



GARY R. HERBERT
Governor

SPENCER J. COX
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

October 8, 2015

Alan Boehms, Field Office Director
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Subject: Phase III Bond Release, Castle Valley Mining, LLC, Bear Canyon Mine, C/015/0025,
Task ID #4947

Dear Mr. Boehms:

Enclosed is the Division's Decision Document for the Phase III bond release of the Tank Seam Access Road and other areas covering a total of 5.62 acres. Castle Valley Mining, LLC, Bear Canyon Mine. Castle Valley Mining, LLC has requested bond release and reduction. The Division finds Castle Valley Mining, LLC has met the regulatory requirements for Phase III bond release and recommends approval. We request the Office of Surface Mining's concurrence with this determination. A copy of the Phase III bond release inspection report is included in this package along with the documentation of events. Please provide your determination at your earliest convenience.

If you have any questions or need further information, please feel free to call me at (801) 538-5325 or Joe Helfrich at (801) 538-5290.

Sincerely,

Daron Haddock
Coal Program Manager

DRH/ss
Enclosure

cc: Jaren Jorgensen, Castle Valley Mining, LLC
O:\015025.BCN\WG4947 PHASE III RELEASE\Decision Document\001 OSM concurrence ltr.doc



Phase III Bond Release
Castle Valley Mining, LLC
Bear Canyon Mine
C/015/0025
Emery County, Utah

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DECISION DOCUMENT

Phase III Bond Release
Tank Seam Road
Castle Valley Mining, LLC
Bear Canyon Mine
C/015/0025
Emery County, Utah

ACTION

Phase III bond release is requested for the Tank Seam Access Road and Portal Pad, Upper Storage Pad and Portal Pad totaling 5.62 acres of the disturbed area boundary at Bear Canyon Mine. The Permittee has applied for bond reduction to its currently posted surety bond of \$2,210,000. The reduction would total \$52,000, which would leave \$2,158,000 posted.

BACKGROUND

The Tank Seam Access Road and Portal Pad, Upper Storage Pad and Portal Pad totaling 5.62 acres of the disturbed area boundary at Bear Canyon Mine were reclaimed in 2005. DOGM mine engineer Pete Hess documented the completion of the reclamation of these areas including augmented seeding in his October 2005 inspection report of the Bear Canyon mine thus initiating the beginning of the 10 year liability period for these reclaimed areas. Castle Valley Mining, LLC received approval for phase I and II bond release for these areas with concurrence from the Office of Surface Mining (OSM) on January 13, 2014. Vegetation monitoring data was collected in years 7, 9 and 10 of the liability period in order to demonstrate that the vegetation success standard had been met for phase III bond release.

CHRONOLOGY FOR PHASE III BOND RELEASE

April 29, 2015 Castle Valley Mining, LLC sends letters to local governments, planning agencies, surface owners, and subsurface owners, notifying them of the proposed bond release:
A.U. Mines, Inc.
Emery County
ANR Company, Inc.
Intermountain Power Agency
C.O.P. Development
U.S. Forest Service
Genwal Coal Company
Nevada Energy
Bureau of Land Management
State of Utah School & Institutional Trust Land Administration

May 5, 12, 19 and 26, 2015 Phase III Bond Release Published in the Emery County Progress.

June 26, 2015 Public comment period closes. The Division receives no comments.

July 6, 2015 Castle Valley Mining, LLC submits the Phase III bond release application for the Bear Canyon Mine.

August 25, 2015 The Division sends letters of invitation for the bond release inspection to be held September 9, 2015.

September 9, 2015 Phase III bond release inspection. In attendance:
Jaren Jorgensen, Castle Valley Mining, LLC
Charles Reynolds, Land Owner
Daron Haddock, Cheryl Parker, Joe Helfrich, Keenan Storrar, UDOGM
Steve Falk, BLM
Spencer Shumate, OSM

SUMMARY OF FINDINGS

The Phase III bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted on September 9, 2015. No problems were identified. The technical analysis for Phase III bond release is attached.

PHASE III BOND RELEASE RECOMMENDATION

The Permittee has demonstrated the establishment of vegetation at the mine site. The recommendation is that the Division approve Phase III bond release for the 5.62 acre area. The Permittee has applied for a bond reduction in the amount of \$52,000. The posted bond for the permit will become \$2,158,000.



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Technical Analysis and Findings

Utah Coal Regulatory Program

October 1, 2015

PID: C0150025
TaskID: 4947
Mine Name: BEAR CANYON MINE
Title: PHASE III BOND RELEASE

Reclamation Plan

General Requirements

Analysis:

The Division initiated a Phase III bond release inspection and review of the Bear Canyon mining and reclamation plan (Task ID #4946) on September 9, 2015. This Technical Memorandum presents the findings of the Midterm Permit review for the Bear Canyon bond release related to engineering and bonding, including:

- Evaluate the reclamation bond to ensure that coverage adequately addresses permit changes approved subsequent to permit approval or renewal, and to ensure that the bond amount is appropriately escalated in current-year dollars.
- Evaluate the permit for compliance with variances or special permit conditions related to engineering and bonding.

cparker

Approximate Original Contour Restoration

Analysis:

The application meets the minimum R645-301-512.200 and -553.110 as there is no change in the MRP and all grading will be place back to approximate original contours. The Old Tank Seam Access road was reclaimed to AOC.

cparker

Backfill and Grading General

Analysis:

The minimum requirements of R645-301-553 are met within the application as there is no change to the existing MRP grading reclamation details. The Old Tank Seam Access road was backfilled and reclaimed to AOC and remains stable since 2005.

cparker

Mine Openings

Analysis:

The minimum requirements of R645-301-529 and -551 are met within the application as there is no change to the existing MRP sealing of mine openings at the time of final reclamation. All five portals along the Old Tank seam road were backfilled

and appeared stable at the time of inspection by the Division.

cparker

Road System Reclamation

Analysis:

The minimum requirements of R645-301-534 are met within the application as a total of 5.62 acres of the Old Tank Seam Access road was reclaimed.

cparker

Road System Retention

Analysis:

The minimum requirements of R645-301-534 and -552 are met within the application as there is no change to the existing MRP reclamation of roads that will be retained at the end of mining that exist throughout the permitted area.

cparker

Hydrological Information Reclamation Plan

Analysis:

The Phase III Bond Release of the Tank Seam access road meets the minimum hydrologic requirements for reclamation. On September 9th, 2015 the length of road slated for bond release was inspected for the probability of success in reclamation efforts to prevent, control, and/or reduce sediment erosion. The Permittee used the reclamation technique along the road length known as full obliteration recontouring and restoration of natural slopes. This is a very effective restoration technique of forest roads and considered by many to be the BMP for road restoration. By restoring the slopes to the original contour the surface hillslope flow paths are now restored and water may continue downslope rather than being intercepted and diverted by the old road cut. This has shortened flow paths as runoff is now able to seamlessly flow past the once disturbed area across the recontoured slope, where it used to be diverted into a roadside ditch. With shortened flow paths less water is able to accumulate thereby reducing the erosivity of the runoff from the once disturbed area. This reclamation technique appears to be very effective because the entire reclaimed and recontoured area appears stable and has no major rilling or gulying.

