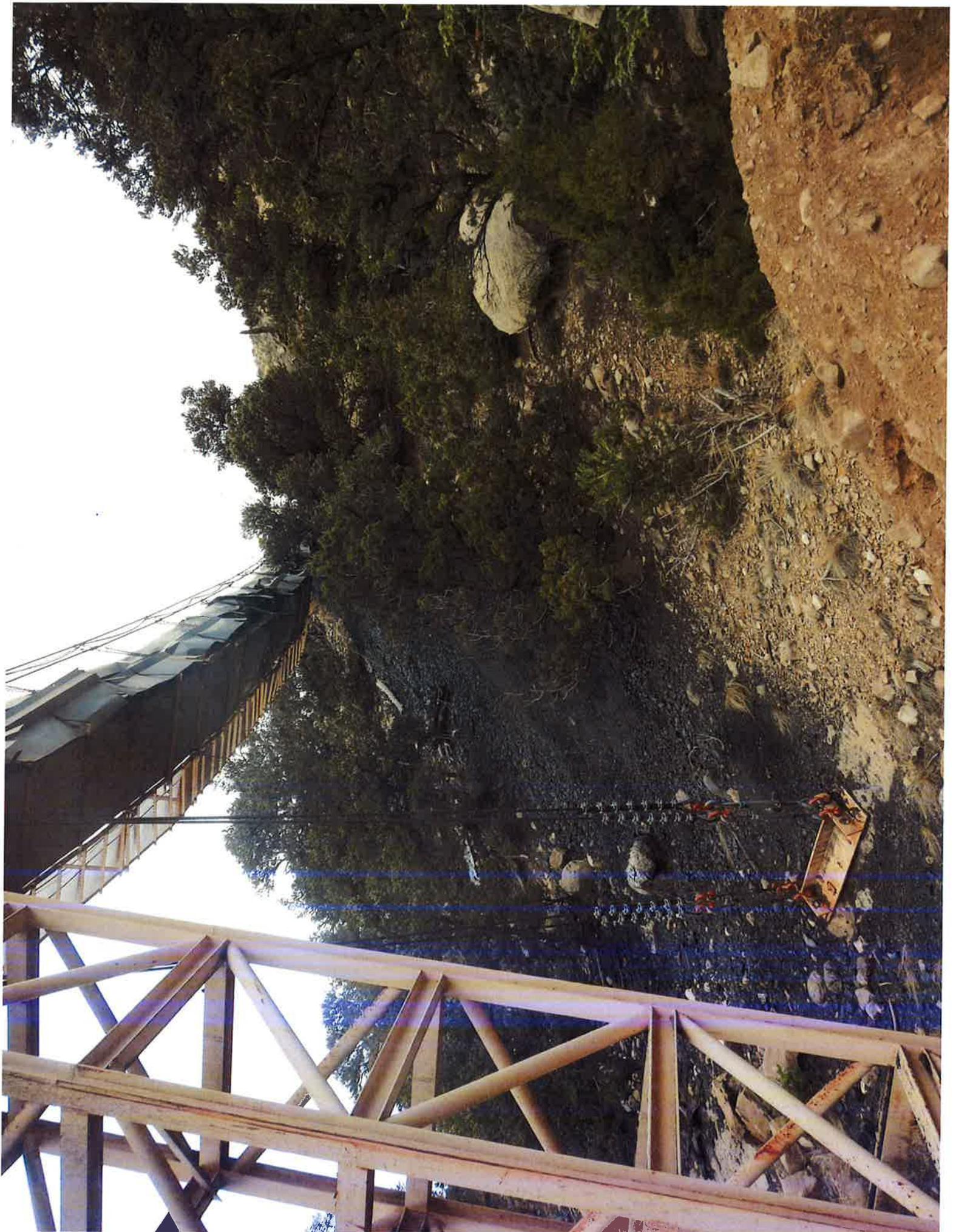




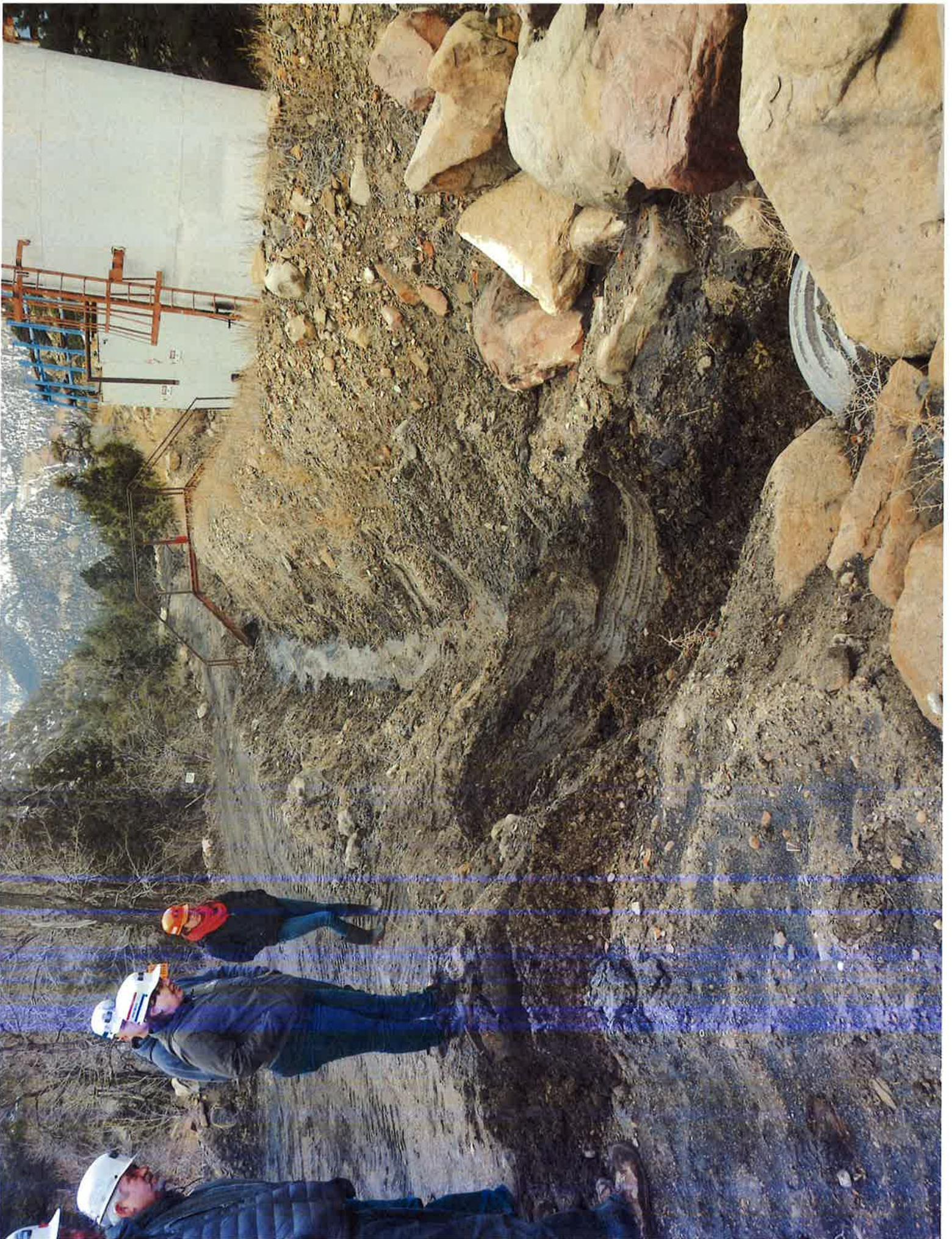




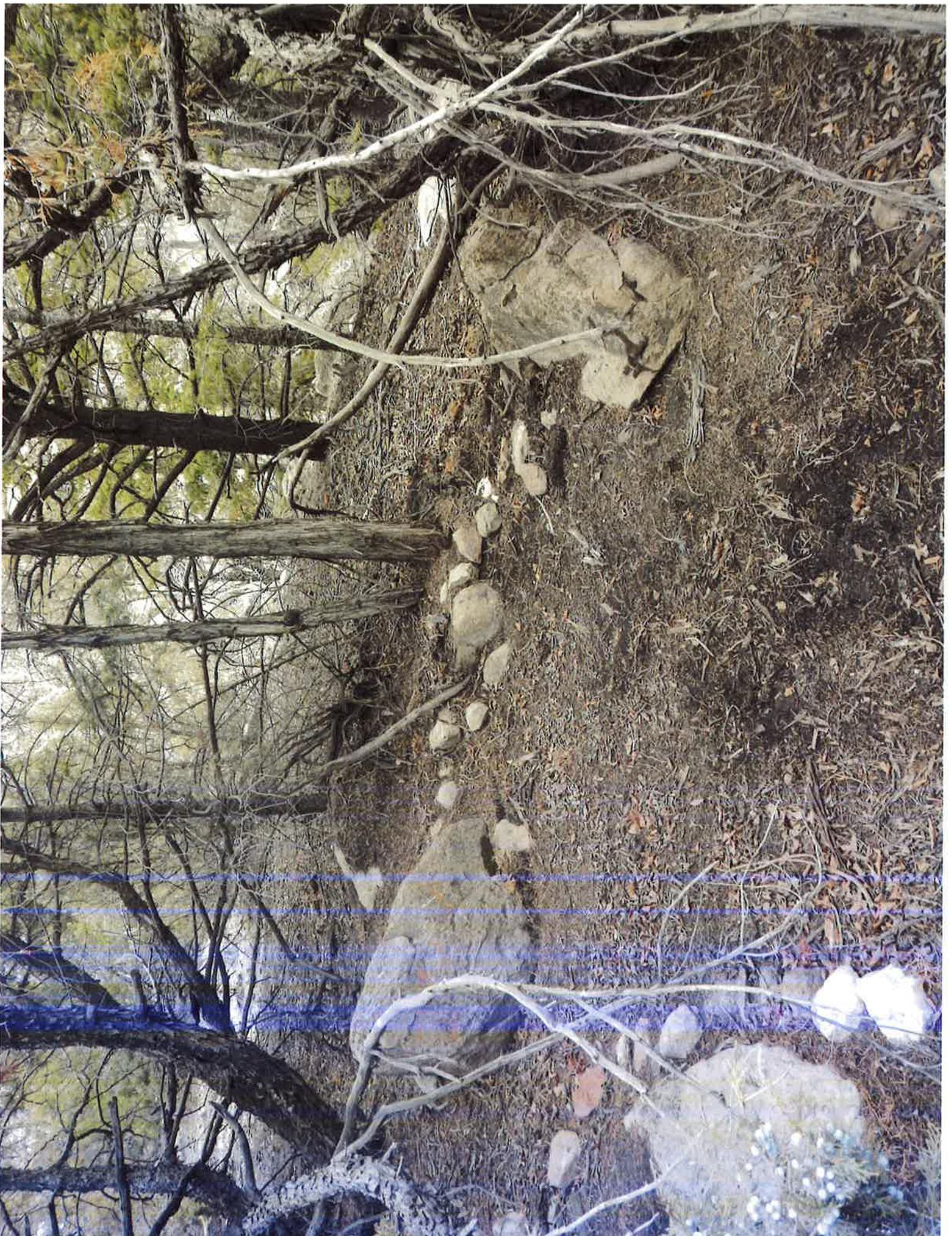














**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19151**

Permit Number: **C0150025**

Date Cit. Issued: **06/18/2015**

MODIFICATION of **TERMINATION** of **VACATION** of

NOTICE OF VIOLATION **CESSATION ORDER (CO)** **FAILURE TO ABATE CO**

Permittee Name: **CASTLE VALLEY MINING LLC**

Inspector Number and ID: **28** **DHaddock**

Mine Name: **BEAR CANYON MINE**

Date and Time of Action: **04/06/2016**

Certified Return Receipt Number:

Date and Time of Service: **04/06/2016**

*In accordance with the provisions of the Utah Coal Mining and Reclamation Act,
Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:*

Modified as follows:

This NOV although vacated on 9/10/2015 is hereby reinstated. All rights of appeal and for requesting informal conferences or hearings are also reinstated. The proposed assessment is also reinstated. The abatement requirement is modified to require the inlet of pond D and the #1 inlet of pond B to be constructed using grouted rip-rap or modify the MRP to show that grout is not required on the inlets. The abatement is now due within 30 days of the receipt of this reinstated NOV.

Reason for modification:

In response to an oversight inspection and associated TDN the Division has further reviewed this action and conducted its own inspection and determined that the NOV was inappropriately vacated.

Terminated because:

Vacated because:

(Print) Permittee Representative

Permittee Representative's Signature - Date

Daron Haddock

(Print) DOGM Representative

DOGM Representative's Signature - Date

Refer to the "Citation For Non-Compliance" for additional information



Citation for Non-Compliance
Utah Coal Regulatory Program
 1594 West North Temple, Salt Lake City, UT 84114
 Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 19151
Permit Number: C0150025
Date Issued: 06/18/2015

NOTICE OF VIOLATION **CESSATION ORDER (CO)** **FAILURE TO ABATE CO**

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 1 JHELFRIC
Mine Name: BEAR CANYON MINE	Date and Time of Inspection: 05/13/2015
Certified Return Receipt Number: 7012346000295596472	Date and Time of Service: 06/18/2015

Nature of condition, practice, or violation:
 The permittee has not maintained the inlets to sediment ponds A, B, C, and D in accordance with Appendix 7F of the approved mining and reclamation plan (MRP).

Provisions of Act, regulations, or permit violated:
 R645-301-742.123

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

<input type="checkbox"/> Condition, practice, or violation is creating an imminent danger to health or safety of the public.	<input type="checkbox"/> Permittee is/has been conducting mining activities without a Permit.
<input type="checkbox"/> Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	<input type="checkbox"/> Permittee has failed to abate Violation(s) included in <input type="checkbox"/> Notice of Violation or <input type="checkbox"/> Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Abatement Times (if applicable).
	30 days, no later than 5:00 Pm Friday
	July 17th for the submittal of plans for ponds B & D and repair of inlets for ponds A & C.

