

TECHNICAL MEMORANDUM

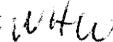
Utah Coal Regulatory Program

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October 31, 2006

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor 

FROM: Wayne H. Western, Environmental Scientist 

RE: 2006 Midterm Permit Review, Castle Gate Holding Company, Castle Gate Mine Name, Permit C/007/0004, Task ID #2622

SUMMARY:

On August 29, 2006, the Division notified the Permittee that a midterm review would be conducted on the Castle Gate Mine. As part of the midterm, the Division would look at the reclamation bond and subsidence monitoring. Subsidence monitoring terminated in 2000 when the Division found that subsidence had stabilized.

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TECHNICAL ANALYSIS:

RECLAMATION PLAN

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The Permittee met the minimum requirements for this section. All sections of the Castle Gate Mine have received Phase I reclamation. Therefore, all backfilling and grading have been done according to plan. In addition, the site meets the minimum requirements for

Findings:

The information in the proposed amendment is considered adequate to meet the requirements of this section.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

Determination of Bond Amount

The Permittee met most of the requirements of this section. The current bond for the Castle Gate Mine is \$490,000. The Division determined that the cost to ensure reclamation in the event of bond forfeiture is \$472,000 in 2011 dollars. Therefore, the amount of bond is adequate.

The Permittee must update the reclamation cost estimate in the mining and reclamation plan to include the updated reclamation bond costs. The Division will provide the Permittee with a updated reclamation cost estimate in either electronic or hard copy.

Findings:

The information in the proposed amendment is not considered adequate to meet the requirements of this section. Before approval, the Permittee must provide the following in accordance with:

R645-301-830.200, The Permittee must revise the reclamation cost estimates. The cost estimates must be escalated for 2011. The Division will provide the Permittee with an updated reclamation cost estimate in either electronic or hard copy.

RECOMMENDATIONS:

The Division should not consider the midterm review completed until all of the above mentioned deficiencies have been adequately addressed.