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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

Pam
Please check the regulations for bonding. I'm not aware of any requirement to bond beyond reclamation of surface facilities. If I'm correct the T.A. should note the mitigation agreement, and I suggest the agreement be appended to the MRP. Please let me know what your regulatory research on bonding shows in this regard.
cc: JWC

File
ACT/007/006 #4

January 12, 1994

TO: James W. Carter, Director
Lowell P. Braxton, Associate Director

FROM: Pamela Grubaugh-Littig, Permit Supervisor

RE: Question About Bond Requirement for Castle Valley Ridge Federal Lease, Star Point Mine, Cyprus Plateau Mining Corporation, ACT/007/006-93C, Folder #4, Carbon County, Utah

The question has arisen about a possible bond requirement for the potential "impacted water" at the Star Point Mine relative to the proposed federal lease UTU-64263, Castle Valley Ridge. This permitting action was determined complete on March 1, 1993. Castle Valley Special Service District protested this permitting action to include this additional land for mining. Objections were raised including, but not limited to, issues of water rights and the impact of mining on the quality and quantity of ground water and surface water in the Huntington Creek drainage. By letter dated October 11, 1993 from the Castle Valley Special Service District (CVSSD), the Division was notified that CVSSD withdrew the protest due to the fact that the parties (CVSSD and CPMC) had signed a mitigation agreement to cover Cyprus Plateau's mining effects in the area and the possible impacts to the Tie Fork well.

Two questions arise relative to this situation:

1) Does the mitigation agreement need to be included in the permit application package?

2) Does Cyprus Plateau Mining Corporation need to post a bond for the mitigation? The bond estimate depends upon the requirement of the approved permit and reclamation plan.

Please advise. The technical analysis (TA) is being prepared currently and these questions need a timely response. Thank you.