



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 9, 2014

Alan Boehms, Field Office Director
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Subject: Phase II and III Bond Release, Castle Gate Holding Company, Castle Gate Mine, C/007/0004, Task ID #4588

Dear Mr. Boehms:

Enclosed is the Division's Decision Document for the Phase II and III bond release of Castle Gate Holding Company's Castle Gate Mine. Castle Gate has requested complete bond release. The Division finds that Castle Gate has met the regulatory requirements for Phase II and III bond release and recommends approval. We request the Office of Surface Mining's concurrence with this determination. A copy of the Phase II and III bond release inspection report is included in this package along with documentation of reclamation events. Please provide your determination at your earliest convenience.

If you have any questions or need further information, please feel free to call me at (801) 538-5350 or Daron Haddock at (801) 538-5325.

Sincerely,

Steve Christensen
Permit Supervisor

SKC/JCO/ss
Enclosure

cc: Flynn Dickinson, OSM Denver field office
Dennis Ware, Castle Gate Holding Company
O:\007004.CG\WG4588\001 OSM Letter.doc

Phase II and III Bond Release
Castle Gate Holding Company
Castle Gate Mine
C/007/0004
Carbon County, Utah

TABLE OF CONTENTS

Decision Document

- * Action
- * Background
- * Reclamation History
- * Bonding History
- * Chronology
- * Summary of Findings
- * Recommendation for Phase II and III Bond Release

Technical Analysis

Affidavits of Publication

Phase II and III Bond Release Inspection Report

BLM Concurrence

DECISION DOCUMENT

Phase II and III Bond Release
Castle Gate Holding Company
Castle Gate Mine
C/007/0004
Carbon County, Utah

ACTION

Phase II and III bond release is requested for the Castle Gate Mine. The Permittee has applied for full bond release to its only posted surety bond. The reduction would total \$226,600.

BACKGROUND

The Castle Gate Mine permit area is located approximately 10 miles north of Price, Utah and in the Wasatch Plateau coal fields in Carbon County. In October of 2012, 57.44 acres of land within the Castle Gate permit received phase III bond release. The permit currently consists of various separate areas of disturbed and reclaimed land including: the Hardscrabble Canyon Substation (0.72 acres); the Sowbelly Gulch Substation (1.84 acres); and the Price Canyon Adit No.1 (3.0 acres).

The post mining land use is Wildlife and Grazing. This area has a history of various mining operations producing coal since the 1880's, when Teacum Pratt opened the first operation for house coal. Mining activities were consolidated in 1971 under the Braztah Corporation, which in turn became the Price River Coal Company in 1979, then Castle Gate Coal Company in 1986, Amax Coal Company in 1991, Amax Coal Holding Company in 1996, and Castle Gate Holding Company in 1998.

RECLAMATION HISTORY

Hardscrabble Canyon

Hardscrabble Canyon originally contained 39 acres within the disturbed area boundary. By the end of 1999, 38.28 acres in Hardscrabble Canyon not including the 0.72 acres associated with the substation had been reclaimed. Hardscrabble reclamation began in 1984 with reclamation of the Goose Island refuse pile followed by reclamation of the NO.3 and 4 Mine areas during the years of 1993 through 1999. The road through the disturbed area was altered but left in place for the post mining land use. In 1997, AMAX Coal Company, Castle Gate Holding Company's predecessor, received an Earth Day Award from the Board of Oil, Gas and Mining for "outstanding final reclamation and site restoration". The company was commended for enhancing the post mining land use by restoring the canyon to a more natural configuration and paying particular attention to wildlife habitat while providing better downstream water quality. Phase I

bond release, not including the substation, was incorporated into the Permit in May of 2000 (see the Castle Gate Permit Section 3.3 for reclamation as-built information). Phase II bond release, not including the substation, was incorporated into the Permit in January of 2003 (see the Hardscrabble Canyon Phase II Bond Release, a standalone document). In 2003, the Hardscrabble Canyon site was nominated by the Division of Oil, Gas and Mining for an "Excellence in Surface Coal Mining Reclamation Award" and was selected by the Department of Interior's Office of Surface Mining as one of the "National Award" winners and went on to win the "Best of the Best" award.

