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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

October 28, 2014

David Spillman, Technical Services Manager  
Canyon Fuel Company, LLC  
P.O. Box 1029  
Wellington, Utah 84542

Subject: Deficiencies in Phase I and II Bond Release Application, Dugout Canyon Mine, C/007/039, Task ID #4705

Dear Mr. Spillman:

The application for Phase I and II bond release on the Gob Vent Well areas of the Dugout Canyon Mine site has been reviewed. An inspection of the site is planned for November 19, 2014. At this time you should publish the notice required by R645-301-880.120 in the local newspaper. The notice must be published at least once a week for four successive weeks after which you will need to submit the Affidavit of Publication to the Division. We will need to wait for the comment period to end in order for us to make a final decision on the bond release application. In the meantime, our review has identified some deficiencies in the application that need to be addressed. Please respond by no later than November 19, 2014 to the following:

- 1) The C1 form submitted with the application was not signed or notarized. It must be signed and notarized.
- 2) The application does not contain copies of letters sent by the Applicant to adjoining owners, local government bodies, planning agencies, sewage and water treatment authorities and water companies required by R645-301-880.120.
- 3) There is no Notarized statement that all applicable reclamation has been accomplished as required by R645-301-880.130.

Until these issues have been satisfied, a final decision on the bond release application cannot be made. Of course, final approval of the bond release is contingent upon many factors which include the results of the Division's review and inspection, the comments received, results of a public hearing (if held), concurrence from the BLM and the Office of Surface Mining. Being this late in the season, the weather could also play a factor in our ability to complete the inspection and we may have to postpone the release if the sites are not accessible.



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October 28, 2014  
David Spillman

Thank you for your help in completing the application requirements. If you have any questions, please call me at (801) 538-5325 or Steve Christensen at (801) 538-5350.

Sincerely,

A handwritten signature in blue ink that reads "Daron Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly legible.

Daron Haddock  
Coal Program Manager

DRH/sqs  
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