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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 30, 2016

Jaren Jorgensen  
P.O. Box 475  
Huntington, Utah 84528

Subject: 2015 Annual Report Review Completion, Bear Canyon Mine, C/015/0025, Task ID #5111

Dear Mr. Jorgenson:

The Division staff has completed the review of the 2015 Annual Report. Enclosed is a copy of the review with each reviewer's comments.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock  
Coal Program Manager

DRH/sqs  
Enclosure  
O:\015025.BCN\WG5111 ANNUAL REPORT\ReviewCompletionLetter.doc

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# Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

## GENERAL INFORMATION

Company Name	Rhino Energy	Mine Name	Bear Canyon Mine
Permit Number	C/015/0025	Permit expiration Date	2020-02-11
Operator Name	Castle Valley Mining	Phone Number	+1 (435) 687-5454
Mailing Address	Box 475	Email	jjorgensen@rhinolp.com
City	Huntington		
State	Utah	Zip Code	84528

## DOGM File Location or Annual Report Location

Excess Spoil Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	Separate attachment in the e-mail marked Impoundments 2015
Other:		

## OPERATOR COMMENTS

Castle Valley Mining does not have excess spoil piles or refuse piles. Impoundment ponds A, B, C, D are attached and certified. Marked Impoundments 2015.

## REVIEWER COMMENTS

Met Requirements  Did Not meet Requirements

The annual report meets the State of Utah R645 Engineering and Hydrologic requirements for Impoundments.

The annual report includes impoundment inspection reports for Sediment Ponds A, B, C, and D. Each pond was inspected on 10/20/2015 and a certified report was produced by J Thomas Paluso, P.E. on 10/27/2015. The surveyed sediment and water levels in each pond were below the 60% Cleanout Elevations. The average sediment level was 1.6' below the 60 % Cleanout in Pond A, 1.3' below in Pond B, 2.3' in Pond C (Taken from 12/10/2012), and 1.7' below in Pond D. Each impoundment showed no sign of structural instability or other hazardous conditions. (KS)

# COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

## Title: SUBSIDENCE MONITORING

**Objective:** Determine subsidence effects from mining

**Frequency:** Annually

**Status:** On going

**Reports:** Submit surveyed monitoring data to the Division annually. **Please include a map showing the location of the subsidence points in relationship to the underground workings.**

**Citation:** MRP Chapter 5, Appendix 5C, pg 5c-8

### Operator Comments

Subsidence survey completed in August 2015 by Ware surveying. Attachment marked 4 Mine Sub 2015

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Notes: Bear Canyon has been active in some form or another since November 1985. Transferred to Castle Valley Mining LLC in October 2010. Additional comments for review of subsidence added in 2010 report.

The Permittee included a subsidence mine map and summary table with the annual report. The subsidence map shows the locations of each of the subsidence monitoring point for the Castle Valley Mine as of August 2015. The subsidence from 2015 to 2014 ranged from 0.36 ft to an upheaval of 0.13 ft. The overall range of subsidence since 2011 ranged from 0.13 ft to an upheaval of 0.4 ft with an average of 0.11 ft. The variance in the range of subsidence observed can be attributed to the margin of error for the equipment and method used to conducted the subsidence survey. The Permittee has addressed the requirements of this commitment. (CP)

## Title: WILDLIFE AWARENESS PROGRAM

**Objective:** To inform employees of the wildlife and the need for protection in the mine facilities and access road areas.

**Frequency:** As needed.

**Status:** Ongoing.

**Reports:** Summary in Annual Report

**Citation:** Chapter three, page 3-45, paragraph 2.

### Operator Comments

We have annual training here at the mine. Wildlife awareness is part of that program. Also, we have monthly meetings where this is a topic as well. Any special training DOGM is willing to give us at Castle Valley we will be willing to accept.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

As a measure to keep current with wildlife awareness Castle Valley Mining has invited the Division to present information at an annual or monthly meeting at the Bear Canyon mine. DOGM will schedule a meeting with the mine personnel during the next annual report period. [JCH]

**Title: IDENTIFICATION OF NEW CULTURAL RESOURCES.**

**Objective:** If during the course of mining operations, previously unidentified cultural resources are discovered, Permittee shall ensure that the site(s) is not disturbed and shall notify the Division of Oil, Gas, and Mining. The Division, after coordination with OSM, shall inform the Permittee of necessary actions required.

**Frequency:** The Permittee shall implement the mitigation measures required by the Division within the time specified by the Division.