The application has provided a narrative and supporting calculations of post-reclamation soil erosion rates using the software program SEDCAD. These calculations show the expected sediment production from the reclaimed disturbed area is less than the pre-disturbance background erosion rates.

The reclaimed road passes below two very steep ephemeral watersheds that are roughly 9 acres in size. At these crossings the channels are reclaimed using very heavy rip-rap and are in stable conditions. It appears these reclaimed channels will continue to be stable for a very long period of time.

kstorrar

Revegetation Standards for Success

Analysis:

On July 6, 2015 the Division received an application for phase III bond release on a 5.62 acre parcel of reclaimed land known as the tank seam road. This memo will include a review of the vegetation monitoring information for 2014 included in appendix Q of the application, Appendix A vegetation analysis of reference areas and appendix P, the 2012 vegetation sampling data for the tank seam road. Vegetation sampling for year 9 of the liability period was conducted on July 23rd and 24th of 2014.

The vegetation survey was conducted in accordance with the current DOGM Vegetation Information Guidelines and the MRP criteria for demonstrating successful revegetation. Data in the reclaimed areas were compared to that in the reference area in order to determine if the standards for vegetation success had been met. Qualitative and quantitative vegetation sampling methods as well as production were employed on the tank seam road. Percent cover, woody species density, species diversity and production values either met or exceeded those of the reference area.

The permittee is currently conducting a vegetation survey of the tank seam road for year ten, the final year of the liability period in order to meet the phase III bond release requirements of the Utah coal regulations.

Barring any unforeseen circumstances the vegetation survey information in the phase III bond release application and

results of the 2015 vegetation survey should meet the requirements of this section of the regulations. Approval is recommended pending concurrence from the Office of Surface Mining (OSM).

jheltric

Bonding Determination of Amount

Analysis:

The application meets the minimum bonding requirements of the State's Coal Mining rules. A total of \$52,000 may be released to the Permittee for the completion of Phase III bond release on the section of land outlined in the application.

The Phase I/II bond release on the reclaimed 5.62 acres of the Tank Seam was handled in Task #4402.

The Permittee has requested a Phase III bond release in the amount of \$52,000 for revegetating the 5.62 acres of the Tank Seam road. The bond release amount is found in Chapter 8 Appendix A on the Vegetation Cost sheet 'Main Mine Site 01'. The release is for the area of the Tank Seam that has been reduced by 5.62 acres. The bond reduction is only associated with the 'Assume 25% reseeded' row on this Vegetation Cost sheet. On this row, a reseeded bond amount of \$101,424 was held for the full 9.39 acres. Now that the reclaimed ~5 acres of the Tank Seam road is being released under Phase III we can also release the 25% reseeded cost that was withheld. The bond may be reduced on the 'Assume 25% reseeded' row to be \$63,247 or 25% of the total cost of \$252,988 to reclaim the remaining 4.13 acres.

Releasing the full \$52,000 is the correct amount because the original 'Assume 25% reseeded' bond amount of \$101,424 was too high of a bond calculation.

kstorrar

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website; the first publication was on the 5th day of May, 2015, and that the last publication of such notice was in the issue of such newspaper dated the 26th day of May, 2015.



Richard Shaw – Publisher

Subscribed and sworn to before me this 26th day of May 2015.



Notary Public My commission expires January 10, 2019 Residing at Price, Utah

Publication fee, \$ 432.00



**PUBLIC NOTICE
APPLICATION FOR PHASE III BOND RELEASE
BEAR CANYON MINE
CASTLE VALLEY MINING, LLC
PERMIT C/015/0025, RENEWED 12/16/2010
EMERY COUNTY, UTAH**

Notice is hereby given that Castle Valley Mining, LLC, 5550 W. Bear Canyon Rd., Huntington, Utah 84528, with Tony Welch as Resident Agent, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase III bond release on disturbed lands currently in Permit C/015/0025 pursuant to R645-301-880 and R645-301-400 of the Utah Coal Program Regulations. The permit area as shown below is from the Hiawatha U.S. Geological Survey 7.5-minute Quadrangle map. The permit area affected is located in Emery County, Utah, in Township 16 South, Range 7 East, Section 26, Salt Lake Base & Meridian.



The Phase III bond release application is for a bond reduction of \$52,000.00 on the current bond of \$2,167,000.00 for the Tank Seam Access Road and covers a total of 5.62 acres. All areas within the Tank Seam Access Road meet the requirements of the regulations for post mine land use of Wildlife Habitat, Recreational, Grazing and Timber, including stabilization of lands, restoration of drainage, and vegetation establishment. Reclamation of 5.62 acres was completed in the summer of 2009.

Written comments, objections and requests for an informal conference on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84111-5201

Closing date for submission of such comments, objections and request for an informal conference on this proposal must be submitted within 30 days of the last publication.

Published in the Emery County Progress May 5, 12, 19, and 26, 2015.



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JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0150025
Inspection Type:	BOND RELEASE
Inspection Date:	Wednesday, September 09, 2015
Start Date/Time:	9/9/2015 10:00:00 AM
End Date/Time:	9/9/2015 12:00:00 PM
Last Inspection:	Wednesday, August 26, 2015

Inspector: Joe Helfrich

Weather:

InspectionID Report Number: 5298

Accepted by: JHELFRIC
10/1/2015

Representatives Present During the Inspection	
Company	Jaren Jorgensen
OGM	Daron Haddock
OSM	Spencer Shumate
OGM	Keenan Storrar
OGM	Joe Helfrich
Landowner	Charles Reynolds
OGM	Cheryl Parker
OGM	Daron Haddock
BLM	Steve Falk

Permittee: **CASTLE VALLEY MINING LLC**

Operator: **CASTLE VALLEY MINING LLC**

Site: **BEAR CANYON MINE**

Address: **2352 NORTH 7TH STREET, UNIT B, GRAND JUNCTION CO 81501**

County: **EMERY**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

Current Acreages

10,991.83	Total Permitted
40.64	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a phase III bond release inspection on the tank seam road. The length of the reclaimed road was hiked to evaluate the stability of and vegetative growth on the reclaimed area. The site had basically remained the same since the previous phase II bond release several years ago.

Inspector's Signature

Joseph C. Helfrich
Joe Helfrich,

Inspector ID Number: 1

Date Monday, September 14, 2015



Permit Number: C0150025
Inspection Type: BOND RELEASE
Inspection Date: Wednesday, September 09, 2015

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

A notice describing the area requested for phase III bond release had been posted in a local newspaper for 4 consecutive weeks.

4.c Hydrologic Balance: Other Sediment Control Measures

The length of road slated for bond release was inspected for the probability of success in reclamation efforts to prevent, control, and/or reduce sediment erosion. The Permittee used the reclamation technique along the road length known as full obliteration recontouring and restoration of natural slopes. This is a very effective restoration technique of forest roads and considered by many to be the BMP for road restoration.

