



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

UT-0007

November 1, 2004

Utah Division of Oil, Gas, & Mining
Coal Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

J. Adams
C/007/0004

RE: Castle Gate Holding Company "Castle Gate" Mine - Application for Phase I Bond Release

Dear Sir or Madam:

This in response to the Utah Division of Oil, Gas, & Mining's (UT-DOGM) October 1, 2004, request for a decision, under 30 CFR 944.30, whether the above subject permit revision constitutes a mining plan modification.

Mining plan approvals by the Secretary of the Interior are required under the Mineral Leasing Act of 1920, 30 U.S.C. 181, *et seq.* before coal mining can occur on Federal lands. This letter serves to document OSM's determination whether or not a mining plan approval from the Secretary is required for the above permitting action.

OSM's review of the Application for Phase I Bond Release, has determined that it requests a Phase I Bond release for a 1.8 acre area associated with the Sowbelly substation, also known as the Sowbelly Gulch No 5 mine, at the Castle Gate Mine, Utah State permit C/007/004.

Based on a review of the activities associated with the permit revision, OSM has determined that the proposal does not meet the requirements of 30 CFR 746.18(d). Therefore, the proposed permit revision does not constitute a mining plan action requiring Secretarial approval.

OSM's decision was based solely upon the Federal regulations under 30 CFR PART 746 and not the technical aspects of the revision application itself. Consequently, OSM's decision does not relieve UT-DOGM from coordinating the review and approval of the Application for Phase I Bond Release with other Federal agencies for compliance with other Federal regulations.

OSM also electronically transmitted the October 1, 2004 request to the Bureau of Land Management and the U.S. Forest Service for their review and comment.

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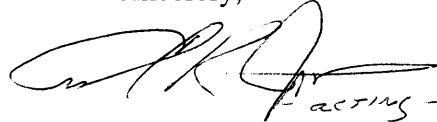
DIV. OF OIL, GAS & MINING

In an electronic transmittal dated October 4, 2004, the U.S. Forest service stated it had no comments regarding the application for a permit revision.

The Bureau of Land Management did not provide any comments in the thirty day time frame established by the Federal regulations under 30 CFR 944.30, Article VI. D.

Should you have any questions regarding this letter or approval, please contact Carl R. Johnston, Utah Federal Lands coordinator, at (303) 844-1400, extension 1500.

Sincerely,

A handwritten signature in black ink, appearing to read "Ranvir Singh". Below the signature, the word "ACTING" is written in a smaller, handwritten font, flanked by two horizontal dashes.

Ranvir Singh
Manager, Northwest Branch

cc: BLM - Utah State Office
BLM - Price Field Office
USFS - Manti-La Sal NF
Denver Field Division