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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 13, 2014

Tony Welch, Resident Agent
Castle Valley Mining, LLC
5550 W Bear Canyon Road
Huntington, Utah 84528

Subject: Final Approval of Phase I & II bond release of the Tank Seam Road, Upper Storage Pad and Portal Pad Access Area, C/015/0025, Task ID #4402

Dear Mr. Welch:

The Division has approved Phase I & II bond release on 5.62 acres. We received concurrence from OSM on December 4, 2013. The clean copies of the application submittal were received by the Division on January 3, 2014.

While the Division is approving Phase II bond release on the 5.62 acres, we are not approving the release of any bond funds. The amount of bond required for the entire site has increased due to updating unit costs, bond re-evaluation, and escalation and the bond that would have been released is being reapportioned to those costs.

A stamped incorporated copy of the approved plans are enclosed for insertion into your copy of the Mining and Reclamation Plan.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
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