Action(s) required: Yes No

Sediment Pond A: Clean and reestablish the rip-rapped inlet channel the has been eroded and place the waste material on the appropriate coal stockpile pad.

Sediment Pond B: Refer to # 4b of the attached DOGM inspection report.

Sediment pond C: Clean and reestablish the rip-rapped inlet channel the has been eroded. Repair the erosion on the outslope of the leachfield upstream of pond C.

Sediment Pond D: Refer to # 4b of the attached DOGM inspection report.

Jaren Jorgensen

(Print) Permittee Representative

JOE HELFRICH

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19152**

Permit Number: **C0150025**

Date Cit. Issued: **06/18/2015**

- MODIFICATION of
 TERMINATION of
 VACATION of
 NOTICE OF VIOLATION
 CESSATION ORDER (CO)
 FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 28 DHaddock
Mine Name: BEAR CANYON MINE	Date and Time of Action: 04/06/2016
Certified Return Receipt Number:	Date and Time of Service: 04/06/2016

In accordance with the provisions of the Utah Coal Mining and Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:

Modified as follows:
 This NOV although vacated on 9/10/2015, is hereby reinstated. All rights of appeal and for requesting conferences or hearings are also reinstated. The proposed assessment is also reinstated.

Reason for modification:

In response to an oversight inspection and associated TDN the Division has further reviewed this action and conducted its own inspection and determined that the NOV was inappropriately vacated. A number of noncoal waste items were identified in the March 3, 2016 inspection that had not been properly stored or disposed of.

Terminated because:

Vacated because:

Daron Haddock

(Print) Permittee Representative

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

Daron Haddock 4/6/16

Refer to the "Citation For Non-Compliance" for additional information



Citation for Non-Compliance
Utah Coal Regulatory Program
 1594 West North Temple, Salt Lake City, UT 84114
 Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 19152

Permit Number: C0150025

Date Issued: 06/18/2015

NOTICE OF VIOLATION **CESSATION ORDER (CO)** **FAILURE TO ABATE CO**

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 1 JHELFRIC
Mine Name: BEAR CANYON MINE	Date and Time of Inspection: 05/13/2015
Certified Return Receipt Number: 70123460000295596472.	Date and Time of Service: 06/18/2015

Nature of condition, practice, or violation:
 The permittee has not placed and stored non-coal waste in a controlled manner in a designated portion of the permit area.

Provisions of Act, regulations, or permit violated:
 R645-301-528.331

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

<input type="checkbox"/> Condition, practice, or violation is creating an imminent danger to health or safety of the public.	<input type="checkbox"/> Permittee is/has been conducting mining activities without a Permit.
<input type="checkbox"/> Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	<input type="checkbox"/> Permittee has failed to abate Violation(s) included in <input type="checkbox"/> Notice of Violation or <input type="checkbox"/> Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Abatement Times (if applicable).
	30 days, no later than Friday, July 17th.

