



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, June 21, 2017
Start Date/Time:	6/21/2017 12:00:00 PM
End Date/Time:	6/21/2017 1:45:00 PM
Last Inspection:	Tuesday, May 23, 2017

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

Inspector: Joe Helfrich

Weather: 85 Sunny

InspectionID Report Number: 5879

Accepted by: DHADDOCK
7/12/2017

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 at 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 awatha Seam water issues;
- Emergency Portal reclamation, update plate 5-2G and;
- A reclamation seed mix revision.

Inspector's Signature:

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

Date Thursday, June 22, 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

There are no pending permitting actions. Rhino Energy is preparing an amendment to permit a waste rock site near the ball park. The site will include areas below above and the ball park (4-6 acres total).

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 when the area will be premitted as a waste rock disposal site. The area was visited during the previous complete inspection.

4.a Hydrologic Balance: Diversions

The culverts and ditches in the main surface facility were open and functioning adequately at the time of this complete inspection. The majority of the ditches and culverts that divert water along the access road to the #4 portal that were snow and ice filled from winter storms noted in the previous complete inspection have been cleaned including minor repairs to some of the inlets and ASCAS. An additional check dam has been added to the lower-most ASCA near the turn off to the #4 access road. The diversions associated with the #4 portal access road were also inspected inspected during the April partial 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 May 15, 2017. There were no hazzards or signs of structural weakness noted in the ponds. Ponds A, B and D are scheduled to be claened in August.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data for the second 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 (fl 1,2,3,4,5,6,7 and 8 are done weekly), and the 004 discharge point. The data for the first 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

DMR's were current through May, 2017. They include the four sediment ponds (no discharge)and outfall 004,(the mine water discharge). There were no exceedances of the required parameters.

8. Noncoal Waste

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

16.b Roads: Drainage Controls

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

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 6/1/2018.