The reclaimed road passes below two very steep ephemeral watersheds that are roughly 9 acres in size. At these crossings the channels are reclaimed using very heavy rip-rap and are in stable conditions. It appears these reclaimed channels will continue to be stable for a very long period of time.

8. Noncoal Waste

The site is reclaimed with no signs of non-coal waste materials. (CP)

10. Slides and Other Damage

No slides or subsidence were witnessed during the inspection along the entire length of the Old Tank Seam road. The length of the road is stable and recommended for complete bond release.

No slides, riles, or signs of instability were witnessed during the inspection of the length of the road. The minimum requirements of R645-301-540 are met and the area is recommended for bond release. (CP)

12. Backfilling And Grading

Backfilling and grading of the Old Tank Seam road was reclaimed to original AOC and was completed in 2005. The entire length of the road was inspected and shows no signs of instability. The entire length of the road and five portals along the Old Tank Seam portal are recommended for Phase III bond release at this time.

13. Revegetation

On July 6, 2015 the Division received an application for phase III bond release on a 5.62 acre parcel of reclaimed land known as the tank seam road. This memo will include a review of the vegetation monitoring information for 2014 included in appendix Q of the application, Appendix A vegetation analysis of reference areas and appendix P, the 2012 vegetation sampling data for the tank seam road. Vegetation sampling for year 9 of the liability period was conducted on July 23rd and 24th of 2014.

The vegetation survey was conducted in accordance with the current DOGM Vegetation Information Guidelines and the MRP criteria for demonstrating successful revegetation. Data in the reclaimed areas were compared to that in the reference area in order to determine if the standards for vegetation success had been met. Qualitative and quantitative vegetation sampling methods as well as production were employed on the tank seam road. Percent cover, woody species density, species diversity and production values either met or exceeded those of the reference area. The permittee is currently conducting a vegetation survey of the tank seam road for year ten, the final year of the liability period in order to meet the phase III bond release requirements of the Utah coal regulations.

Barring any unforeseen circumstances the vegetation survey information in the phase III bond release application and results of the 2015 vegetation survey should meet the requirements of this section of the regulations. Approval is recommended pending concurrence from the Office of Surface Mining (OSM).

In addition to the technical review of the phase III application the on-site inspection of the tank seam road indicated that the vegetation was well established and the site was stable.

16.a Roads: Construction, Maintenance, Surfacing

The Old Tank seam road was reclaimed to AOC meeting the R645-301-534 requirements. The entire length of the road is recommended for Phase III bond release.