**Status:** Ongoing.

**Reports:** Annual

**Citation:** MRP, Chapter 4, Section 411.144, page 4-15

Operator Comments

The identification of new cultural resources will not be disturbed and Castle Valley Mining will notify DOGM. This is being followed on a daily basis here at Castle Valley. Any special training DOGM is willing to give us at Castle Valley we will be willing to accept.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

NA



**Title: RAPTOR SURVEYS**

**Objective:** Verify presence of nesting birds, and status of nests. Raptor surveys will be conducted every year during the mine life. Include follow-up surveys if conducted.

**Frequency:** annually for the life of the mine.

**Status:** Ongoing

**Reports:** Annual

**Citation:** Chapter three, page 3-70, paragraph 2.

Operator Comments

Raptor survey conducted 5/14/15 & 5/17/15 by Derris Jones of EIS. Map and data marked raptor survey 2015 attached in e-mail

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The map and data are included in the report. Nest # 903 was active again this year. It is located in an area that is greater than one mile from the active mine and outside the angle of draw for subsidence.

# FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

**Title: VEGETATION MONITORING PROCEDURES**

**Objective:** Qualitative observations of revegetated areas will be made yearly throughout the ten year liability period. (See R645-301-250).

**Frequency:** Quantitative measurements of reclamation will be collected during years 2,3,5,9, and 10 of the same bond liability period. Any areas not achieving success will be evaluated and revegetated as needed.

**Status:** Begin at reclamation

**Reports:** Annually after reclamation

**Citation:** Chapter three, page 3-41, paragraph 1

**Title: SEALING OF WELLS**

**Objective:** Permanent closure of wells using measures required by DOGM to prevent access and contamination of groundwater.

**Frequency:** Once, as wells are no longer needed.

**Status:** Wells are in use until no longer needed.

**Reports:** Report status when mining is terminated or wells no longer needed.

**Citation:** MRP, Chapter 6, page 6-10.

**Title: DETAILED REVEGETATION PLAN**

**Objective:** The Operator will submit a detailed revegetation plan in the last Five year permit renewal prior to reclamation. The plan will include detailed map(s) of sufficient scale to show exact areas and methods of revegetation (i.e. drill seeding, terraces, netting, etc.) based on the best technology available and final mine site conditions.

**Frequency:** Once during last five year permit renewal prior to reclamation. the operator will notify the Division two weeks prior to all seeding work (interim or permanent) to allow the Division to be on site when work is done.

**Status:** During last permit renewal prior to reclamation.

**Reports:** NA

**Citation:** Chapter 3, page 3-46, paragraph 2.

**Title: ANALYSIS FOR RE-INITIATION OF SAMPLING SITES**

**Objective:** Notify DOGM of any reactivation of water sampling stations if mining is to occur in the following areas: Leases U-46481; U-024316; T16N R8E Secs 7,17,18,19,20; Mine #4; Mohrland area, or portal opening accessing Leases U61048 or U-61049.

**Frequency:** Sampling to initiate at least 6 months prior to mining these areas.

**Status:** Ongoing

**Reports:** Notify Division in Annual report in mining is to occur.

**Citation:** Chapter 7, p 7-49.

**Title: Substitute Topsoil Testing**

**Objective:** To Confirm the suitability of substitute topsoil prior to reclamation.

**Frequency:** Within 5 years prior to reclamation

**Status:** Future Commitment

**Reports:** Proposed substitute topsoil that is designated by reclamation area in Summary table 2-8 and further described in appendix 5-I will be re-tested in the final five years of operations according to table 5O-1 and testing will include total petroleum hydrocarbons by EPA Methods 8015 and 418.1

**Citation:** MRP, Chapter 2, Section R645-301-241, p 2-35

**OPERATOR COMMENTS (OPTIONAL)**

**REVIEWER COMMENTS**

## **REPORTING OF OTHER TECHNICAL DATA**

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Reviewer Comments

# MAPS

Copies of mine maps, current and up-to-date, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual subsidence map		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Mine Map- see comments below		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The Permittee included a mine map with dates of when the panels are projected to be mined. Planned mining operations are shown on the Blind/Bear timing projection map until 2023. Planned mining operations are shown on the Tank Timing projection map until 2021. These mine maps meet the Division's requirements to show at least five years of projected mining annually. (CP)

The appropriate subsidence map and table were provided with the annual report in attachment 4 Mine Sub 2015 (CP).