Action(s) required: Yes No
 Remove the non-coal waste from the following areas: The four sediment ponds (A-D), stream buffer zones, outslope of portal pad 3. Ensure that non-coal waste from any other areas within and adjacent to the disturbed area and outslopes of the access road to the #4 portal is properly stored.

Jaren Jorgensen
 (Print) Permittee Representative

JOE HELFRICH
 (Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



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Utah Coal Regulatory Program**

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Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19152**
Permit Number: **C0150025**
Date Cit. Issued: **06/18/2015**

MODIFICATION of TERMINATION of VACATION of

NOTICE OF VIOLATION CESSATION ORDER (CO) FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC

Inspector Number and ID: **28** **DHaddock**

Mine Name: BEAR CANYON MINE

Date and Time of Action: **04/06/2016**

Certified Return Receipt Number:

Date and Time of Service: **04/06/2016**

*In accordance with the provisions of the Utah Coal Mining and Reclamation Act,
Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:*

Modified as follows:

Reason for modification:

Terminated because:
During the March 29, 2016 inspection conducted by the Division, it was determined that the noncoal waste items previously identified in the March 3, 2016 inspection and associated TDN have now been adequately addressed or removed.

Vacated because:

(Print) Permittee Representative

Permittee Representative's Signature - Date

Daron Haddock

(Print) DOGM Representative

DOGM Representative's Signature - Date

Daron Haddock 4/6/16

Refer to the "Citation For Non-Compliance" for additional information



**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19153**

Permit Number: **C0150025**

Date Cit. Issued: **06/18/2015**

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> MODIFICATION of | <input type="checkbox"/> TERMINATION of | <input type="checkbox"/> VACATION of |
| <input checked="" type="checkbox"/> NOTICE OF VIOLATION | <input type="checkbox"/> CESSATION ORDER (CO) | <input type="checkbox"/> FAILURE TO ABATE CO |

Permittee Name: **CASTLE VALLEY MINING LLC**

Inspector Number and ID: **28 DHaddock**

Mine Name: **BEAR CANYON MINE**

Date and Time of Action: **04/06/2016**

Certified Return Receipt Number:

Date and Time of Service: **04/06/2016**

In accordance with the provisions of the Utah Coal Mining and Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:

Modified as follows:
The abatement action required by this NOV is changed to omit the requirements for the clean-up of coal and or coal fines in the buffer zone.

Reason for modification:

The requirement to clean up coal and coal fines from the buffer zone area is now covered under a newly issued notice of violation and is no longer needed under this violation as it would be duplicative. Further this violation was terminated effective September 9, 2015 as the other abatement requirements of the NOV had been completed at that time.

Terminated because:

Vacated because:

Daron Haddock

(Print) Permittee Representative

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

Daron R Haddock 4/6/16

Refer to the "Citation For Non-Compliance" for additional information



Citation for Non-Compliance

Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 19153

Permit Number: C0150025

Date Issued: 06/18/2015

NOTICE OF VIOLATION
 CESSATION ORDER (CO)
 FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 1 JHELFRIC
Mine Name: BEAR CANYON MINE	Date and Time of Inspection: 05/13/2015
Certified Return Receipt Number: 70123460000295596472	Date and Time of Service: 06/18/2015

Nature of condition, practice, or violation:
Encroachment of the stream buffer zone at the Bear Canyon mine.

Provisions of Act, regulations, or permit violated:
R645-301-731.600

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

<input type="checkbox"/> Condition, practice, or violation is creating an imminent danger to health or safety of the public.	<input type="checkbox"/> Permittee is/has been conducting mining activities without a Permit.
<input type="checkbox"/> Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	<input type="checkbox"/> Permittee has failed to abate Violation(s) included in <input type="checkbox"/> Notice of Violation or <input type="checkbox"/> Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Abatement Times (if applicable).
	30 days, no later than 5:00 PM Friday
	July 17th.

Action(s) required: Yes No

Remove materials from storage areas that have spilled over into the stream buffer area.
Remove the hoses and or other equipment used to decant pond A to pond B.
Submit plans for an alternative route to decant pond A into pond B.
Submit plans for the clean-up of the coal and or coal fines in the buffer zone.
The plans must be complete and adequate and implemented upon approval.

Jaren Jorgensen
(Print) Permittee Representative

JOE HELFRICH
(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19153**

Permit Number: **C0150025**

Date Cit. Issued: **06/18/2015**

MODIFICATION of

TERMINATION of

VACATION of

NOTICE OF VIOLATION

CESSATION ORDER (CO)

FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC

Inspector Number and ID: **1** **JHELFRIC**

Mine Name: BEAR CANYON MINE

Date and Time of Action: **09/10/2015** **9:27 am**

Certified Return Receipt Number:

Date and Time of Service: **09/10/2015** **9:27 am**

*In accordance with the provisions of the Utah Coal Mining and Reclamation Act,
Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:*

Modified as follows:

Reason for modification:

Terminated because:
The permittee has met the abatement requirements outlined in the NOV. Good faith is warranted in terms diligence exercised in abating the violation.

Vacated because:

Jaren Jorgensen

(Print) Permittee Representative

JOE HELFRICH

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

Refer to the "Citation For Non-Compliance" for additional information



Action Taken on Existing Citation Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19154**

Permit Number: **C0150025**

Date Cit. Issued: **06/18/2015**

- MODIFICATION of TERMINATION of VACATION of
- NOTICE OF VIOLATION CESSATION ORDER (CO) FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 28 DHaddock
Mine Name: BEAR CANYON MINE	Date and Time of Action: 04/06/2016
Certified Return Receipt Number:	Date and Time of Service: 04/06/2016

In accordance with the provisions of the Utah Coal Mining and Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:

Modified as follows:
 The NOV although vacated on 9/10/2015 is hereby reinstated. All rights of appeal and for requesting informal conferences or hearings are also reinstated. The proposed assessment will be recalculated based on the changes to this NOV. The abatement action required by this NOV is changed to omit the requirement to repair the overland conveyor cover system and coal slurry leaks as well as omit the requirement to clean-up the coal and coal fine slurry and sediment from the undisturbed drainage adjacent to Bear Creek. The requirement to repair the sediment control structures and eroded embankment on the access road to the #4 portal remains in place. The abatement is now due within 30 days of the receipt of this reinstated NOV.

Reason for modification:

In response to an oversight inspection and associated TDN the Division has further reviewed this action and conducted its own inspection and determined that the NOV was inappropriately vacated. The requirement to repair the overland conveyor cover system and coal slurry leaks and to clean up the coal and coal fine slurry and sediment in the undisturbed drainage adjacent to Bear Creek is now covered under a newly issued notice of violation and is no longer needed under this violation as it would be duplicative.

Terminated because:

Vacated because:

Daron Haddock

(Print) Permittee Representative

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

Daron Haddock 4/6/16

Refer to the "Citation For Non-Compliance" for additional information



Citation for Non-Compliance
Utah Coal Regulatory Program
 1594 West North Temple, Salt Lake City, UT 84114
 Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 19154
Permit Number: C0150025
Date Issued: 06/18/2015

NOTICE OF VIOLATION **CESSATION ORDER (CO)** **FAILURE TO ABATE CO**

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 1 JHELFRIC
Mine Name: BEAR CANYON MINE	Date and Time of Inspection: 05/13/2015
Certified Return Receipt Number: 70123460000295596472	Date and Time of Service: 06/18/2015

Nature of condition, practice, or violation:
 The permittee has failed to properly maintain support facilities (overland conveyor from the #3 portal), sediment control structures on the #4 portal access road and undisturbed culvert # C7U so as to prevent contributions of additional suspended solids to the undisturbed drainage adjacent to bear creek and Bear creek.

Provisions of Act, regulations, or permit violated:
 R645-301-521.170
 R645-301-742.200
 R645-301-742.423.2
 R645-301-742.423.3

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

<input type="checkbox"/> Condition, practice, or violation is creating an imminent danger to health or safety of the public.	<input type="checkbox"/> Permittee is/has been conducting mining activities without a Permit.
<input type="checkbox"/> Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	<input type="checkbox"/> Permittee has failed to abate Violation(s) included in <input type="checkbox"/> Notice of Violation or <input type="checkbox"/> Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: Yes No **Abatement Times (if applicable).**

	60 days no later than 5:00 PM Monday
	August 17th.

