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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

April 16, 2019

Jaren Jorgensen
Castle Valley Mining, LLC
P.O. Box 475
5550 W. Bear Canyon Road
Huntington, Utah 84528

Subject: Addition of Air Jig System, Castle Valley Mining, LLC, Castle Valley Mine, C/015/0025, Task #5913

Dear Mr. Jorgensen:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than May 17, 2019.

If you have any questions, please call me at (801) 538-5350.

Sincerely,

Steve Christensen
Coal Program Manager

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0150025
TaskID: 5913
Mine Name: BEAR CANYON MINE
Title: ADDITION OF AIR JIG SYSTEM

Operation Plan

Air Pollution Control Plan

Analysis:

The application does not meet the State of Utah R645 requirements for Air Quality, because the the Permittee has not been in communication with the Utah Division of Air Quality regarding the FGX-24 Dry Coal Separator (air jig). General provision 1.4 of the Bear Canyon Mine Air Quality Approval Order DAQE-AN0102400003-10 (AO) issued September 20, 2010 states, "Modifications to the equipment or processes approved by this AO that could affect the emissions covered by this AO must be reviewed and approved. [R307-401-1]"

Deficiencies Details:

The application does not meet the R645-301-422, air quality requirements. The following deficiency must be addressed prior to final approval:

R645-301-422, The application will contain a description of coordination and compliance efforts which have been undertaken by the applicant with the Utah Bureau of Air Quality.

pburton

Topsoil and Subsoil

Analysis:

The application meets the State of Utah R645 requirements for Topsoil and Subsoil handling, because there will be no additional disturbed area. Plate 5-2C Surface facilities shows the location of the air jig and associated conveyors. The feed conveyor will pull from the existing stockpiles to the West. The high ash conveyor will create a reject pile just West of the Wild Horse Ridge conveyor. This stockpile will be free standing within the current disturbed area boundary.

pburton

Hydrologic Ground Water Monitoring

Analysis:

The amendment meets the State of Utah R645 requirements for Groundwater Monitoring.

The air jig system is fully within the disturbed area boundary of the mine's facilities. No groundwater resources will be impacted by the new structure and all adjacent resources are already monitored for quantity and quality.

kstorrar

Hydro Surface Water Monitoring

Analysis:

The amendment meets the State of Utah R645 requirements for Surface Water Monitoring.

The air jig system is fully within the disturbed area boundary of the mine's facilities. No surface water resources will be impacted by the new structure and all adjacent resources are already monitored for quantity and quality.

kstorrrar

Hydrologic Diversion General

Analysis:

The amendment meets the State of Utah R645 requirements for Diversions.

The amendment proposes to add an air jig system within the existing disturbed area boundary of the Bear Canyon mine. The air jig system will not alter any of the diversions capturing runoff from the proposed location of the new structure.

kstorrrar

Hydrologic Siltation Treatment

Analysis:

The amendment meets the State of Utah R645 requirements for Sediment Ponds.

The proposed air jig will not alter catchment areas and subsequent runoff volumes from the disturbed areas. The updated map showing the air jig and the watershed boundaries are shown on Hydrology Map, Plate 7-1C. The currently approved calculations for runoff volumes reporting to the sediment pond the facilities area are adequately sized to accommodate the new structure.

kstorrrar

Maps Facilities

Analysis:

The application does not meet the State of Utah R645 requirements for Facilities Maps.

Plates 2-3C, 5-2C, and 5-6C all include cross-section lines that bisect the disturbed areas within the permit, but do not include the section views for which the sections were drawn. The legend indicates the sections may be found in Appendix 3-L, but Appendix 3-L contains information that is not relevant to cross-section maps.

Deficiencies Details:

The application does not satisfy the State of Utah R645 requirements for Facilities Maps. The following deficiency must be addressed prior to final approval:

R645-301-521.170, R645-301-121.200: Permittee must include the cross-section views that pertain to the cross-section lines that are drawn in Plates 2-3C, 5-2C, and 5-6C.

jeatchel

Reclamation Plan

Bonding Determination of Amount

Analysis:

The application does not meet the State of Utah R645 requirements for Determination of Bonding Amount.

A summary of the bonding calculations has been included in this application. The addition of an on-site air jig will require

that the demolition costs within the reclamation bond be increased by \$81,426. All of the calculations appear to be accurate, but the wrong escalation factor has been applied. Every year the escalation factors change according to market conditions and general inflation. The escalation factor for 2018 was 1.78% but has since changed. All bonding items that pertain to the current year must escalate at 2.32%.

Deficiencies Details:

The application does not meet the State of Utah R645 requirements for Determination of Bonding Amount. The following deficiency must be addressed prior to final approval:

R645-301-830.300: Permittee must escalate total costs within the bonding calculations at 2.32%.

jeatchel