In 2008 Mt. Nebo Scientific, Inc. performed a year-9 vegetation study and in 2009 year-10 vegetation monitoring was conducted to demonstrate vegetation success in preparation for phase III bond release. Phase III bond release, not including the substation, was incorporated into the Permit as a standalone document in October of 2012.

Currently, Hardscrabble Canyon contains 0.72 acres of disturbed and reclaimed land within the disturbed area boundary all of which is associated with the electrical substation. This 0.72 acres was initially reclaimed in the fall of 2002. Phase I bond release was approved in May of 2005. See the Castle Gate Permit Section 3.3 for reclamation as-built information. In 2012 Mt. Nebo Scientific, Inc. performed the year-9 vegetation study and in 2013 the year-10 vegetation monitoring was conducted to demonstrate vegetation success in preparation for phase III bond release. Initially, Hardscrabble Canyon contained 39.0 acres of disturbed ground and in October of 2012 38.28 acres received phase III bond release. This phase II and phase III bond release includes the remaining 0.72 acres.

Sowbelly Gulch/Canyon

Sowbelly Canyon originally contained approximately 21 acres within the disturbed area boundary. Reclamation in Sowbelly Canyon began in 1992 and by the end of 1995; 19.16 acres in Sowbelly Canyon, not including the 1.84 acres associated with the substation had been reclaimed. Phase I bond release, not including the substation, was incorporated into the Permit in January of 1997 (see the Castle Gate Permit Section 3.2 for reclamation as-built information). Phase II bond release, not including the substation, was incorporated into the Permit in January of 2003 (see the Sowbelly Gulch Phase II Bond Release, a stand-alone document). In 2004 Mt. Nebo Scientific, Inc. performed a year-9 vegetation study and in 2005 year -10 vegetation monitoring was conducted to demonstrate vegetation success in preparation for phase III bond release. Phase III bond release, not including the substation, was incorporated into the Permit as a standalone document in October of 2012.

Currently, Sowbelly Canyon contains approximately 1.84 acres of disturbed and reclaimed land within the disturbed area boundary. This 1.84 acres was initially reclaimed in the fall of 2002. Phase I bond release was incorporated into the Permit in June of 2005. See the Castle Gate Permit Section 3.2 for reclamation as-built information. In 2012 Mt. Nebo Scientific, Inc. performed the year-9 vegetation study and in 2013 the year-10 vegetation monitoring was conducted to demonstrate vegetation success in preparation for phase III bond release. Initially, Sowbelly Canyon contained 21 acres of disturbed ground and in 2012 19.16 acres received phase III bond release. This phase II and phase III bond release covers the remaining 1.84 acres.

Adit No.1

Adit No. 1 contains 3.0 acres within the disturbed area boundary of which 1.7 acres were disturbed and reclaimed. Reclamation work at the Adit No. 1 was performed during the fall of 2002. In March of 2006 phase I bond release was approved. See the Castle Gate Permit Section 3.5 for reclamation as-built information. In 2012 Mt. Nebo Scientific, Inc. performed a year-9 vegetation study and in 2013 year-10 vegetation monitoring was conducted to demonstrate vegetation success in preparation for phase II and phase III bond release.

BONDING HISTORY

Increased to \$4,415,505 on 10/3/94; Reclamation Agreement Submitted 1/95. Ridered 2/6/96. Phase I Bond Release of \$400,775 on 1/31/97. Ridered 9/9/97 from \$6,757,451. Ridered to Castle Gate Holding Company, permit transferred on 9/13/98. Three replacement bonds submitted and accepted on 7/1/99, (\$601,333 Each, \$1,804,000 total). Ridered on 4/10/01 to \$1,071,000 for Phase II release at Hardscrabble and Sowbelly. Approved Phase II Bond Release on 6/5/03 in the amount of \$390,846 - \$680,154 remaining Ridered on 7/8/03. The three bonds with St. Paul Fire and Insurance, Travelers and Insurance Company of the State of PA were released, effective 7/30/04 – replaced with one Travelers bond in the amount of \$680,154. Reduced to \$490,100 on 3/20/06 Phase I bond release for Sowbelly and Hardscrabble substations and Adit #1. Changed surety company from Travelers to Fidelity & Deposit in November 2010. Phase III Bond Release of 57.44 acres approved 10/18/12 leaving 5.56 disturbed area. Reduction authorized on 10/18/12 in the amount of \$263,500, new bond amount \$226,600. Received Decrease Rider 12/7/12 effective 11/21/12.

