

0003



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 25, 2001

Johnny Pappas, Sr. Environmental Engineer
Castle Gate Holding Company
847 Northwest Highway 191
Helper, Utah 84526

Re: Conditional Approval of Hardscrabble Canyon Area of the Castle Gate Mine - Phase I Bond Release, Castle Gate Holding Company, Castle Gate Mine, C/007/004-BR00B, Outgoing File

Dear Mr. Pappas:

Phase I bond release for the Hardscrabble Canyon Area at the Castle Gate Mine is conditionally approved in the amount of \$733,000 (\$83,100 is being retained for reclamation of a power substation and road in the Hardscrabble Canyon; the remaining bond for Castle Gate Mine is \$1,071,000 upon receipt of phased bond release maps). The Office of Surface Mining concurred with this decision on January 5, 2001 (attached).

The Division will give final approval upon receipt of five copies of maps for Hardscrabble Canyon showing the areas that are in phased bond release, the dates the areas were granted phased bond release, and the dates when the areas were seeded (Note: The conditioned bond release is for 29.9 acres which is 2.2 acres more than stated in the application. This discrepancy is the 2.2 acres that have never been disturbed but were included in the disturbed area tabulation as a 5 foot perimeter buffer zone around the actual disturbance. No bond money has ever been associated with this 2.2 acres).

The following table summarizes the acreage in Hardscrabble Canyon.

| <u>Area</u> | <u>Acres</u> |
|--|--------------|
| Unreclaimed Substation | .31 |
| Reclaimed Goose Island | 8.79 |
| Current Bond Release | 27.7 |
| Undisturbed 5' Perimeter <u>Buffer</u> <u>within Disturbed Area</u> | <u>2.2</u> |
| Total | 39.0 |

Page 2
Johnny Pappaas
C/007/004-BR00B
January 25, 2001

The disturbed area for the entire Castle Gate Mine complex is 63 acres.

If you have any questions, please call me at (801) 538-5268.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

sm

Enclosure:

cc: James Fulton, OSM
O:\007004.CG\FINAL\ConBR00B.wpd