

0-018



IN REPLY REFER TO:

United States Department of the Interior

C0070016 Incoming

cc: Pam
Joe

OFFICE OF SURFACE MINING

Reclamation and Enforcement

1999 Broadway, Suite 3320

Denver, Colorado 80202-5733

October 6, 2003

Mr. Lowell P. Braxton
Division Director
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Decision Document to Approve Phase I Bond Release at the Gordon Creek #2,7, and 8 Mine, Mountain Coal Company, C/007/016-BR01B

Dear Mr. Braxton,

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the subject decision document dated August 5, 2003, which was prepared by the Utah Division of Oil, Gas and Mining (DOGM). The Gordon Creek #2,7, and 8 Mine contains Federal lands. OSM is in agreement with the decision document and hereby provides OSM concurrence to release Phase I bond on the Gordon Creek #2,7, and 8 Mine as documented below and in accordance with the Federal regulations at 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, section B, of the Federal-State, Federal lands cooperative agreement.

The decision document thoroughly recounts the permitting, operational, and regulatory history of the Gordon Creek #2,7, and 8 Mine. The DOGM decision dated August 5 documents the notifications required by the permittee to affected surface land owners, surface land owners adjacent to the permit area, government land management agencies, local governmental and planning agencies, and utilities. These notifications are required to process and approve the Phase I bond release application in accordance with Utah Rule R645-301-880, Requirement to Release Performance Bonds.

The bond release application is for 32.52 acres. The total Phase I bond release is for \$384,865. OSM concurs with the above bond amounts proposed for release and retention.

DOGM has received no public comments concerning the bond release request. DOGM conducted the bond release inspection required at Utah Rule R645-301-880.210 on May 22, 2003. OSM was a participant in the bond release inspection. OSM has reviewed DOGM's bond release inspection findings and has no comments or concerns.

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OCT 14 2003

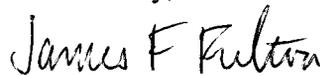
DIV. OF OIL, GAS & MINING

The Bureau of Land Management (BLM) participated in the bond release inspection of the mine on May 22, 2003. BLM concurred with the proposed Phase I bond release via letter dated August 27, 2003 (copy attached). The DOGM January 24, 2003, Technical Analysis documents that all required public notices and surface landowner notifications were made in a timely manner prior to the bond release inspection.

OSM understands that DOGM has retained adequate bond to ensure final reclamation and environmental monitoring requirements. The permittee has met the requirements of the approved Utah Coal Regulatory Program at R645-301-880 for release of performance bonds. The permittee has met Phase I reclamation requirements on the Gordon Creek #2,7, and 8 Mine. OSM concurs with DOGM's findings and BLM's bond release decisions.

Thank you and your staff for coordinating this Federal lands bond release with OSM's Denver Field Division. Please address any questions concerning this letter to Mitch Rollings at mrolling@osmre.gov or to (303) 844-1400 x1445.

Sincerely,


James F. Fulton, Chief
Denver Field Division

cc: Mountain Coal Company
BLM, Salt Lake City, UT; Price, UT



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

IN REPLY REFER TO:

3482

U-8319

U-53159

(UT-923)

AUG 27 2003

Pamela Grubaugh-Littig
Permit Supervisor
State of Utah
Division of Oil Gas and Mining
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Phase I Bond Release – Gordon Creek #'s 2, 7 and 8 Mine, Mountain Coal Company.
ACT/007/016

Dear Ms. Grubaugh-Littig:

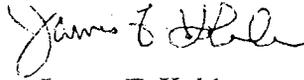
The Bureau of Land Management (BLM) has received your request for our concurrence for the subject mine reclamation bond release. This letter documents the Bureau's concurrence with regards to the laws governing Federal coal leases and the public lands.

The Gordon Creek Mine site locations (#2, #7 and #8 Mines) along with the Sweet's Pond near the mine site were inspected with a joint agency visit on May 22, 2003. BLM's role with regards to reclamation is limited because the mine site is held in private ownership. However, the mine operator has achieved maximum economic recovery of the Federal coal, has relinquished the Federal coal leases, and has adequately sealed the portals. Backfilling and grading of the mine site has covered the portals and outcrops and will protect any remaining coal resource. Public lands under the BLM's management lies above the mined out leases in the area and any surface impacts from underground mining (some subsidence cracks) have been mitigated to our satisfaction for post mining land use.

AUG 29 2003

We therefore have no objection for the operator's application for Phase I bond release for the mine portal and facility site and Phase III bond release for the Sweet's Pond site. If you have any questions, please contact Stephen Falk at the Price Field Office at (435) 636-3605 or Stan Perkes of my staff at (801) 539-4036.

Sincerely,



James F. Kohler
Chief, Solid Minerals Branch

cc: Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

Price Field Office, case file, (UT-070)

Mountain Coal Company
P. O. Box 591
Somerset, Colorado 81434