Action(s) required: Yes No
 Repair the overland conveyor cover system and coal slurry leaks in accordance with the approved MRP.
 Repair the sediment control structures and eroded embankments on the access road to the #4 portal.
 Submit plans for the clean-up of coal and coal fine slurry and sediment in the undisturbed drainage adjacent to Bear creek.
 Plans must be complete and adequate and implemented upon approval.

Jaren Jorgensen (Print) Permittee Representative	JOE HELFRICH (Print) DOGM Representative
Permittee Representative's Signature - Date	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



**Action Taken on Existing Citation
Utah Coal Regulatory Program**

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538 - 5285 Fax: (801) 359-3940

Action on Citation#: **19154**
Permit Number: **C0150025**
Date Cit. Issued: **06/18/2015**

- MODIFICATION of
 TERMINATION of
 VACATION of
 NOTICE OF VIOLATION
 CESSATION ORDER (CO)
 FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC	Inspector Number and ID: 1 JHELFRIC
Mine Name: BEAR CANYON MINE	Date and Time of Action: 07/28/2015
Certified Return Receipt Number:	Date and Time of Service: 07/28/2015

In accordance with the provisions of the Utah Coal Mining and Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the above referenced Citation is:

- Modified as follows:**
 Plans will not be required to abate the NOV.

Reason for modification:
 The permittee is in the process of cleaning up the undisturbed drainage. Revisions to the ASCAS on the access road to the #4 portal may be required as as-builts.

Terminated because:

Vacated because:

Jaren Jorgensen

(Print) Permittee Representative

JOE HELFRICH

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

Jaren Jorgensen 7/28/15

Refer to the "Citation For Non-Compliance" for additional information



Citation for Non-Compliance

Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 21171

Permit Number: C0150025

Date Issued: 04/06/2016



NOTICE OF VIOLATION



CESSATION ORDER (CO)



FAILURE TO ABATE CO

Permittee Name: CASTLE VALLEY MINING LLC

Inspector Number and ID: 28 DHADDOCK

Mine Name: BEAR CANYON MINE

Date and Time of Inspection: 03/29/2016 10:00 am

Certified Return Receipt Number:

Date and Time of Service: 04/06/2016

Nature of condition, practice, or violation:

The permittee has failed to properly maintain support facilities (overland conveyor from the #3 portal) to prevent contributions of additional suspended solids to the undisturbed drainage along Bear Creek and encroachment of the stream buffer zone. Coal and coal fine slurry have been allowed to encroach into the stream buffer zone and undisturbed areas beneath the conveyor.

Provisions of Act, regulations, or permit violated:

R645-301-526.200 through R645-301-526.222

R645-301-731.600



This order requires Cessation of ALL mining activities. (Check box if appropriate.)



Condition, practice, or violation is creating an imminent danger to health or safety of the public.



Permittee is/has been conducting mining activities without a Permit.



Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.



Permittee has failed to abate Violation(s) included in Notice of Violation or Cessation Order within time for abatement originally fixed or subsequently extended.



This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: Yes No

Abatement Times (if applicable).

Action(s) required: Yes No

Repair the overland conveyor cover system and coal slurry leaks in accordance with the approved MRP.

Clean up the coal and coal fine slurry in the drainage beneath the conveyor and from the stream buffer zone.

Complete the repairs and clean up within 60 days of the receipt of this NOV.

DARON HADDOCK

(Print) Permittee Representative

(Print) DOGM Representative

Permittee Representative's Signature - Date

DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



March 16, 2016

Daron Haddock
Coal Program Manager
Utah Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Dear Mr. Haddock,

I have enclosed copies of the OSMRE's Ten Day Notice (TDN) issued to the Utah Division of Oil, Gas and Mining on March 16, 2016. TDN X16-140-545-004 has been issued as a result of noncompliance OSMRE and DOGM identified during the course of the 2015 and 2016 Independent Partial Oversight inspections.

If you have any questions regarding the violations, please contact Spencer Shumate, Natural Resources Specialist, Denver Field Division, at (303) 293-5046 or jshumate@OSMRE.gov.

Sincerely,

Alan Boehms, Manager
Denver Field Branch

Attachments: Bear Canyon Mine TDN

UNITED STATES DEPARTMENT OF THE INTERIOR
Office of Surface Mining
Reclamation and Enforcement
TEN-DAY NOTICE

Originating Office: Denver Regional Office
US DOI, Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202

Number X16-140-545-004 TV 7

Telephone Number: (303) 293-5000

Ten-Day Notice to the State of Utah

You are notified that, as a result of Other (e.g. a federal inspection, citizen information, etc.) the Secretary has reason to believe that the person described below is in violation of the Act or a permit condition required by the Act. If the State Regulatory Authority fails within ten days after receipt of this notice to take appropriate action to cause the violation(s) described herein to be corrected, or to show cause for such failure and transmit notice of your action to the Secretary through the originating office designated above, then a Federal inspection of the surface coal mining operation at which the alleged violation(s) is occurring will be conducted and appropriate enforcement action as required by Section 521(a)(1) of the Act will be taken.

Permittee: CASTLE VALLEY MINING LLC County: EMERY
(Or Operator if No Permit)

Mailing Address: 424 LEWIS HARGETT CIRCLE SUITE 250, , LEXINGTON, KY 40503

Permit Number: C0150025 Mine Name: BEAR CANYON

- Surface
 Underground
 Other

01 NATURE OF VIOLATION AND LOCATION:

Diverting runoff using protected channels or pipes through disturbed areas so as not to cause additional erosion.

Section of State Law, Regulation or Permit R645-301-742.123
Condition believed to have been violated:

02 NATURE OF VIOLATION AND LOCATION:

Noncoal mine wastes generated during mining activities will be placed and stored in a controlled manner in a designated portion of the permit area

Section of State Law, Regulation or Permit R645-301-528.331
Condition believed to have been violated:

03 NATURE OF VIOLATION AND LOCATION:

Encroachment of the Stream Buffer Zone

Section of State Law, Regulation or Permit R645-301-731.600
Condition believed to have been violated:

Remarks or Recommendations:

On May 13, 2015, OSMRE conducted an Independent Partial Oversight inspection at Castle Valley, LLC (Bear Canyon Mine). Upon completion of the 2015 inspection, it was understood that DOGM would issue four violations to Bear Canyon for noncompliance. DOGM issued NOV #19151, 19152, 19153, and 19154 to Bear Canyon Mine on June 18, 2015. Conversely, OSMRE was notified on September 10, 2015 of DOGM's decision to vacate three out of the four NOV's (#19151, 19152, 19154) and terminate #19153. As a result, OSMRE scheduled the EY 2016 Independent Partial Oversight inspection at Bear Canyon to follow up on the aforementioned noncompliance issues identified in 2015.

Date of Notice: 03/16/2016

Signature of Authorized Rep.: John S. Shumate

Print Name and ID: John Shumate ID# 545

UNITED STATES DEPARTMENT OF THE INTERIOR
Office of Surface Mining
Reclamation and Enforcement

TEN-DAY NOTICE

Originating Office: Denver Regional Office
US DOI, Office of Surface Mining
1989 Broadway, Suite 3320
Denver, CO 80202

Number X16-140-545-004 TV 7

Telephone Number: (303) 293-5000

Ten-Day Notice to the State of **Utah**

04 NATURE OF VIOLATION AND LOCATION:

Each permit application will describe each road, conveyor, and rail system to be constructed, used, or maintained within the proposed permit area.

Section of State Law, Regulation or Permit **R645-301-521.170**
Condition believed to have been violated:

05 NATURE OF VIOLATION AND LOCATION:

Siltation Structures. Siltation structures shall be designed in compliance with the requirements of R645-301-742

Section of State Law, Regulation or Permit **R645-301-742.200**
Condition believed to have been violated:

06 NATURE OF VIOLATION AND LOCATION:

Drainage pipes and culverts will be constructed to avoid plugging or collapse and erosion at inlets and outlets.

Section of State Law, Regulation or Permit **R645-301-742.423.2**
Condition believed to have been violated:

07 NATURE OF VIOLATION AND LOCATION:

Drainage ditches will be designed to prevent uncontrolled drainage over the road surface and embankment. This includes the use of trash racks or basins to aid in drainage control.

