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State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 5, 2007

Kenneth S. Fleck, Manager of Geology and Environmental Affairs
Energy West Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Phase III Bond Release Approved, PacifiCorp, Des-Bee-Dove Mine,
Task ID #2714, C/015/0017, Outgoing File

Dear Mr. Fleck:

Phase III bond release is approved at the Des-Bee-Dove Mine for 2.52 acres associated with the pumphouse site and the reclaimed haul road. The postmining land use for this area was approved on February 26, 2007 from wildlife and grazing to industrial to allow for exploration drilling by XTO. No change in the bond amount is associated with this bond release.

OSM concurred with the Division's findings and recommendations for Phase III bond release by letter dated April 5, 2007 (enclosed).

The remaining bond amount of \$1,169,718 is sufficient to ensure environmental monitoring and reclamation success through Phase III for the remaining areas of the reclaimed site.

If you have any questions, please feel free to call me or, Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

John R. Baza
Director

an

Enclosure

cc: Emery County Planning (certified mail)
Jim Kohler, BLM
Alice Carlton, USFS

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IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

April 5, 2007

John R. Baza, P.E., Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple
Suite 1210, PO Box 145801
Salt Lake City, UT 84114-5801

**RE: PacifiCorp, Des-Bee-Dove Mine, Utah Permit No. C/015/0017,
OGM Phase III Bond Release Decision Document**

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining (OSM), Western Region (WR), Denver Field Division's (DFD) receipt and review of the above Phase III Bond Release State Decision Document (decision) dated January 30, 2007. That decision includes the January 30, 2007, technical analysis prepared by the Division of Oil, Gas, and Mining (OGM). DFD agrees with the findings in the decision and hereby provides OSM concurrence for this 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.

A thorough summary of the operational and reclamation history of the mine is accurately captured in the OGM decision. The required public, governmental agencies, and landowner notifications of the bond release application were provided by the permittee and are documented in the bond release application and subsequent correspondence. No public comments concerning this bond release application are discussed in the OGM findings documents.

The bond release inspection notifications provided by OGM are documented either in the decision, the inspection report for the bond release inspection conducted by OGM on September 28, 2006, or related correspondence. OSM, the Bureau of Land Management (BLM), the United States Forest Service (USFS), the Utah Division of Wildlife Resources (UDWR), the Emery County Lands Council, and adjacent landowners were notified of the bond release inspection.

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DIV. OF OIL, GAS & MINING

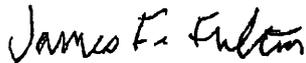
Des-Bee-Dove Mine, Phase III bond release, pg.3

As noted above, this Phase III bond release applies to 2.52 acres of reclaimed disturbance and the permittee has not requested the release of any monies associated with this acreage. In their Phase III bond release recommendation OGM has determined that the remaining bond amount of \$1,837,712 is sufficient to ensure environmental monitoring and reclamation success through Phase III for all the remaining affected and reclaimed acreage at this mine.

OSM concurs with the OGM Phase III bond release decision as documented above.

Thank you and your staff for coordinating this federal lands bond release through the DFD. Please direct any questions concerning this action to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 844-1440 x1446.

Sincerely,



James F. Fulton, Chief
Denver Field Division

Enclosure

Cc: PacifiCorp
BLM, Salt Lake City, UT
USFS, Price, UT

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