CHRONOLOGY FOR PHASE III BOND RELEASE

April 28, 2014

Castle Gate Holding Company sends letters to local governments, planning agencies, surface owners, and subsurface owners, and stake holders notifying them of the proposed bond release:

Carbon County Planning and Zoning;
Director Land Management, Blackhawk Coal Company
J Potter, C Hopes, J Jones – Carbon County Commissioners;
Steve Rigby – BLM;
Director – SITLA;
Regional Supervisor – State of Utah – DWR;
Mark Stilson – State of Utah – DWRi;
Director – SHPO;
Company Representatives – OSM;
Company Representatives – Utah DOT;

May 6, 2014	Castle Gate Holding Company submits the Phase II and III bond release application for the Castle Gate Mine to The Division
May 6, 13, 20, 27, 2014	Phase II and III Bond Release Published in the Sun Advocate
May 13, 2014	The Division sends letters of invitation for the bond release inspection to be held May 29, 2014
May 29, 2014	Phase II and III bond release inspection. In attendance: Dennis Ware – Castle Gate Holding Company Daron Haddock, James Owen, Joe Helfrich, Steve Christensen, Amanda Daniels – UDOGM Dan Mackinnon – OSM Company Representative – Blackhawk Coal Company
June 26, 2014	Public comment period closes, The Division receives no comments
July 7, 2014	Division receives BLM Concurrence

SUMMARY OF FINDINGS

The Phase II and III bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted on May 29, 2014. No problems were identified. The technical analysis for Phase II & III the bond release is attached.

PHASE III BOND RELEASE RECOMMENDATION

The Permittee has demonstrated the establishment of vegetation at the Castle Gate Mine. The recommendation is that the Division approve Phase II and III bond release for the area. The Permittee has applied for a full bond reduction in the amount of \$226,600.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0070004
TaskID: 4588
Mine Name: CASTLE GATE MINE
Title: PHASE II AND III BOND RELEASE

Operation Plan

Hydro Surface Water Monitoring

Analysis:

The Permittee has been monitoring 4 stream locations B-11, B-12, B-28 and B-45. B-11 and B-12 are located in Hardscrabble Canyon and have been monitored quarterly since 1977 and 1981 respectively. B-12 has reported "no flow" throughout the monitoring program, and B-11 hasn't reported a flow since 1980, when a few samples were taken reporting low intermittent flow. Monitoring locations B-28 and B-45 are located in Sowbelly Gulch and were added to the monitoring program in 1996. Both of these points have consistently been reported as "no flow" since monitoring began. Through the historical data collected at these points, no impacts from mining have been observed.

adaniels

Hydrologic Diversion General

Analysis:

A number of channels were reclaimed and restored at the three remaining locations seeking bond release. During the bond release inspection, the reclaimed channels were walked and appear to be in good condition and stable. There are no remaining temporary drainage structures at any of the three locations.

adaniels

Reclamation Plan

Approximate Original Contour Restoration

Analysis:

The reclaimed sites have adequately achieved approximate original contour (AOC). A few small cuts were left in place due to the fact that they were cut too steep to be fully covered, however, the cuts are minimal and achieve the stability requirements of R645-301-553.530, and meet the approximate original contour criteria of R645-301-553.520.

All backfilling, soil stabilization, compacting and grading, are as expected according to the MRP's anticipated final surface configuration of the permit area.

jowen

Mine Openings

Analysis:

All mine openings have been appropriately sealed in accordance with MSHA, 30CFR 75.1711. Closures are considered permanent

jowen

Revegetation Standards for Success

Analysis:

On May 6, 2014 the Division received an application for phase III bond release on the #1 Adit and two substations at the Castle Gate reclaimed areas in Hardscrabble and Sowbelly canyons. A site visit was conducted on May 29 noting that all species listed in the seed mix were present at the sites. This memo will include a review of that information.

