



0002

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

JK

JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

January 31, 2008

Dennis Ware, Controller
Castle Gate Holding Company
P.O. Box 30
Helper, Utah 84526-0030

Subject: Midterm Review, Task ID #2622, Castle Gate Holding Company, Castle Gate Mine, C/007/0004

Dear Mr. Ware:

The Division has completed the midterm review for the Castle Gate Mine. The review findings are as follows:

1. An AVS check to ensure that Ownership and Control information is current and correct.

This information is outdated, see Division Order.

2. A review to ensure that the Plan has been updated to reflect changes in the Utah Coal Regulatory Program, which have occurred subsequent to permit approval (One area of emphasis is to ensure compliance with the U. S. Fish and Wildlife Windy Gap Process).

The Castle Gate Mine is completely reclaimed and is not consuming any water.

3. 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.

The Castle Gate Mine only has one permit condition, to submit water sampling data electronically, and they have done so each quarter as required. There have been no recent Division Orders or NOV's at the Castle Gate Mine. All plan changes have been incorporated into the MRP.

4. 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.

All disturbed areas have been reclaimed and each has received at least a Phase I bond release. As part of the reclamation plan review, and bond release review and inspection, the Division thoroughly assessed the commitments to use the best technology currently available (BTCA) to prevent additional contributions of suspended solids to stream flows outside of the permit area. There have been no reports of erosion, or contribution of suspended solids to streams in the 7 years since reclamation was completed.

5. 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.

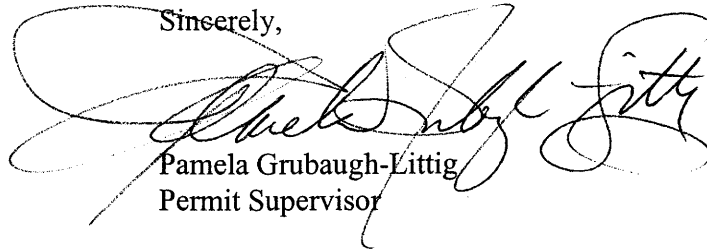
This information is outdated, see Division Order.

6. A review of the MRP commitments for the subsidence control/monitoring plans and reporting requirements.

The Castle Gate Mine is no longer operating and has been completely reclaimed. Therefore, subsidence monitoring is no longer necessary.

A Division Order will be initiated as soon as possible to explain the necessary updates, and to delineate a time frame for their completion.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor

an