Section of State Law, Regulation or Permit **R645-301-742.423.3**
Condition believed to have been violated:

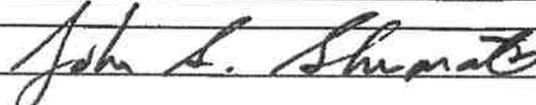
NATURE OF VIOLATION AND LOCATION:

Section of State Law, Regulation or Permit
Condition believed to have been violated:

NATURE OF VIOLATION AND LOCATION:

Section of State Law, Regulation or Permit
Condition believed to have been violated:

Date of Notice: **03/16/2016**

Signature of Authorized Rep.: 

Print Name and ID: John Shumate ID# 545



**U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation
State Program**



1. Permittee/Person CASTLE VALLEY MINING LLC		9. Permit Number C0150025	10. Permit Type PP
2. Address 424 LEWIS HARGETT CIRCLE SUITE 250		11. Field Visit Date 3/3/2016 <small>mm - dd - yyyy</small>	12. Purpose OPI
3. City LEXINGTON		13. SRA Present Y	14. Permit Status A
4. State KY		15. Site Status AP	16. Facility Type B
5. Zip Code 40503	6. Phone Number (859) 519-3637	17. OSM Office # 140	18. CCID #
7. Operator Name, if Different than Permittee 		19. Land Code F	20. M.S.H.A. ID # 42-01697
8. Mine Name BEAR CANYON		21. State Abbrev. UT	22. County/Burrough EMERY
		23. AVS Permittee Entity ID Number 250853	24. State Office

25. Hours

8.0	a. Permit Review
4.0	b. Site Visit Time
8.0	c. Travel Time
8.0	d. Report Writing

26. Signature Block

John S. Shumate
Signature:

John Shumate, ID#545
Printed Name

Date: 3/16/2016

27. Reviewing Official:

Don Bradman
Signature

Review Date: 03-16-2016
mm - dd - yyyy

Is Supplemental MSE Page Used Y/N Y

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit

Purpose Type Codes - Item 12
Oxx... Oversight
Axx... Assistance

RFx... Reclamation Fees
Fxx... Federal Actions

CCR... Citizen Complaint Referral (non-site visit)
CC... Citizen Complaint (initial site visit)
CCF... Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site

Permit Status - Item 14

<p>A Active: Coal mining activities occurring or permitted but not yet disturbed.</p> <p>IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated.</p> <p>BR Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase II Release).</p>	<p>AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)</p> <p>AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.</p> <p>AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.</p> <p>AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards</p> <p>NA Not Applicable: When site is unpermitted.</p>	<p>NS Non-Site Visit: Status of site not determined.</p> <p>FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.</p> <p>FR Forfeited and Reclaimed: Forfeiture reclamation completed.</p> <p>FO Abandoned Site: Abandoned site that is permitted but there is no bond.</p> <p>WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.</p>
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Site Status - Item 15

<p>ND No Disturbance: No coal mining and reclamation operations have been started.</p> <p>EK Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.</p> <p>AP Active Coal Producing: Coal surface mining activities are occurring.</p> <p>AN Active Non-Producing: Active non-producing facility such as tipple or preparation plant.</p> <p>NM No Mining: The Perm't Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.</p>	<p>MC Mining Complete: No mining activity on site, site regraded and awaiting bond release.</p> <p>TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817-13(b).</p> <p>P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For Interim permits, partial bond release.</p> <p>P2 Phase II Release: At least Phase II bond release for the entire permitted area.</p> <p>P3 Phase III Release: Reclamation completed and the RA has released all bond.</p>	
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Facility Type Codes - Item 16

<p>A... Surface</p> <p>B... Underground</p> <p>C... Preparation Plant</p>	<p>D... Ancillary (Haulroad, Conveyor, and/or Rails)</p> <p>E... Refuse and/or Impoundment</p> <p>F... Loading Facility and/or Tipple</p> <p>G... Stockpiles</p>	<p>H... Exploration Permits</p> <p>I... Notice of Intent to Explore</p> <p>J... Exempt 16 and 2/3</p>	<p>K... Government Financed Construction Exemption</p> <p>L... Remaining site permitted under 30 CFR 785.25</p>
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Small Business Regulatory Enforcement Fairness Act (SBREFA)
Your Comments are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call: 1-888-REG-FAIR (1-888-734-3247)

Page 1

**U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation**

Permittee/ Person	Permit Number	Field Visit Date	State Program Continuation Page
CASTLE VALLEY MINING LLC	C0150025	3/3/2016	

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

<p>A. Administrative</p> <ol style="list-style-type: none"> 1. <u>1</u> Mining within Valid Permit 2. <u> </u> Mining within Bonded Area 3. <u>2</u> Terms & Conditions of Permit 4. <u> </u> Liability Insurance 5. <u> </u> Ownership and Control 6. <u> </u> Temporary Cessation 7. <u> </u> AML Rec. Fees - Non-Respondent 8. <u> </u> AML Rec. Fees - Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <u>2</u> Drainage Control 2. <u> </u> Inspections & Certifications 3. <u>2</u> Siltation Structures 4. <u> </u> Discharge Structures 5. <u>2</u> Diversions 6. <u> </u> Effluent Limits 7. <u> </u> Ground Water Monitoring 8. <u> </u> Surface Water Monitoring 9. <u> </u> Drainage - Acid-Toxic Materials 10. <u> </u> Impoundments 11. <u>2</u> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <u> </u> Removal 2. <u> </u> Substitute Materials 3. <u> </u> Storage and Protection 4. <u> </u> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <u> </u> Exposed Openings 2. <u> </u> Contemporaneous Reclamation 3. <u> </u> Approximate Original Contour 4. <u> </u> Highwall Elimination 5. <u> </u> Steep Slopes (includes downslope) 6. <u> </u> Handling of Acid and Toxic Materials 7. <u> </u> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <u> </u> Placement 2. <u> </u> Drainage Control 3. <u> </u> Surface Stabilization 4. <u> </u> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <u> </u> Drainage Control 2. <u> </u> Surface Stabilization 3. <u> </u> Placement 4. <u> </u> Inspections & Certifications 5. <u> </u> Impounding Structures <p>G. Use of Explosives</p> <ol style="list-style-type: none"> 1. <u> </u> Blaster Certification 2. <u> </u> Distance Prohibitions 3. <u> </u> Blast Survey/Schedule 4. <u> </u> Warnings & Records 5. <u> </u> Control of Adverse Effects 	<p>H. <u> </u> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <u> </u> Road Construction 2. <u> </u> Certification 3. <u>2</u> Drainage 4. <u> </u> Surfacing and Maintenance 5. <u> </u> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <u> </u> Signs 2. <u> </u> Markers <p>K. <u> </u> Distance Prohibitions</p> <p>L. <u> </u> Revegetation</p> <ol style="list-style-type: none"> 1. <u> </u> Vegetative Cover 2. <u> </u> Timing <p>M. <u> </u> Postmining Land Use</p> <p>N. Other</p> <p>General Performance Category</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Performance Standard Categories 30 CFR Counterparts