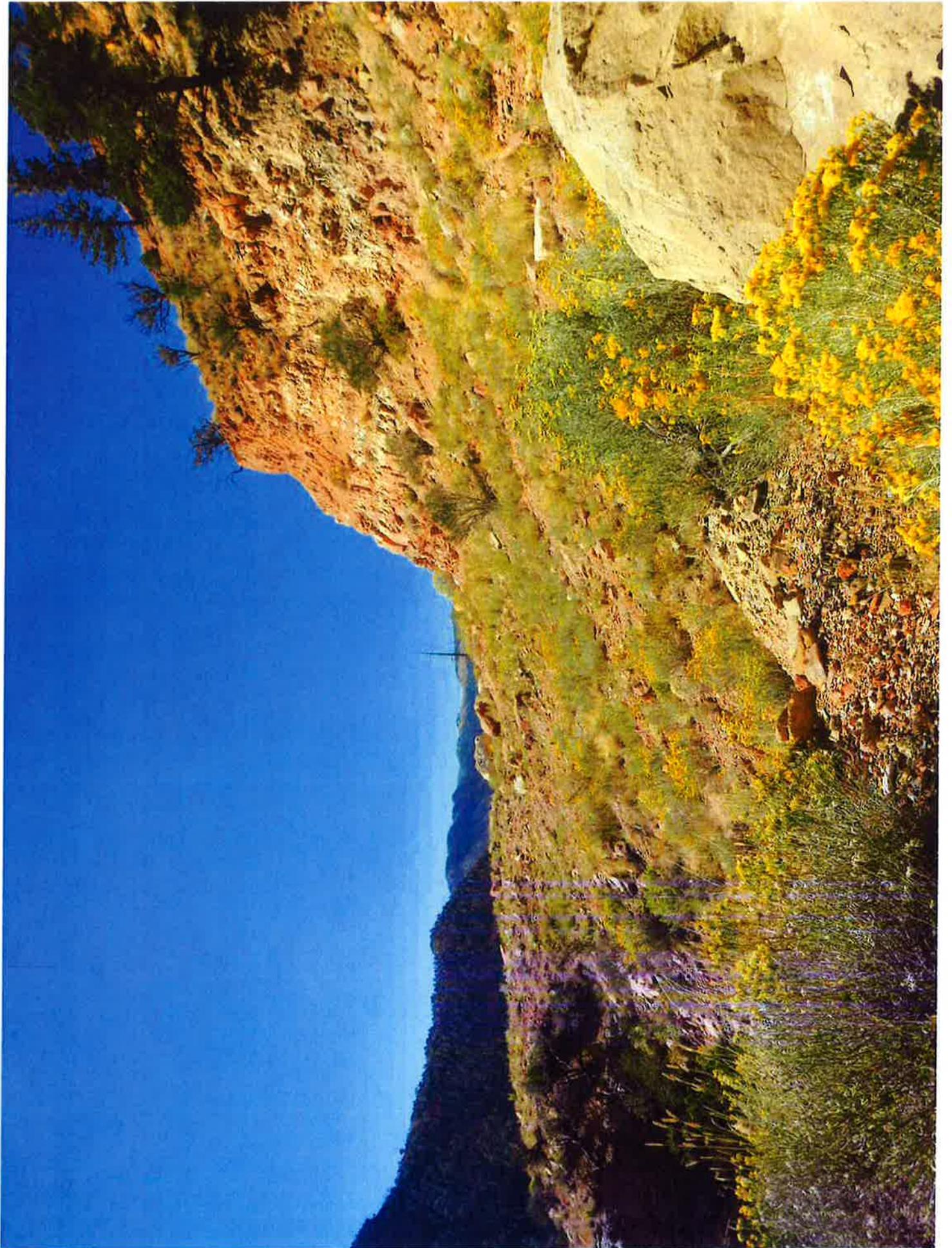
16.b Roads: Drainage Controls

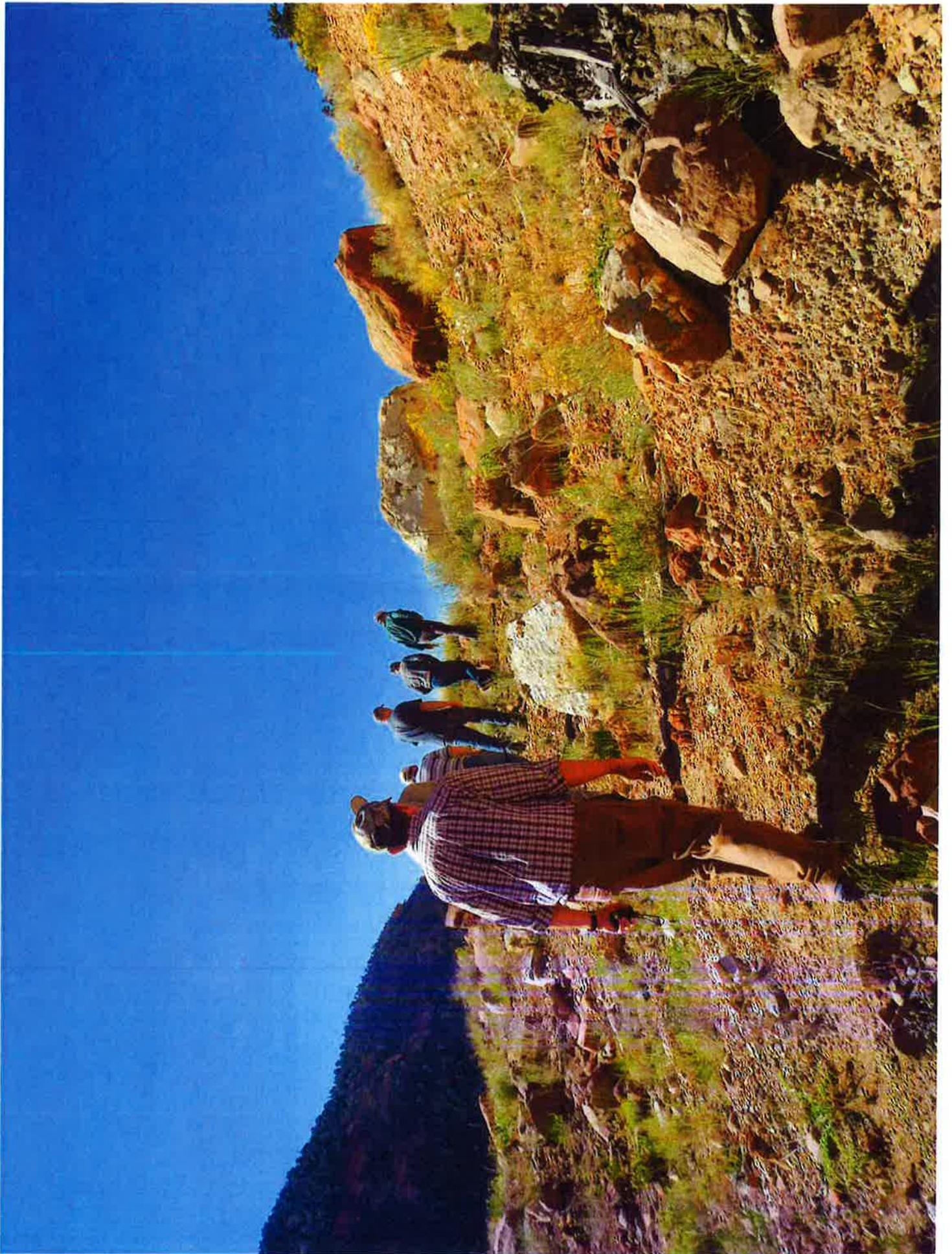
The drainage along the Tank seam road appears to be operating as intended as the site remains stable. The entire length of the road is recommended for Phase III bond release.

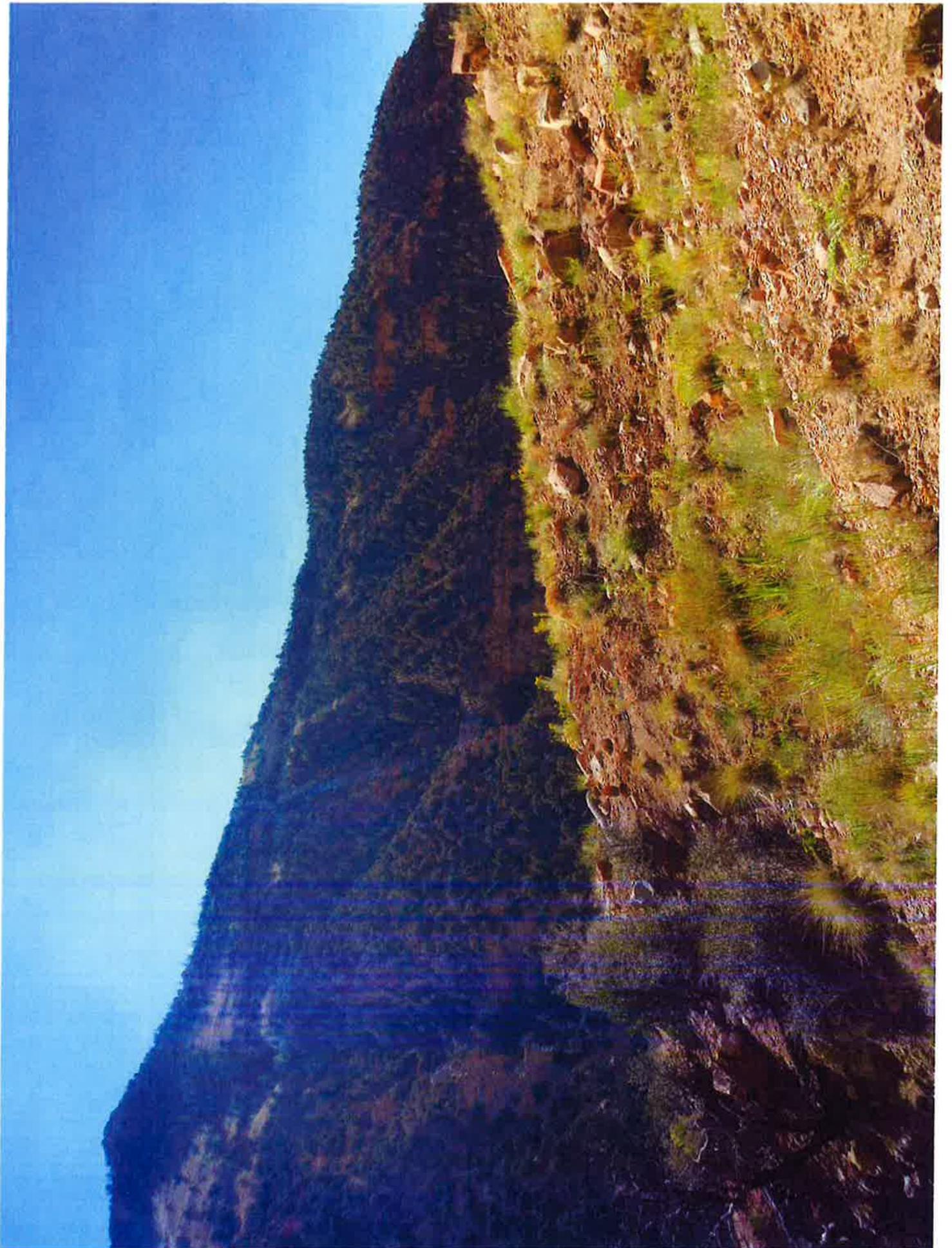
Permit Number: C0150025
Inspection Type: BOND RELEASE
Inspection Date: Wednesday, September 09, 2015