The two years of consecutive vegetation monitoring for the last two years of the ten year liability period for these areas were conducted in 2012 and 2013. The monitoring results indicated that the criteria (percent cover , species composition, woody species density), met or exceeded that of the reference areas.

These areas, (the #1 Adit and two substations at the Castle Gate reclaimed areas in Hardscrabble and Sowbelly canyons) are recommended for phase III bond release.

jhelfric

Bonding Determination of Amount

Analysis:

The current reclamation bond amount for the Castle Gate Mine (C/007/0004) is \$226,600. Castle Gate Holding Company is requesting complete and final Phase III bond release, therefore, the full amount of the bond or \$226,600 is requested to be released upon approval of this bond release application.

jowen

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Richard Shaw, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website. the first publication was on the 6th day of May, 2014, and that the last publication of such notice was in the issue of such newspaper dated the 27th day of May 2014.



Richard Shaw - Publisher

Subscribed and sworn to before me this 27th day of May, 2014.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee. \$ 772.80



PUBLIC NOTICE
PHASE II AND PHASE III BOND RELEASE
APPLICATION
CASTLE GATE HOLDING COMPANY,
CASTLE GATE MINE
PERMIT C/007/0004, RENEWED 12/24/2009

Notice is hereby given that Castle Gate Holding Company, P.O. Box 30, Helper, Utah 84526, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining pursuant to R645-301-880 for phase II and phase III bond release for the Castle Gate Mine Permit C/007/0004. Castle Gate Holding Company has completed phase II and phase III of the approved reclamation plan based on meeting the vegetation and water quality requirements in accordance with the approved reclamation plan. This bond release applies to the entire permit which includes 5.56 acres of disturbed and reclaimed land.

In accordance with the provision of R645-301-880, of the State of Utah R645 Coal Mining Rules, notice is hereby given that Castle Gate Holding Company is applying for complete release of the performance bond posted for this permit. The surety bond posted for the Castle Gate Mine is \$226,600.

The permit area is located in Carbon County, Utah as follows:

- Township 12 South, Range 9 East, SLBM
 - Section 22: Portions of SE1/4 SW1/4 and S1/2 SE1/4
 - Section 26: Portions of W1/2
 - Section 27: All except portions of NW1/4 and NW1/4 NW1/4 SW1/4
 - Section 28: All except portions of the SE1/4 SE1/4 NE1/4, SE1/4 and SW1/4
 - Section 29: All except N1/2 NW1/4, NW1/4 NE1/4, and portions of S1/2 NE1/4 and N1/2SE1/4
 - Section 30: All except N1/2 N1/2
 - Section 31: All
 - Section 32: All
 - Section 33: All
 - Section 34: All
 - Section 35: Portions of N1/2, W1/2S W1/4, SE1/4

- Township 13 South, Range 9 East, SLBM
 - Section 1: Portions of NW1/4 NW1/4
 - Section 2: Portions of NE1/4 and NW1/4
 - Section 3: NW1/4 and portions of NE1/4, SE1/4 and SW1/4
 - Section 4: N1/2 and portions of SE1/4, SW1/4
 - Section 5: NE1/4 and portions of NW1/4, SE1/4 and SW1/4
 - Section 6: N1/2, portions of SW1/4, SE1/4
 - Section 8: Portions of NE1/4
 - Section 9: Portions of NE1/4, NW1/4 and SW1/4
 - Section 10: Portions of NE1/4, NW1/4.

The permit area is shown on the following U.S. Geological Survey 7.5-minute quadrangle maps: Standardville, Kyune, Matt's Summit, Helper





GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070004
Inspection Type:	BOND RELEASE
Inspection Date:	Thursday, May 29, 2014
Start Date/Time:	5/29/2014 8:00:00 AM
End Date/Time:	6/29/2014 12:00:00 PM
Last Inspection:	

Inspector: James Owen

Weather: Clear, sunny, warm

InspectionID Report Number: 3863

Accepted by:

Representatives Present During the Inspection:

OGM Amanda Daniels
OGM Steve Christensen
OGM James Owen
OGM Joe Helfrich
OGM Daron Haddock
Company Dennis Ware