<p>A. Administrative 773.11</p> <ol style="list-style-type: none"> 1. Valid Permit 773.11 2. Mining within Bonded Area 773.11 3. Terms & Conditions of Permit 773.17 4. Liability Insurance 800.60 5. Ownership and Control 778.13 6. Temporary Cessation §42.11(e) & §16.817.131 7. AML Rec. Fees - Non-Respondent 870.15(b) 8. AML Rec. Fees - Failure to Pay 870.15(a) <p>B. Hydrologic Balance (816/817.41-57)</p> <ol style="list-style-type: none"> 1. Drainage Control 45 2. Inspections & Certifications 49(a)(10) 3. Siltation Structures 46 4. Discharge Structures 47 5. Diversions 43 6. Effluent Limits 42 7. Ground Water Monitoring 41(c) 8. Surface Water Monitoring 41(e) 9. Drainage - Acid - Toxic Materials 41(f) 10. Impoundments 49 11. Stream Buffer Zones 47 <p>C. Topsoil & Subsoil (816/817.22)</p> <ol style="list-style-type: none"> 1. Removal 22(a) 2. Substitute Materials 22(c) 3. Storage and Protection 22(c) 4. Redistribution 22(d) <p>D. Backfilling & Grading §16/817.95-107)</p> <ol style="list-style-type: none"> 1. Exposed Openings §16/817.13, 14, 15, & 823.11 & 21 2. Contemporaneous Reclamation 100 3. Approximate Original Contour 102(a)(1) 4. Highwall Elimination 102(a)(2) 5. Steep Slopes (includes downslope) 107 6. Handling of Acid & Toxic Materials 102(c) 7. Stabilization (rills and gullies) 95(b) 	<p>E. Excess Spoil Disposal (816/817.71-74)</p> <ol style="list-style-type: none"> 1. Placement 71(e) 2. Drainage Control 71(f) 3. Surface Stabilization 71(g) 4. Inspections & Certifications 71(h) <p>F. Coal Mine Waste (Refuse Piles/Impoundments) §16/817.81-84)</p> <ol style="list-style-type: none"> 1. Drainage Control 83(a) 2. Surface Stabilization 83(b) 3. Placement 83(c) 4. Inspections and Certifications 83(d) 5. Impounding Structures 84 <p>G. Use of Explosives (816/817.61-68)</p> <ol style="list-style-type: none"> 1. Blaster Certification 61(c) 2. Distance Prohibitions 61(d) 3. Blast Survey/Schedule 62-64 4. Warnings & Records 66 & 68 5. Control of Adverse Effects 67 <p>H. Subsidence Control Plan (817.121-122)</p> <p>I. Roads (816/817.150-151)</p> <ol style="list-style-type: none"> 1. Road Construction 150(c) 2. Certification 151(a) 3. Drainage 150(b), 151(d) 4. Surfacing and Maintenance 150(e), 151(d) 5. Reclamation 150(f) <p>J. Signs & Markers 816/817.11)</p> <ol style="list-style-type: none"> 1. Signs 11(a), (b), & (c) 2. Markers 11(a), (b), (d), (e), & (f) <p>K. Distance Prohibitions (761.11)</p> <p>L. Revegetation (816/817.111-116)</p> <ol style="list-style-type: none"> 1. Vegetative Cover 111 & 116 2. Timing 113 <p>M. Postmining Land Use (816/817.133)</p>
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**U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation**

Permittee/Person: **CASTLE VALLEY MINING LLC** Permit Number: **C0150025** Field Visit Date: **3/3/2016** State Program Continuation Page

A Specific State Law/Regulations Violated: R645-301-742.123

B Description: Diverting runoff using protected channels or pipes through disturbed areas so as not to cause additional erosion.

C Performance Standard: B3 **D. Abated (Y/N):** N

E OSM Action: 2 **F. OSM Action Number:** X16-140-545-004 **Viol#:** 01

G Optional: **H. Any Off-Site Impacts (Y/N):** N

I Latitude: 0385249 **J Longitude:** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A Specific State Law/Regulations Violated: R645-301-528.331

B Description: Noncoal mine wastes generated during mining activities will be placed and stored in a controlled manner in a designated portion of the permit area.

C Performance Standard: E1 **D. Abated (Y/N):** N

E OSM Action: 2 **F. OSM Action Number:** X16-140-545-004 **Viol#:** 02

G Optional: **H. Any Off-Site Impacts (Y/N):** N

I Latitude: 0385249 **J Longitude:** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A Specific State Law/Regulations Violated: R645-301-731.600

B Description: Encroachment of the Stream Buffer Zone

C Performance Standard: B11 **D. Abated (Y/N):** N

E OSM Action: 2 **F. OSM Action Number:** X16-140-545-004 **Viol#:** 03

G Optional: **H. Any Off-Site Impacts (Y/N):** Y

I Latitude: 0385249 **J Longitude:** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	D	D	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A Specific State Law/Regulations Violated: R645-301-521.170

B Description: Each permit application will describe each road, conveyor, and rail system to be constructed, used, or maintained within the proposed permit area.

C Performance Standard: AN **D. Abated (Y/N):** N

E OSM Action: 2 **F. OSM Action Number:** X16-140-545-004 **Viol#:** 04

G Optional: **H. Any Off-Site Impacts (Y/N):** N

I Latitude: 0385249 **J Longitude:** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OSM Action
 1) Deferred to State Action
 2) TDH Issued
 3) NCV Issued
 4) FTA-CO Issued
 5) IH-CO Issued
 6) ID-CO Issued (Imminent Danger to Public)
 7) Previously cited by RA, abatement pending
 8) Abated during or before OSM inspection
 9) Follow-up of Federal Action
 0) Off-site impact with no violation

Off-Site Impacts
 For each type of impact and resource affected, enter "N, D, or J" to describe the degree of off-site impact:
 N - Minor Occurrence
 D - Moderate Occurrence
 J - Major Occurrence

Page 3 of 4
 Revised October 1, 2010

**U.S. DEPT. OF THE INTERIOR
OFFICE OF SURFACE MINING
Mine Site Evaluation**

Permittee/Person CASTLE VALLEY MINING LLC	Permit Number C0150025	Field Visit Date 3/3/2016	State Program Continuation Page
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A Specific State Law/Regulations Violated: R645-301-742 200

B Description: Situation Structures Situation structures shall be designed in compliance with the requirements of R645-301-742

C Performance Standard: B3 **D. Abated (Y/N):** N

E OSM Action: 2 **F. OSM Action Number:** X16-140-545-004 **Viol#:** 05

G Optional: **H Any Off-Site Impacts (Y/N):** N

I Latitude: 0385249 **J Longitude:** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A Specific State Law/Regulations Violated: R645-301-742 423 J

B. Description: Drainage pipes and culverts will be constructed to avoid plugging or collapse and erosion at inlets and outlets

C Performance Standard: B1 **D Abated (Y/N)** N

E OSM Action 2 **F. OSM Action Number.** X16-140-545-004 **Viol#.** 06

G Optional. **H Any Off-Site Impacts (Y/N):** N

I Latitude. 0385249 **J Longitude** 1104207 **K Elevation:**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A Specific State Law/Regulations Violated. R645-301-742 423 J

B. Description: Drainage ditches will be designed to prevent uncontrolled drainage over the road surface and embankment. This includes the use of flash racks or basins to aid in drainage control

C Performance Standard. B1 **D. Abated (Y/N)** N

E OSM Action 2 **F. OSM Action Number.** X16-140-545-004 **Viol#.** 07

G Optional. **H Any Off-Site Impacts (Y/N):** N

I Latitude: 0385249 **J. Longitude** 1104207 **K Elevation**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A. Specific State Law/Regulations Violated

B Description:

C Performance Standard **D. Abated (Y/N)**

E OSM Action: **F. OSM Action Number:** **Viol#:**

G Optional: **H. Any Off-Site Impacts (Y/N):**

I Latitude: **J. Longitude:** **K. Elevation**

L. Off-Site Impacts

	People	Land	Water	Structures
Blasting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydrology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encroachment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bear Canyon Mine Partial Oversight Inspection Report

Utah Division of Oil, Gas and Mining (DOG M) Permit ID # C/015/0025

Date:

Wednesday, March 3, 2016

Participants:

Kenny Defa, Castle Valley Mining, LLC-Bear Canyon
Karl Houskeeper, Division of Oil, Gas, and Mining (DOG M)
Spencer Shumate, Office of Surface Mining Reclamation and Enforcement (OSMRE) Badge #541

Weather:

At the time of inspection, the weather conditions were clear, and sunny.

Background:

On May 13, 2015, OSMRE conducted an Independent Partial Oversight inspection at Castle Valley, LLC- Bear Canyon Mine. Upon completion of the 2015 inspection, it was understood that DOGM would issue four violations to Bear Canyon for non-compliance. DOGM issued NOV#19151, 19152, 19153, and 19154 to Bear Canyon Mine on June 18, 2015.

Conversely, OSMRE was notified on September 10, 2015 of DOGM's decision to vacate three out of the four NOV's (NOV# 19151, 19152, 19154) and terminate #19153.

See Appendix A for a copy of DOGM's inspection report.

See Appendix B for a copy of DOGM's NOV's written to Bear Canyon.

See Appendix C for a copy of DOGM's Notice to Vacate/Terminate NOV's.

For this reason, OSMRE selected the Bear Canyon Mine as part of the EY 2016 OSMRE Independent Oversight inspection schedule. The inspection began at the mine site office where we met with Kenny Defa. Jaren Jorgenson is normally the mine site representative that would accompany the inspector(s); however, Jaren was unavailable due to a safety training he was attending at an offsite location. The field inspection began at approximately 8:00 am and concluded with a closeout discussion at approximately 12:00 pm.

The following information is a compilation of OSMRE's EY 2015 and EY 2016 Independent Oversight inspection reports. Because of DOGM's previous actions, and current inaction, to address on-the-ground violations of its approved regulatory program, compliance issues identified in inspection report are considered still applicable.