21. Bonding and Insurance

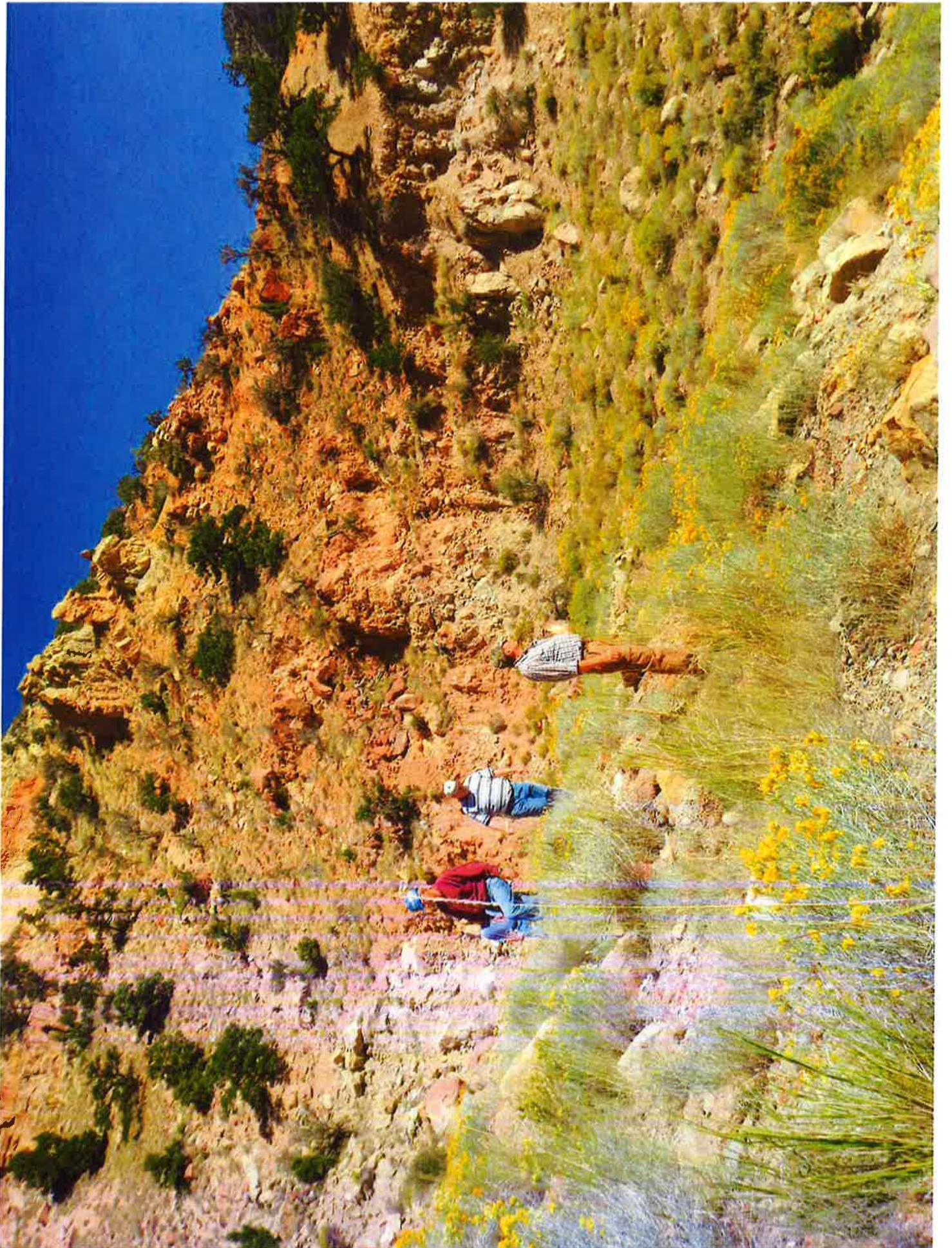
Current Bond held for the Bear Canyon Mine is a surety bond for the amount is \$2,210,000. Western Surety Company maintains the surety bond effective as of 8/15/14. The Permittee has applied for Phase III bond release, Task 4947, currently under review by the Division for release of 5.62 acres along the Tank Seam Access road for a total of \$52,000 release. The minimum requirements of R645-301-540 and R645-301-800 are met and the area is recommended for bond release. (CP)
The insurance with National Union Fire Insurance Company of Pittsburgh with a new expiration date on 6/1/16 and states adequate coverage, covering explosives and due on occurrences. (CP)

