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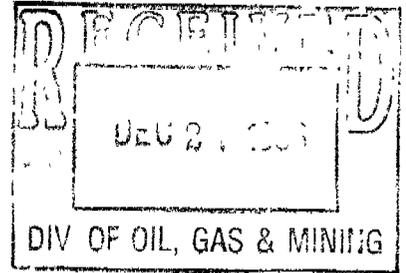
IN REPLY REFER TO:

# United States Department of the Interior

## OFFICE OF SURFACE MINING

Reclamation and Enforcement  
1999 Broadway, Suite 3320  
Denver, Colorado 80202-5733

December 23, 1996



Pamela Grubaugh-Littig,  
Permit Supervisor  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

*Copy Approved: PAM  
RET 10051004*

Dear Ms. Grubaugh-Littig:

This is a response to your November 29, 1996, letter request for *# 2* concurrence on the phase I bond release for the Amax Coal Company, Castle Gate Mine, Sowbelly Gulch No. 5 Mine.

The Castle Gate Mine contains Federal land, but none occurs on the disturbed acreage within Sowbelly Gulch. Therefore, no concurrence by a Federal surface managing agency is needed. In accordance with Federal lands provisions of the Federal regulations at 30 CFR 740.15(d)(3) and article IX, section B of the Federal - State Federal lands cooperative agreement, the Office of Surface Mining Reclamation and Enforcement (OSM) concurs with the proposed bond release so long as Utah, as discussed below, adjusts the bond release amount and makes two additional written findings.

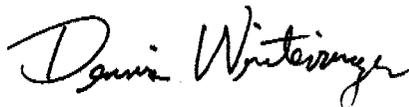
The decision document enclosed with your letter indicates that the total bond for the mine is \$770,721 and that the permittee requests a 60 percent-phase I bond release amounting to \$462,433. By recent telephone conversation during which we discussed the bond release amount, you agreed that \$400,775, rather than \$462,433, should be released. This adjustment is needed because only 18.2 acres of the 21 total disturbed acres have been backfilled and graded; 2.8 disturbed acres associated with the electrical substation and a part of the access road remain to be backfilled and graded.

The Utah rule at R645-301-880.210, which pertains to bond release inspections, indicates that the Division of Oil, Gas and Mining will evaluate whether pollution of surface and subsurface water is occurring, the probability of future occurrence of such pollution, and the estimated cost of abating such pollution. The findings part of the decision document and the "Hydrologic Information" section of the Technical Analysis do not address these evaluations. Prior to the bond release, OSM requests that Utah make a written finding in accordance with this rule that surface and subsurface water pollution is not occurring.

The Utah rule at R645-301-553.610 allows a highwall on a continuously mined area to not be completely eliminated if the permittee demonstrates in writing to the Division that it has, to the maximum extent technically practical, used all reasonably available spoil to backfill the highwall. The "Engineering" section of the Technical Analysis indicates that the "as-builts [for the mine] meet all of the requirements of the R645-301-500 regulations \* \* \* for backfilling and grading along with highwall elimination." It also states that "[s]ome portions of the highwall remain because there is insufficient fill material to reclaim them." In addition to these general findings, OSM requests that prior to the bond release Utah make a specific written finding in accordance with the rule that the permittee has to the maximum extent technically practical used all reasonably available spoil to backfill the highwall on the mine.

If you have any questions on this letter, please call me at (303) 844-1440.

Sincerely,



Dennis Winterringer

Senior Environmental  
Protection Specialist