See Appendix D for a copy of inspection photos.

Signs and Markers:

The entrance to the Bear Canyon permit displayed the proper mine identification signs but several instances were noted where stream buffer zone signs were either 1) missing, 2) not visible because of poor placement and 3) not visible because the sign was completely turned

around facing the wrong direction (i.e., not visible from the road-only visible if you are standing in the stream buffer zone).

Roads:

As noted during the 2015 inspection, all haul roads were generally in good repair, with the exception a damaged culvert identified near the junction of the main access road leading to Portal #4 and the primary tipple road. It was noted that the culvert had been exposed and a hole had been breached, thus allowing for deposition of coal fines and sediment to enter the undisturbed Bear Creek drainage. During the 2016 inspection, a determination could not be made as to whether or not this culvert had been replaced. This section of the road was not indicative to what you would expect to see after removal and replacement of a drainage culvert.

Surface Facilities:

Inspection of the overland conveyer revealed that there was still a missing side panel that was identified during the May 13, 2015 inspection. In addition to the missing side panel, several sections of the conveyer are in disrepair, thus allowing more coal and coal fines to fall out into the designated stream buffer zone. Significant amounts of coal fines were observed. It also appears that much of the overland conveyer has not been constructed as required by the approved designs. Appendix 7K and Figure 7K-1 of the approved permit provides specification for construction and maintenance regarding the overland conveyer.

Welding Shop Area

As noted in the 2015 inspection, the grated "grease trap" (4'x4') needs cleaning. The grease trap located on the pad of the welding shop area is full of grease and petroleum like substance. During the 2016 inspection, it was apparent that this grease trap over flowed at some point in time and completely blew out the berm directly adjacent to it. OSMRE notes that the undisturbed Bear Creek drainage is no more than twenty feet down gradient of where the erosion is occurring. This is important to note because there are not adequate BMP's in place to provide protection to the undisturbed area. Although there is a poorly maintained drainage on the west side of the road (same side the blow out occurred) the drainage is obstructed with miscellaneous noncoal waste, thus adding potential for untreated drainage to enter Bear Creek. Inspection of the stream buffer zone at this location is indicative of coal fine deposition.

Hydrologic Balance/Sediment Control:

ASCA (Approved Sediment Control Alternatives)

Along the portal access road, below Portal #3, was a dilapidated silt fence within the boundary of the stream buffer zone. It is apparent that the silt fence is not functioning as designed due to the lack of maintenance. As a result, any untreated drainage/surface runoff from the overhead conveyer (directly above this area) and disturbed area is able to comingle with the undisturbed Bear Creek drainage.

The Drainage pipe that crosses under the main haul road (down gradient from Portal #3) has not been maintained nor constructed as designed. Appendix 7-K provides that erosion control matting will be maintained to prevent further erosion. No erosional matting was observed at the time of inspection. As a result, there is significant erosion in this area. During the 2015 inspection, it was noted that there was a dried, sludgy mud material on the out slope of the Portal

#3 access road. Conversation with Jaren Jorgenson indicated that it was likely the result of regular maintenance during snow removal on the haul road. Further review of the approved permit (Appendix 7K-12A) provides reference to approved snow storage areas, none of which is where the material was observed. It is evident that repair/maintenance efforts have been conducted at several of the ASCAS that lead to the East portals. However, many of these ASCAS are still in need of repair/maintenance.

There are several reaches along primary haul roads and/or ancillary roads where berms have not been maintained, thus allowing untreated drainage (i.e., coal fines) to encroachment areas of the stream buffer zone.

Sediment Pond A

The pond was inspected for overall stability and functionality. This included the inlet structure, principle spillway, and emergency spillway. Significant erosion to the pond inlet was observed during the 2015 inspection. Further review of the permit (Appendix 7-F) indicates that the pond inlet and cleanout access ramp are “one in the same” and if erosional features develop, they will be maintained. As noted during the OSMRE 2015 inspection, pond cleanout material was being stored on the pond embankment rather than hauled to the approved sediment pond waste area (*Chapter 7, R645-301-700 Hydrology, and Page 7-104*).

OSMRE notes that the pond inlet appears to be in much better shape than what was observed during the 2015 inspection. As to the excavated material being stored at pond A, it does appear that some work has been done but it is clear the job has not been completed since it was noted in September 2015.

A significant erosional feature was also identified at pond A on the outslope side of the emergency spillway. Although this was not identified during the previous inspection, it does not seem to be a new development.

Sediment Pond B

The pond was inspected for overall stability and functionality. This included the inlet structure, principle spillway, and emergency spillway. Significant erosion to the pond inlet was observed during the 2015 inspection. Further review of the permit (Appendix 7-F) indicates that Pond B is designed with TWO inlets, one of which shows that grouted riprap will be used. Additionally, the design information found at Appendix 7-F does not account for the corrugated pipe used as the other inlet. Furthermore, there is concern of potential “short-circuiting” as it relates to the close proximity of the principle spillway-decant structure.

It is apparent that repair work for the eroded inlet has been performed since OSMRE’s 2015 inspection; however, the maintenance is still not in accordance with the approved permit, as it has not been grouted.

Sediment Pond C

The pond was inspected for overall stability and functionality. This included the inlet structure, principle spillway, and emergency spillway. A paving effect has occurred at the pond inlet, thus the inlet is not able to function as designed.

This is the same observation that OSMRE noted in the 2015 inspection. However, there has been a drainage feature constructed (up gradient of the ponds inlet) in the direction of the bathhouse that appears to be a ditch that includes a check-dam. Conversation with DOGM and the mine site representative were inconclusive on the details for of the new design. Therefore, it is unclear as to what this feature is.

Sediment Pond D

This pond was inspected for overall stability and functionality. This included the inlet structure, principle spillway, and emergency spillway. As was noted in the 2015 inspection report, erosion has created an additional inlet at pond D. Appendix 7-F states, in part, that the pond inlet will be protected using grouted riprap. Snow/slurry sludge/ and other noncoal waste was observed on the pond embankment. Further review of the approved permit (Appendix 7K-12A) provides reference to approved snow storage areas, none of which is where the material was observed. OSMRE notes the pond is not functioning as designed, at the time of inspection.

Diversions/Drainage

As noted in the DOGM's May 13, 2015 inspection report, the silt fence located in drainage at the base of sediment pond A is completely buried (directly below where erosional feature was identified at the emergency spillway) and needs to be replaced. OSMRE notes the same silt fence in the 2016 inspection has been removed but no replacement of this BMP have occurred. The importance of this silt fence is intended to filter excessive sediment loading from entering the undisturbed Bear Creek drainage. Conversely, the operator removed the BMP rather than replace/maintain it. Because of the excessive sediment loading in this drainage, the excessive trash and the significant erosion up gradient of the undisturbed drainage, it is concerning to OSMRE that DOGM has allowed complete removal of this important BMP siltation structure. Generally, removal of sediment control structures are only authorized once a demonstration has been made to prove it is no longer necessary.

Culverts

As noted in OSMRE's 2015 inspection, a lack of maintenance regarding clogged culverts appears to be a systemic issue throughout the mine site. Numerous culvert inlets along the portal access road contained snow and mud mixtures. This was observed to be the case during the 2016 inspection. Notwithstanding, culvert C-4D was identified as clogged with sediment in 2015 and the comparative picture that was taken during the 2016 inspection depicts that there has been zero maintenance conducted.

Inlet C-6D was also reported during the 2015 inspection as 75% full of sediment. This inlet is on the pad area of the welding shop and directly adjacent to the grease trap that is used to catch fluids and sediment from vehicle washouts.

Stream Buffer Zone:

OSMRE notes several areas that were marked "Stream Buffer Zone-Do Not Disturb" throughout the permit area. Conversely, the markers were well within the 100ft of mine disturbance that is allowed by R645-301-731.600. Specifically, the disturbance identified within the Stream Buffer Zones included during the 2015 inspection was noted as the following:

1. A wooden structure that appeared to be some sort of “fort” or “hideout”;
2. A mine employee cutting limbs along a footpath with a sawzall;
3. Various non-coal waste items ranging from gear lubricant, coal, pump hoses, metals and a bag of Calcium Chloride.

Further review of the approved permit (Chapter 7, R645-331-731.600 Hydrology, Page 7-61F) states that:

Anywhere that mining and reclamation activities are conducted within 100 feet of a perennial stream runoff and sediment control structures exist to protect water quality. These areas are designated, as “Stream Buffer Zone do not Disturb.

