



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 17, 2002

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

Re: Midterm Permit Review, Castle Gate Holding Company, Castle Gate Mine, C/007/004-MT02, Outgoing File

Dear Mr. Pappas:

The Division is required to review each active permit during its term, in accordance with R645-303-211. This review is to take place at the midpoint of the permit term (June 24, 2002 for the Castle Gate Mine) and will cover pertinent elements that have been selected for review. The Midterm Review for the Castle Gate Mine is now being conducted and the items chosen for review encompass the following:

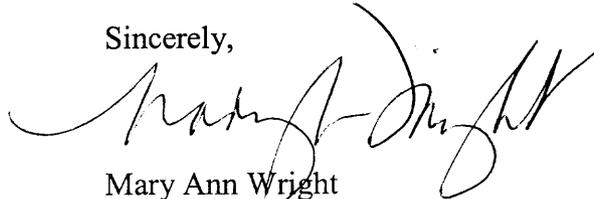
1. An AVS check to ensure that Ownership and Control information is current and correct.
2. A review of the plan to ensure that the requirements of all permit conditions, division orders, notice of violation abatement plans, and permittee initiated plan changes are appropriately incorporated into the plan document.
3. A review of the 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.
4. A review of the bond to ensure that it is in order and that the cost estimate is accurate and is escalated to the appropriate year dollars.
5. The Division will conduct a technical site visit in conjunction with the assigned compliance inspector to document the status and effectiveness of operational, reclamation, and contemporaneous reclamation practices. In an effort to avoid duplication of efforts, we will most likely conduct this site visit in conjunction with the Phase II bond release inspections which are planned for later this summer.

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Any information that you would like us to review as part of the Midterm Review, must be submitted by July 12, 2002. Once the review has been conducted, 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Ann Wright". The signature is fluid and cursive, with a large initial "M" and "W".

Mary Ann Wright
Associate Director, Mining

an
cc: Daron Haddock
Price Field Office
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