

Incoming

COO70004

Page 1 of 1

cc: April

#4153

Q

OGMCOAL - Fwd: Castle Gate Phase II Bond Release OSM Concurrence

From: Daron Haddock
To: April Abate; OGMCOAL
Date: 10/12/2012 10:36 AM
Subject: Fwd: Castle Gate Phase II Bond Release OSM Concurrence
Attachments: Castle Gate OSM concurrence letter.pdf

Forwarded concurrence letter.

Daron R. Haddock
Coal Program Manager
Utah Division of Oil, Gas & Mining
(801) 538-5325

>>> "Mackinnon, Daniel K" <dmackinnon@osmre.gov> 10/11/2012 1:57 PM >>>

Hi Daron, attached is the OSM concurrence letter for the Phase III bond release at the Castle Gate mine. Please let me know if you'd like me to provide any additional information,

Dan M.

Daniel MacKinnon
Natural Resources Specialist
DOI - OSMRE - DFD
1999 Broadway
Suite 3320
Denver, CO 80202
303-293-5011
dmackinnon@osmre.gov



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



OCT 11 2012

John Baza, Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

**RE: Phase III Bond Release, Castle Gate Holding Company, Castle Gate Mine, C/007/0004,
Task #4153, DOGM Proposed Decision and Findings of Compliance, September 5th, 2012**

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining (OSM), Denver Field Division's (DFD) receipt and review of the above Phase III Bond Release Decision Document prepared by the Division of Oil, Gas, and Mining (DOGM) dated September 5th, 2012. DFD agrees with the findings and Decision Document and hereby provides OSM concurrence for the above bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 906.30, Article IX, Section 24, of the State-Federal Cooperative Agreement.

DOGM's Proposed Decision documents the applicant's compliance with the Utah approved regulatory program at Rule R645-301-880.

This Phase III bond release request applies to 57.44 acres, broken down as follows:

- 38.28 acres – Hardscrabble Canyon (does not include .72 acres associated with the substation)
- 19.16 acres – Sowbelly Canyon (does not include 1.84 acres associated with the substation)

OSM finds that Castle Gate holding Company has met or exceeded the requirements for Phase III bond release on these 57.44 acres of land described above. DOGM currently holds a performance bond in the amount of \$490,100. PMC is requesting a \$263,500 reduction in this bond. DOGM has determined that the remaining bond amount of \$226,600 (in 2014 dollars) is sufficient to complete all remaining reclamation obligations at this site if the work had to be completed by a third party contractor. The Bureau of Land Management has concurred with this finding in a letter dated October 1, 2012. OSM also concurs with DOGM's decision.



Thank you and your staff for coordinating this Federal mine bond release action through the DFD. Please direct any questions concerning this action to Daniel MacKinnon, Natural Resources Specialist, at dmackinnon@osmre.gov or (303) 293-5011.

Sincerely,



Kenneth Walker, Chief
Denver Field Division

cc: Daron Haddock, DOGM
Castle Gate Holding Company