The pump hoses have been removed from the SBZ. However, the other disturbances that were identified in 2015 (i.e., wooden fort, footpath, coal fines) have not been addressed.

Noncoal Waste

Noncoal waste was observed consistently throughout the inspection of the mine permit area during the 2015 inspection, as well as this inspection. To be clear, no particular area was considered to be “excessive,” but cumulatively trash items were noted throughout the entire inspection at various areas of the Bear Canyon Mine. The following bullet points are intended to provide specifics of where noncoal waste was observed during the 2016 inspection:

- Bradish cloth and Styrofoam along ancillary access road near welding shop (road that leads to pond A).
- Various trash items around bathhouse area
- Various trash items in drainage that connects to undisturbed drainage (between Pond B and Pond A).
- Wood debris in and around pond B;
- Wooden cable spool at pond A embankment;
- Misc. cable along pond A embankment;
- Wooden pallets, misc. metal and wire, cables, pipes and rubber throughout drainage behind welding shop;
- Ice melt bag in roadside drainage near load out area;
- Approximately half a dozen large wooden containers being used as storage adjacent to (“hunting cabin”).
- Plastic sheeting, empty quickrete bag and Styrofoam in pond D;
- Plastic sheeting on outslope of haul road (just down gradient of Portal #3 area);
- Large pile of noncoal waste (appears to a combination of woody debris, sludge/mud from where the pad was cleared of snow) stored on the embankment of pond D;
- Various noncoal items including old conveyor belts, pipes, and metal along the ancillary road just up-gradient from switchback below Portal #3;
- Old truck cab and door in stream buffer zone (adjacent to coal stockpile area)

Enforcement Actions / Programmatic Compliance:

After issuing enforcement actions for violations observed during the DOGM/OSMRE 2015 independent oversight inspection (NOV# 19151, 19152, 19153 and 19154), DOGM subsequently vacated # 19151, 19152, 19154 and terminated # 19153. These same violations were again observed during this inspection. Although the DOGM inspector agreed the conditions observed during the inspection warranted enforcement actions, he was reluctant to issue such.

In support of the fact that DOGM inspectors seem to be reluctant to ensure that program compliance is achieved, OSMRE has identified the following language in various DOGM inspection reports/conference hearings that give the impression to be the basis for why DOGM is not implementing enforcement action when inspections reveal that an enforcement action is warranted:

The Division Inspector is following the admonition given by the Division Director/Informal Conference Officer for the Citation. The actions or conditions for which the NOV were written were such minor deficiencies in the context of the operation, that they do not constitute a violation of the MRP and did not justify an NOV being issued. The matter would have been more properly addressed by a communication from the inspector to the operator about conditions that the operator should attend to...

As a result of the conditions observed during this inspection, OSMRE has issued TDN # X16-141-545-004 to DOGM for noncompliance of the following Rules and noncompliance issues:

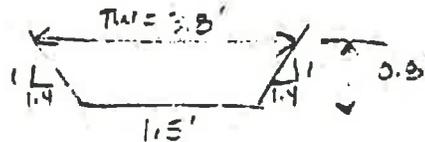
1. Failure to maintain inlets to sediment ponds (Rule R645-301-742.123);
2. Failure to control noncoal waste (Rule R645-301-528.331);
3. Encroachment of the Stream Buffer Zone (Rule R645-301-731.600);
4. Failure to maintain support facilities and maintain sediment control structures so as to prevent contribution of suspended solids to the undisturbed drainage (Rules R645-301-521.170, 742.200, 742.423.2, and 742.423.3)

Pond B - Inlets

* Inlet 1 = Adjacent to Road - grouted riprap

MIN Slope = Max Slope = $6'/9' = .67$

BW = 1.5'



Q peak = 1.68 cfs to pond. Inlet 2 receives approx. 80% of this. ∴ flow in = 1.34 cfs.

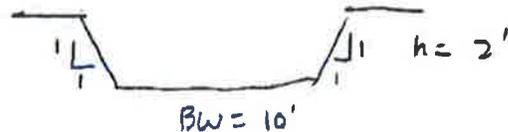
resulting depth = 0.11 ft
resulting velocity = 7.34 ft/s

OKAY!
OKAY since this inlet is grouted riprap.

* Inlet 2 = North End of pond

min Slope = max Slope = $4'/13' = .31$

Q in = 0.34 cfs



resulting depth = .02 ft
resulting velocity = 1.72 ft/s

OK
OK

Velocity considered non-erosive.

INCORPORATED

NOV 03 2005

Div. of Oil, Gas & Mining

Pond D Inlet cross-section



The slope of the channel inlet is $1/3' = 0.33$.

With a peak flow of 1.03 cfs, the resulting depth of flow = 0.14 ft.
The resulting velocity = 6.62 fps.

To prevent erosion, a grouted riprap will be used to line the inlet.

BTCA Area H – Snow Storage Areas.

This ASCA consists of 8 areas where snow removed from the roads will be stored while it melts. The areas are shown on Plates 7-1 and a description of the roads treated by the areas is described below.

- Area 1. This area stores snow from the primary haul road.
- Area 2. This area stores snow from the #3 mine access road between the WHR turnoff and the bin.
- Area 3. This area stores snow from the #3 mine access road between the bin and the switchback above the bin.
- Area 4. This area stores snow from the #3 mine access road starting at the switchback above the bin and going up to halfway between the switchback above the bin and the WHR TS turnoff.
- Area 5. This area stores snow from #3 mine access road starting halfway between the switchback above the bin and the WHR Tank Seam turnoff and going up to the WHR Tank Seam turnoff.
- Area 6. This area stores snow from the #3 Mine pad and the road between the #3 mine pad and the WHR tank seam turnoff.
- Area 7. This area stores snow from the road from the WHR Tanks Seam turnoff to the last switchback below the #4 pad.
- Area 8. This area stores snow from the #4 mine pad the the access road between the last switchback and the # 4 pad.

Run-off from these areas will only be treated while snow is stored there. The treatments for each of the areas is described below.

- Area 1 will drain into Sediment Pond B.
- Area 2 will be drain into Catch Basin 1.
- Area 3 will be treated by either silt fences or straw bails placed in ditch D-25U.
- Area 4 will be treated by a silt fence placed at the outlet of ditch D-30U
- Area 5 will be treated by a silt fence placed at the outlet of ditch D-34U
- Area 6 will drain into Sediment Pond D.
- Area 7 treated by a silt fence placed at the outlet of ditch D-37U
- Area 8 will drain into Catch Basin 3.

Snow is mostly air so it can be compressed up to 90% once it falls. The amount of compression snow undergoes during plowing is almost impossible to calculate until after the snow has fallen because it is dependent upon temperature, aging of snow, humidity, amount of conditioning, moisture content, pressure applied to it, and the amount of traffic that has already driven on the snow. Despite this fact we have done our best to guess the conditions of the snow that we will receive. For our calculations we used the average snow pack of 30 inches as described in Appendix 7L Gentry Mountain CHIA. We assumed the plowing process only carried 75% of the snow to the storage area. 10% would remain behind either side cast against the berm and the mountain side or compacted as a layer of ice above the road surface, and 15% would melt due to salt treatment and heat from the sun. We then assumed 80% compaction during the plowing process and the the piles we be between 8 and 10 feet high with a 45° slope. We did not account for any melting of the pile between snow storms. A table detailing the results is shown below.

BTCA Area A - Ball Park Topsoil Pile

The ball park located on Plate 7-1A covers approx 1.3 acres. Runoff volume from this area is calculated to be approx 0.08 acre ft. This area is well downstream from the sediment pond structures and is isolated from all other facilities. Sediment and erosion control is performed using straw bale dikes and/or silt fences which are installed and maintained on the south east side, in-line with the natural flow from the area.

BTCA Area B - Topsoil Stockpile

The main topsoil storage pile, located on Plate 7-1C covers approx 0.1 acres. Runoff volume from this area is calculated to be less than 0.01 acre ft. Although this area is located upstream from sediment pond B it is located on the opposite side of an undisturbed drainage ditch, D-9U. The area is encircled by an 18 in. berm which totally contains the runoff.

BTCA Area C - Downcast Ravine Below The Hiawatha Portal

This area lies between the portal access road and the storage pad below. It is approx 60 ft wide and 260 ft long, covering approx 0.36 acres and is located within area AU-12. See Plate 7-1C.

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