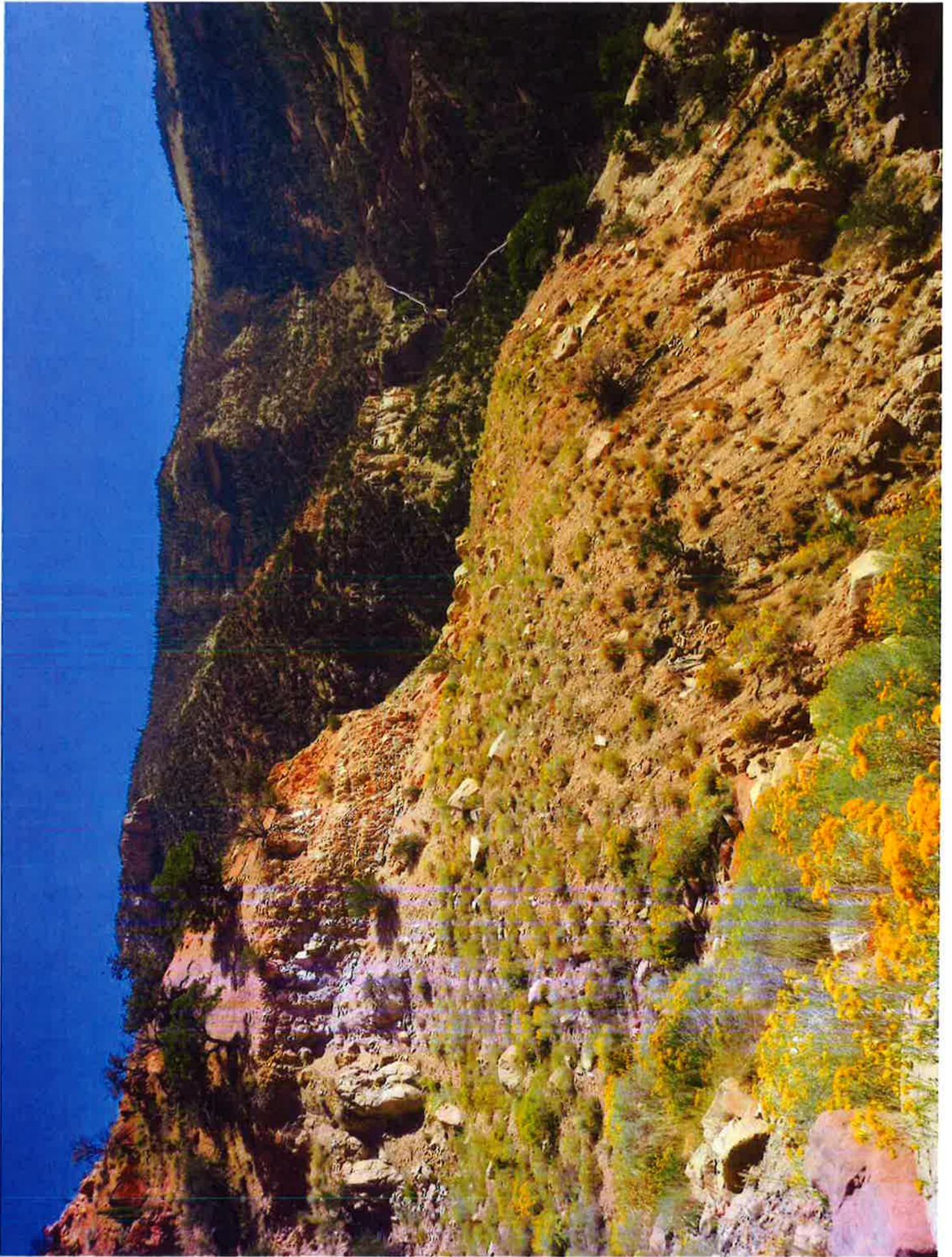


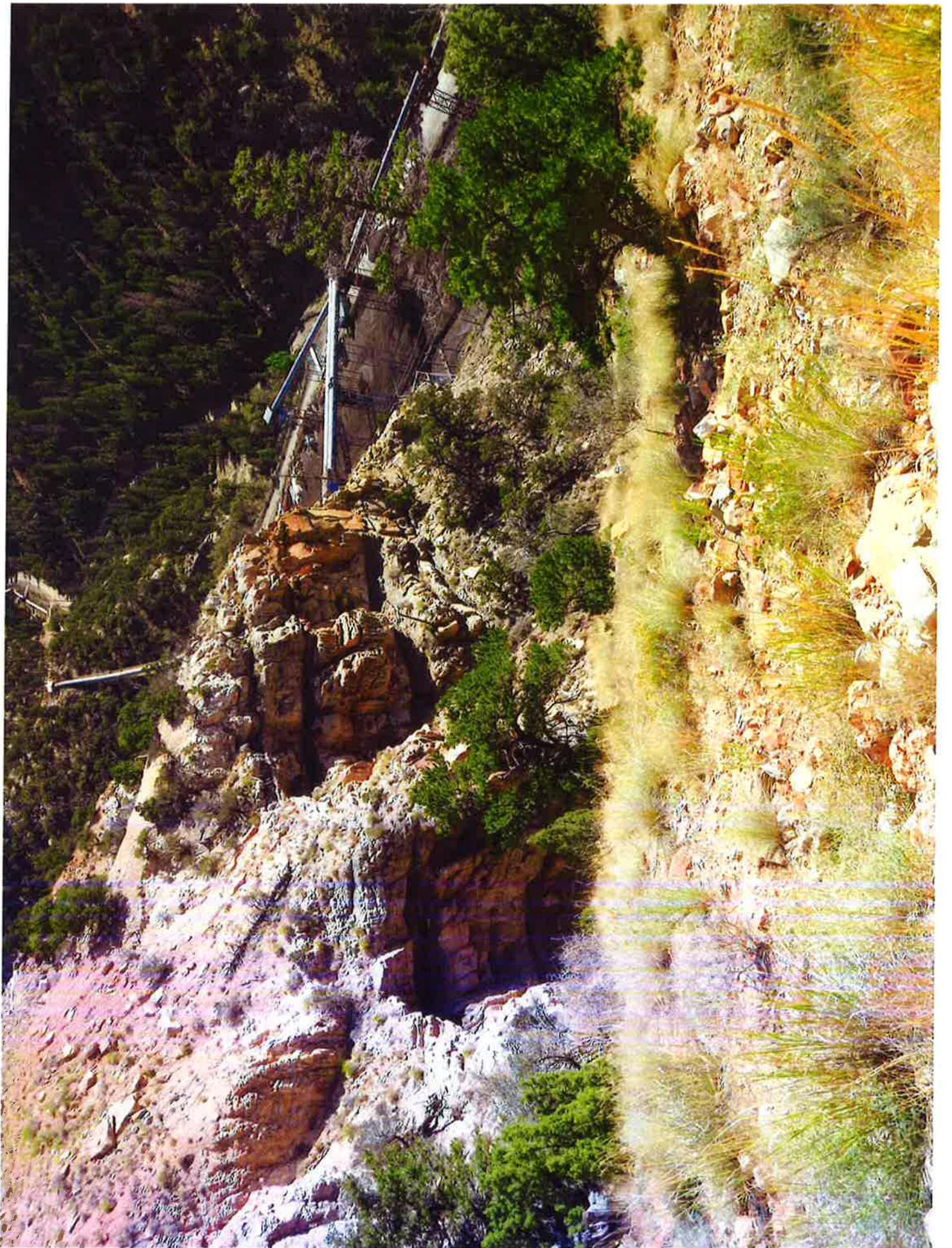


