



# United States Department of the Interior



OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
Western Region Office  
1999 Broadway, Suite 3320  
Denver, CO 80202-3050

January 7, 2015

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

**RE: Phase I & II Bond Release, Canyon Fuel Company LLC, Dugout Canyon Mine, Methane Degasification Well Sites, C/007/0039, Task ID #4711**

Dear Mr. Haddock:

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSMRE), Denver Field Division's (DFD) receipt and review of the above Phase I and II Bond Release Decision Document prepared by the Division of Oil, Gas, and Mining (DOGM) dated January 5, 2015. DFD agrees with the findings and Decision Document and hereby provides OSM concurrence for the above bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, of the State-Federal Cooperative Agreement.

DOGM's Decision Document notes the applicant's compliance with the Utah approved regulatory program at Rule R645-301-880. The Bureau of Land Management's (BLM) concurrence letter dated December 29, 2014 is attached in the Decision Document, as is evidence of public notification and permit condition requirements that the applicant must meet. A newspaper notice was approved by DOGM prior to publication and posted in the Sun Advocate from October 30, 2014 through November 20, 2014 for four consecutive weeks. The public comment period for the proposed bond release closed on December 20, 2014 and no comments were received.

Although Phase I and II release was requested by the operator for numerous sites, DOGM stated on the inspection and in the decision document that the G-16, G-16 access road, G-22, G-22 access road, a portion of AMV Road, G-9, G-25, G-26, G-30, and a portion of the G-31 access road are eligible for Phase I release. The G-2, G-3, G-4, G-5, G-6, G-7, G-10, G-12, G-13, G-14, G-18, and G-31 sites were found by DOGM to be eligible for both Phases I and II bond release. The total acreage for Phase I bond release is 37.3 acres and the total for Phase II is 18.95, which results in a bond reduction of \$207,565. OSMRE concurs with DOGM's decision and recommends release of the requested areas at the Dugout Canyon Mine.

I have attached OSMRE's inspection report from the bond release inspection for your records. Please direct any questions concerning this action to Flynn Dickinson, Hydrologist, at [fdickinson@osmre.gov](mailto:fdickinson@osmre.gov) or (303) 293-5013.

Sincerely,

Alan Boehms, Branch Chief  
Denver Field Division

cc: Canyon Fuel Company LLC