GARY R. HERBERT
Governor

SPENCER J. COX
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

March 1, 2018

Tony Welch, Resident Agent
Castle Valley Mining, LLC
P.O. Box 475
Huntington, Utah 84528

Subject: Commencement of Midterm Review, Task #5616, Castle Valley Mining, LLC, Bear Canyon Mine, C/015/0025

Dear Mr. Welch:

The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place not later than the midpoint of the permit term, which is May 2, 2018. The Midterm Review is now being conducted and the items being reviewed are the following:

A. Review of the Plan to ensure that the requirements of all permit conditions, division orders, notice of violations (NOV), abatement plans, and permittee-initiated Plan changes approved subsequent to permit approval or renewal (whichever is the most recent) are appropriately incorporated into the Plan document.

B. Ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program which have occurred subsequent to permit approval or renewal.

C. Review applicable portions of the permit to ensure that the Plan contains commitments for application of the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area.

D. Evaluate the compliance status of the permit to ensure that all unabated enforcement actions comport with current regulations for abatement; verify the status of all finalized penalties levied subsequent to permit issuance or permit renewal, and verify that there are no demonstrated patterns of violation (POV). This will include an AVS check to ensure that Ownership and Control information is current and correct.

1594 West North Temple, Suite 1210, Salt Lake City, UT 84116
PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR OIL, GAS & MINING

E. Evaluate the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval or renewal, and to ensure that the bond amount is appropriately escalated in current-year dollars.

F. Evaluate the permit for compliance with variances or special permit conditions.

G. Conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness for operational, reclamation, and contemporaneous reclamation practices undertaken on predetermined portions of the disturbed area to minimize, to the extent practicable, the contribution of acid or toxic materials to surface or groundwater, and to otherwise prevent water pollution.

H. Review and inspect the currently approved Vegetative Reference Areas pursuant to R645-301-356. The review will ensure reference areas continue to represent the success standards of revegetation.

Once the Division has completed the Review, you will be notified of any outstanding issues that need to be corrected.

If you have any questions regarding these requirements or the Midterm Review process, please don't hesitate to call me at 801-538-5350.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/sqs
O:\015025.BCN\WG5616 MIDTERM\MIDTERM.DOC