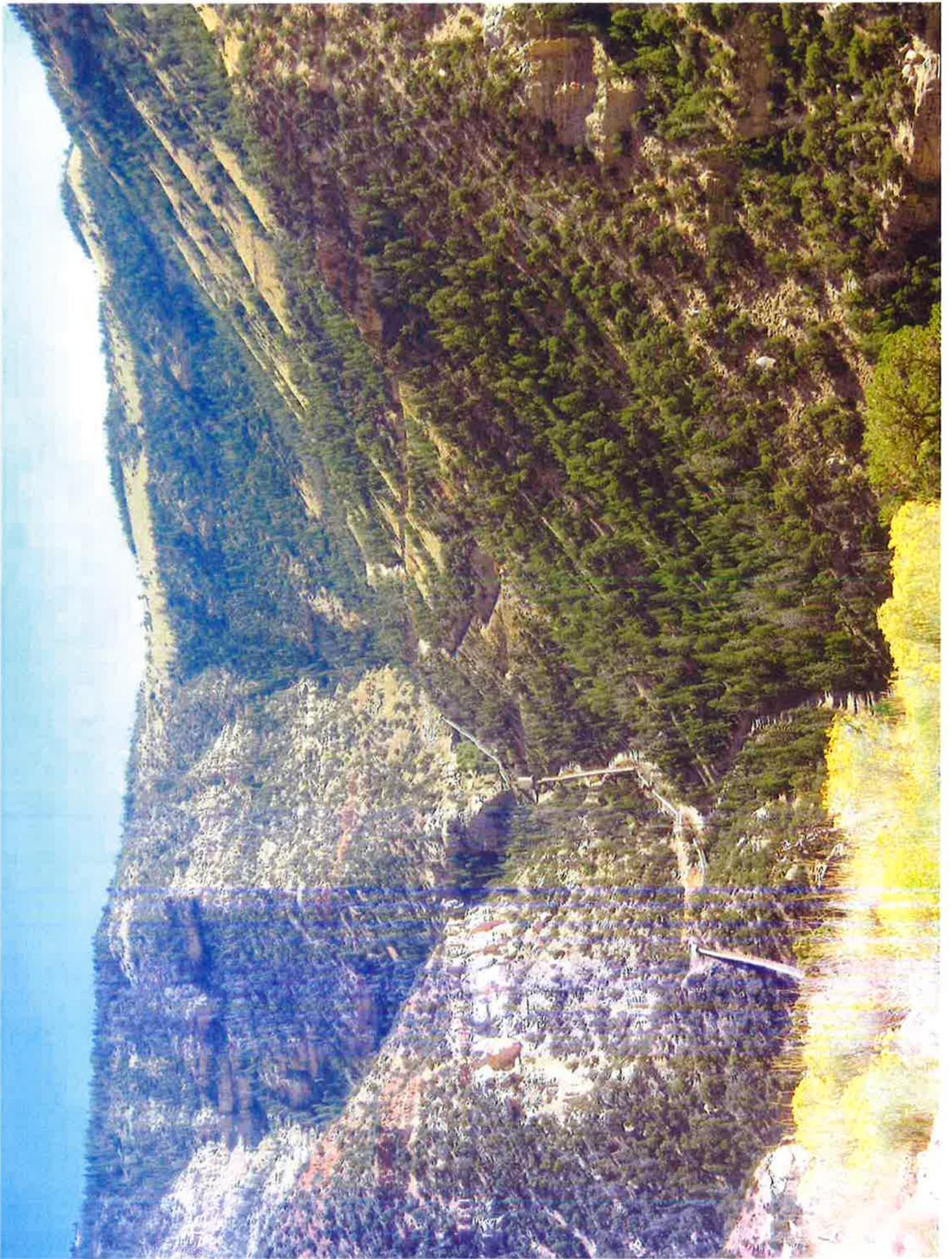


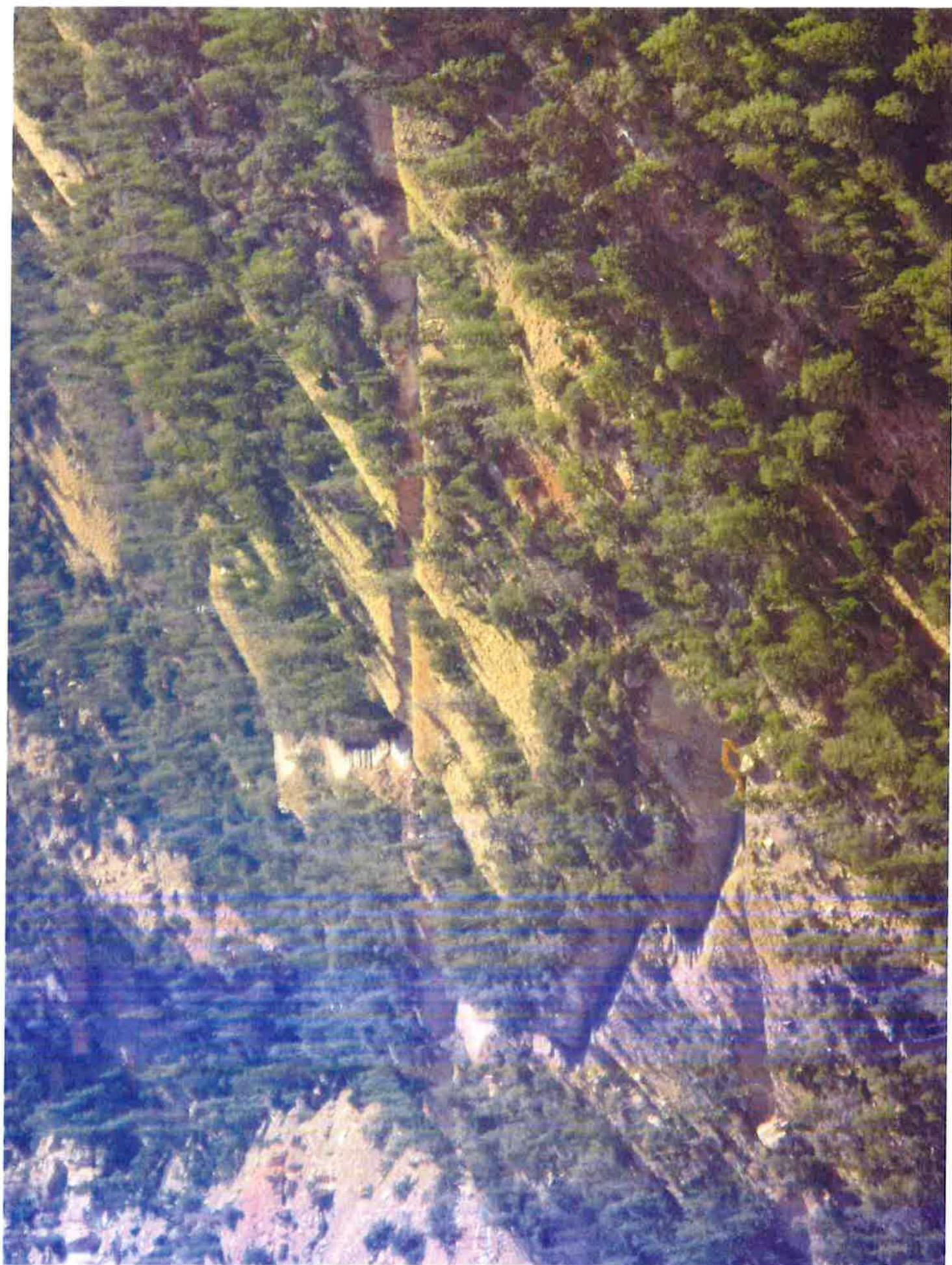


