



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:	Wednesday, March 08, 2017
Start Date/Time:	3/8/2017 11:00:00 AM
End Date/Time:	3/8/2017 1:00:00 PM
Last Inspection:	Tuesday, February 21, 2017

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

Inspector: Joe Helfrich

Weather: Sunny 55

InspectionID Report Number: 5799

Accepted by: JHELFRIC
4/12/2017

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 conduct a complete inspection of the Bear Canyon mine. The following MRP updates were discussed during the inspection:

- The 2017 annual report;
- Revise as built map 7-k and text for the BTCA near the # 3 bin;
- An amendment to convert the baseball park into a waste rock storage site;
- An amendment to install an Air Jig on the main coal storage pad;
- An application to permit a breakout for the 7th East Portal;
- An amendment to include the reclamation of monitoring wells SD2 and 3 in the reclamation cost estimate;
- Possible mining in the Hiawat Seam water issues;
- Emergency Portal reclamation, update plate 5-2G and;
- A reclamation seed mix revision.

Inspector's Signature:

Joe Helfrich,
Inspector ID Number: 1

Date Tuesday, March 14, 2017



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 type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input 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

Thre 5 year permit renewal for the mine was completed effective 11/2/2015 and expires 11/2/2020. There are currently no amendments pending.

2. Signs and Markers

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

3. Topsoil

Chapter 2, Page 2-32, Table 2-7 of the MRP notes that topsoil pile TS-1 (the ball park topsoil located down canyon from the mine) contains 1.27 acres of topsoil that would need to be relocated if the area was to be premitted as a waste rock disposal site. The area was visited during the inspection, photos are included in this report.

4.a Hydrologic Balance: Diversions

The culverts and ditches in the main surface facility were open and functioning adequately at the time of the inspection. The majority of the ditches and culverts that divert water along the access road to the #4 portal were snow and ice filled from winter storms. The north facing aspect of this area retains moisture in the form of snow and ice about a month longer in the spring than the lower elevation south west facing diversions associated with the surface facilities. The diversions associated with the #4 portal access road will be inspected again during the April inspection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The inlets to the ponds were functioning correctly to allow run-off from the pads to enter the ponds. The four ponds were inspected on February 14, 2017. There were no hazzards or signs of structural weakness noted in the ponds.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data for the first quarter of 2017 were available for inspection. Water monitoring points for this quarter included BC 1, 2, 3 and 4, CK 1, and 2, SBC 4, 5, 9a, 17, well SBC 3 and the 004 discharge point. The data for the fourth quarter 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 were available for review through January of 2017. The mine water discharge point 004 is the only point of the 5 outfalls, (the other 4 are sediment pond outfalls) that discharges. The required monitoring parameters for the effluent limitations were in compliance with the UPDES permit.

8. Noncoal Waste

Non-coal waste was being properly stored in the large containers located throughout the main facilities and at the portal areas located along the access road to the # 4 portal.

16.a Roads: Construction, Maintenance, Surfacing

The roads throughout the site were in good repair and were being maintained properly.

16.b Roads: Drainage Controls

The culverts and ditches associated with the roads were in good repair and functioning adequately. As noted in 4a, the drainage controls for the access road to the #4 portal will require an additional inspection in April of 2017.

19. AVS Check

The ownership and control information for Rhino Energy is current.

20. Air Quality Permit

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

21. Bonding and Insurance

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











