

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

September 7, 2012

#4153
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TO: Internal File

THRU: April Abate, Lead *QGC 10-7-2012*

FROM: James Owen, Engineer *JO*

RE: Phase III Bond Release Hardscrabble & Sowbelly, Castle Gate Holding Company, Castle Gate Mine, C/007/0004, Task ID #4153

SUMMARY:

On August 2, 2012, the Utah Division of Oil Gas & Mining received an application for an amendment to the Mining & Reclamation Plan (MRP) of the Castle Gate Mine. The application seeks approval to grant Phase III Bond Release for portions of Hardscrabble and Sowbelly Canyons.

The Castle Gate Mine permit area is located approximately 10 miles north of Price, Utah and is in the Wasatch Plateau coal fields in Carbon County. The complex consists of various separate areas including: the Hardscrabble Canyon No.3 and 4 mine facilities; the Sowbelly Gulch No.5 Mine facilities; and the Price Canyon Adit No.1 Mine. The permit was renewed on December 24, 2009 and expires on December 24, 2013.

This memo addresses the application's compliance with the engineering (R645-301-500) and bonding (R645-301-800) sections of the Utah Coal Mining Rules. Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. No deficiencies were identified.