Permittee: **CASTLE GATE HOLDING CO**
Operator: **CASTLE GATE HOLDING CO**
Site: **CASTLE GATE MINE**
Address: **PO BOX 30, HELPER UT 84526-0030**
County: **CARBON**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **RECLAIMED**

Current Acreages

7,619.00	Total Permitted
5.56	Total Disturbed
62.42	Phase I
58.10	Phase II
57.44	Phase III

Mineral Ownership

- Federal
 State
 County
 Fee
 Other

Types of Operations

- Underground
 Surface
 Loadout
 Processing
 Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

This was a Phase II and III bond release inspection. The permit currently consists of various separate areas of disturbed and reclaimed land including: the Hardscrabble Canyon Substation (0.72 acres); the Sowbelly Gulch Substation (1.84 acres); and the Price Canyon Adit No. 1 (3.0 acres). Additional attendees included Dan Mackinnon OSM, and a representative of the Blackhawk Coal Company.

Inspector's Signature:

James Owen,
Inspector ID Number: 62

Date Wednesday, June 04, 2014



Note: This inspection report is not to be used as an official record of compliance with the regulatory program of the Division of Oil, Gas and Mining.
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Approval for Phase III Bond Release would allow the permittee to full remove the bond for the C/007/0004 permit.

2. Signs and Markers

All signs and markers for the permit and disturbed areas were removed at the completion of the phase III release inspection.

4.a Hydrologic Balance: Diversions

Reclaimed channels appeared stable, without any uncontrolled erosion observed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

There are no ponds remaining on the reclaimed areas.

4.d Hydrologic Balance: Water Monitoring

The permittee monitors two stream locations in Hardscrabble Canyon and two stream locations in Sowbelly Gulch. The four stream monitoring locations have been monitored quarterly for many years and have reported no flow for almost every quarter for each monitoring location.

4.e Hydrologic Balance: Effluent Limitations

The Castle Gate mine doesn't have any active UPDES outfalls.

8. Noncoal Waste

There were no noncoal waste issues identified during the inspection

10. Slides and Other Damage

There were no slides or other forms of damage observed during the inspection.

12. Backfilling And Grading

The reclaimed sites have adequately achieved approximate original contour (AOC). A few small cuts were left in place due to the fact that they were cut too steep to be fully covered, however, the cuts are minimal and achieve the stability requirements of R645-301-553.530, and meet the approximate original contour criteria of R645-301-553.520.

All backfilling, soil stabilization, compacting and grading, are as expected according to the MRP's anticipated final surface configuration of the permit area.

13. Revegetation

The site visit included the sub stations at the Hardscrabble and Sowbelly reclaimed areas. These two postage stamp areas were reclaimed several years after the main mine areas which in turn extended their liability period for phase III bond release to 2014. The permittee had sampled the vegetation in these and the reference areas during 2012 and 2013 demonstrating that the vegetation in the reclaimed areas either met or exceeded that of the reference area in terms of species composition percent cover and woody species density. Both sites are stable, well vegetated, (seed mix species are evident on site) and show little or no signs of erosion. The review of the application will include a more in depth review of the vegetation data.

21. Bonding and Insurance

The current reclamation bond amount for the Castle Gate Mine (C/007/0004) is \$226,600. Castle Gate Holding Company is requesting complete and final Phase III bond release, therefore, the full amount of the bond or \$226,600 is requested to be released upon approval of this bond release application.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District, Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

JUL 07 2014



Incoming
C0070004

#4588

In Reply Refer To:
3474 (UTG023)

Daron Haddock
Utah Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
JUL 09 2014
DIV. OF OIL, GAS & MINING

Dear Mr. Haddock:

Subject: Phase II and III Bond Release Inspection for Reclaimed Areas of the Castle Gate Mine, C/007/0004, Task ID #4588.

Phase II and III Bond Release Inspection took place on May 29, 2014. Castle Gate Holding Company has completed Phase II and III of 3 separate areas with a total of 5.56 acres. The Bureau of Land Management concurs with the reclamation and recommends Phase II and III bond release.

If you have any questions concerning this matter, please contact Sue Wiler at (435)636-3651.

Sincerely,

Ahmed Mohsen
Acting Field Manager

cc: Roger Bankert, Utah State Office (UT923)