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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

May 29, 2003

CC -> Board Books  
June -  
Bond Release  
5/4/03 US

INCOMING  
C/007/004

Mr. Lowell P. Braxton,  
Division Director  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

RECEIVED

JUN 02 2003 <sup>4/3/03</sup> <sub>msw</sub>

DIV. OF OIL, GAS & MINING

**RE: Decision Document to Approve Phase II Bond Release at the Castle Gate Holding Company, Castle Gate Mine, Sowbelly & Hardscrabble Canyon Areas, C/007/004**

Dear Mr. Braxton:

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the subject decision document dated February 21, 2003, which was prepared by the Utah Division of Oil, Gas and Mining (DOGM). The Castle Gate Mine permit area that includes Hardscrabble & Sowbelly Canyons contains Federal lands. OSM is in agreement with the decision document and hereby provides OSM concurrence to release Phase II bond on the Hardscrabble & Sowbelly Canyon areas as documented below and in accordance with the Federal regulations at 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, section B, of the Federal-State, Federal lands cooperative agreement.

The decision document thoroughly recounts the permitting, operational, and regulatory history of the Castle Gate Mine including the Hardscrabble & Sowbelly Canyon areas. The DOGM January 21, 2003, Technical Analysis documents the notifications required by the permittee to affected surface land owners, surface land owners adjacent to the permit area, government land management agencies, local governmental and planning agencies, utilities, and DOGM. These notifications are required to process and approve the Phase II bond release application in accordance with Utah Rule R645-301-880, Requirement to Release Performance Bonds.

The bond release application is for 37.1 acres in the Hardscrabble Canyon area, and 21 acres in Sowbelly Canyon. The bonded area for the entire Castle Gate Mine is 63 acres. The current surety bond is set at \$1,071,000. The permittee's Phase II bond release request is for \$390,846. The remaining bond will be \$680,154, and the DOGM decision document shows this amount will be sufficient to complete any reclamation and environmental monitoring activity required during the remainder of the bond liability period, including complete revegetation of the areas proposed for release by a third party if necessary (in accordance with Utah Rule R645-301-880.320). Reclamation costs appear in DOGM's decision document on page 16; and in the DOGM January 21, 2003, Technical Analysis. OSM concurs with the above bond amounts proposed for release and retention.

Castle Gate Mine Phase II, pg. 2

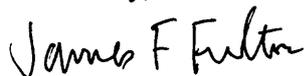
DOGM has received no public comments concerning the bond release request. DOGM conducted the bond release inspection required at Utah Rule R645-301-880.210 on August 22, 2002. OSM was notified of the inspection but did not participate. OSM has inspected the mine since vegetation establishment. OSM completed a technical review dated May 1, 2003, with respect to vegetation establishment and success standards criteria contained in the DOGM January 21, 2003, Technical Analysis. The technical review recommends OSM concurrence with the proposed Phase II bond release. OSM has reviewed DOGM's August 22, 2002, bond release inspection report and has no comments or concerns.

The Bureau of Land Management (BLM) participated in the bond release inspection, and also conducted a yearly lease inspection of the mine on September 27, 2002. BLM concurred with the proposed Phase II bond release via letter received by DOGM on May 7, 2003 (copy attached). The DOGM January 21, 2003, Technical Analysis document at page 5 & 6 documents that all required public notices and surface landowner notifications were made in a timely manner prior to the bond release inspection.

OSM understands that DOGM has retained adequate bond to ensure final reclamation and environmental monitoring requirements on the areas proposed for Phase II bond release (see above). The permittee has met the requirements of the approved Utah Coal Regulatory Program at R645-301-880 for release of performance bonds. The permittee has exceeded reclamation requirements in Hardscrabble Canyon, and has been recognized by both the Utah Board of Oil, Gas and Mining, and OSM, for their extra efforts and exemplary reclamation enhancements on these areas. OSM commends the permittee for their continued commitment to ensure successful reclamation in Hardscrabble Canyon, and the other disturbed areas of the Castle Gate Mine.

Thank you and your staff for coordinating this Federal lands bond release with OSM's Denver Field Division. Please address any questions concerning this letter to Henry Austin, Senior Reclamation Specialist, at [haustin@osmre.gov](mailto:haustin@osmre.gov) or to (303) 844-1400 x1466.

Sincerely,



James F. Fulton, Chief  
Denver Field Division

cc: Castle Gate Holding Co.  
BLM, Salt Lake City, UT; Price, UT



# United States Department of the Interior

**BUREAU OF LAND MANAGEMENT**  
Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155  
www.ut.blm.gov

IN REPLY REFER TO:  
3482 (LT-923)  
SL-029093

*Incoming  
4/007/004*

Utah Coal Regulatory program  
Pamela Grubaugh-Littig  
Utah Division of Oil Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Re: Phase II Bond Release - Sowbelly and Hardscrabble Canyons, Castle Gate Mine, Castle Gate Holding Company, C/007/004

Dear Ms. Grubaugh-Littig

The Bureau of Land Management (BLM) has received your request for our concurrence for the subject mine reclamation bond release. This letter documents the Bureau's concurrence with regards to the laws governing the Federal coal lease and the public lands.

The Sowbelly and Hardscrabble Canyon portal locations of the Castle Gate Mine complex were inspected with a joint agency visit on August 22, 2002, and on a separate yearly lease inspection on September 27, 2002. The BLM's jurisdiction on this area is limited to protection of the coal resource as the surface estate is held in private ownership. Public lands under the BLM's management lies a mile to the north of both canyon portal locations and none of the reclamation is on public lands. A road left in place up the canyon provides access to public lands for grazing use. The portals in both canyons have been sealed and reclaimed to meet standards of coal resource protection (ingress and egress into portals and protection from combustion).

We therefore have no objections to Phase II bond release for Sowbelly and Hardscrabble Canyons of the Castle Gate Mine complex. Should you have any questions, please contact Stephen Falk at the Price Field Office (435-636-3605) or Stan Perkes of my staff (801-539-4036).

Sincerely,

James F. Kohler  
Chief, Solid Minerals Branch

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MAY 07 2003

DIV. OF OIL, GAS & MINING

cc: Office of Surface Mining  
1999 Broadway, Suite 3320  
Denver, Colorado 80202-5733  
Price Field Office, case file (UT-070)  
Plateau Mining Corporation  
847 NW Hwy 191  
Helper, Utah 84526