

February 21, 2003

James Fulton, Chief, DFD  
Office of Surface Mining  
1999 Broadway, Suite 3320  
Denver, Colorado 80202-5733

Re: Phase II Bond Release (Sowbelly and Hardscrabble Canyons), Castle Gate Holding Company, Castle Gate Mine, C/007/004-BR02A and BR02B, Outgoing File

Dear Mr. Fulton:

Enclosed is the Division's Decision Document for the Phase II bond release for Sowbelly and Hardscrabble Canyon in the Castle Gate Mine. Concurrence from the BLM has been requested and that letter will be forward to you when it's received.

This Phase II bond release application is for 37.1 acres in Hardscrabble Canyon and 21 acres in Sowbelly Canyon . The bonded area for the entire Castle Gate Mine complex is 63 acres. The current bond for the Castle Gate Mine is \$1,071,000. The permittee has requested \$390,846 be released for the Phase II bond release. The bond remaining will be \$680,154 (\$233,000 for revegetation at Sowbelly, \$235,000 for revegetation at Hardscrabble, \$83,100 for the substation at Hardscrabble, and \$129, 054 for Adit #1).

Phase II bond release acknowledges revegetation establishment but leaves enough bond in the event the entire area would need to be revegetated. The Division received no public comments about the bond release. A bond release inspection was held August 22, 2002.

We request your review and concurrence of this application. Please call me if you have any questions.

Sincerely,

Pamela Grubaugh-Littig  
Permit Supervisor

Enclosure:

cc: Johnny Pappas, Castle Gate  
Price Field Office

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