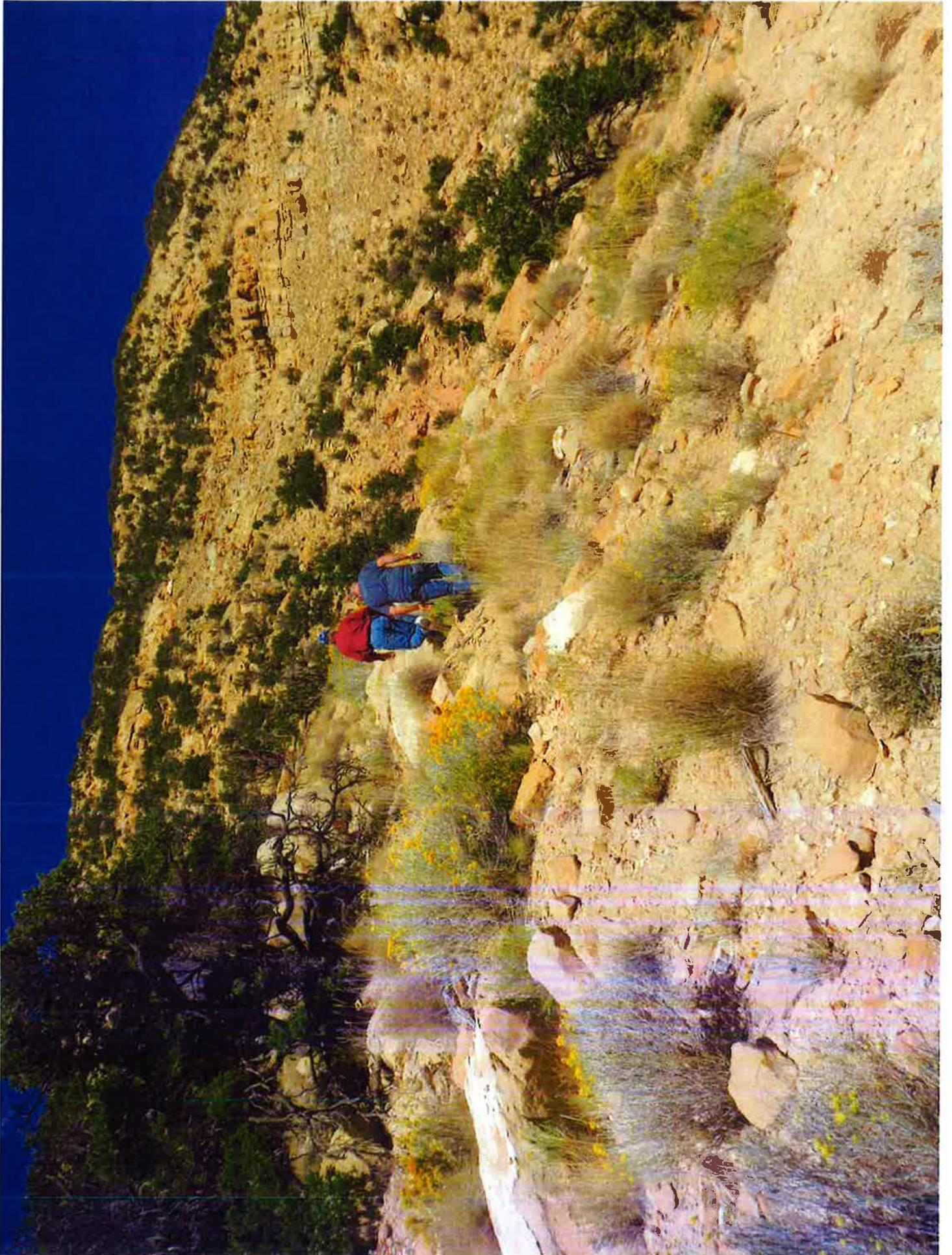




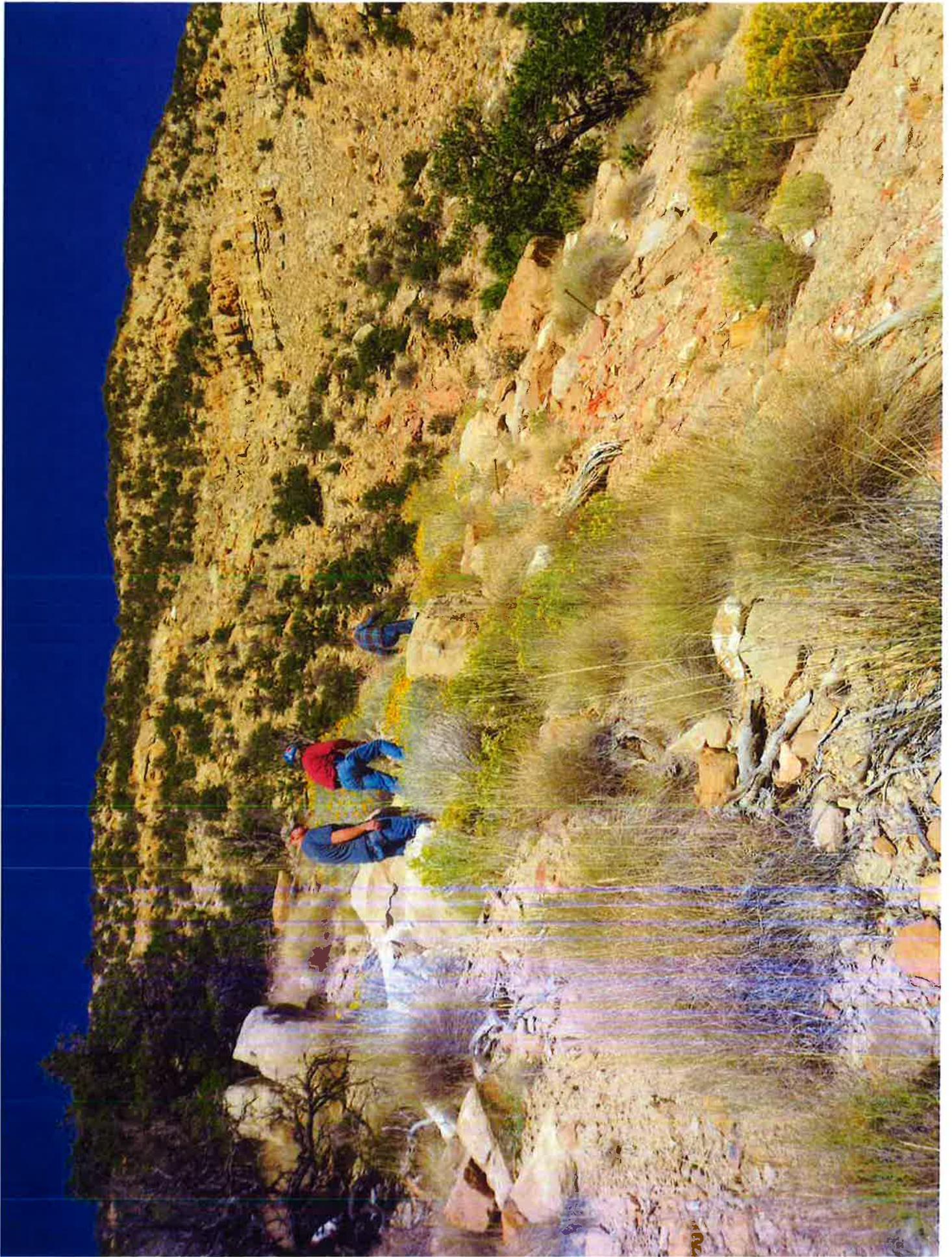


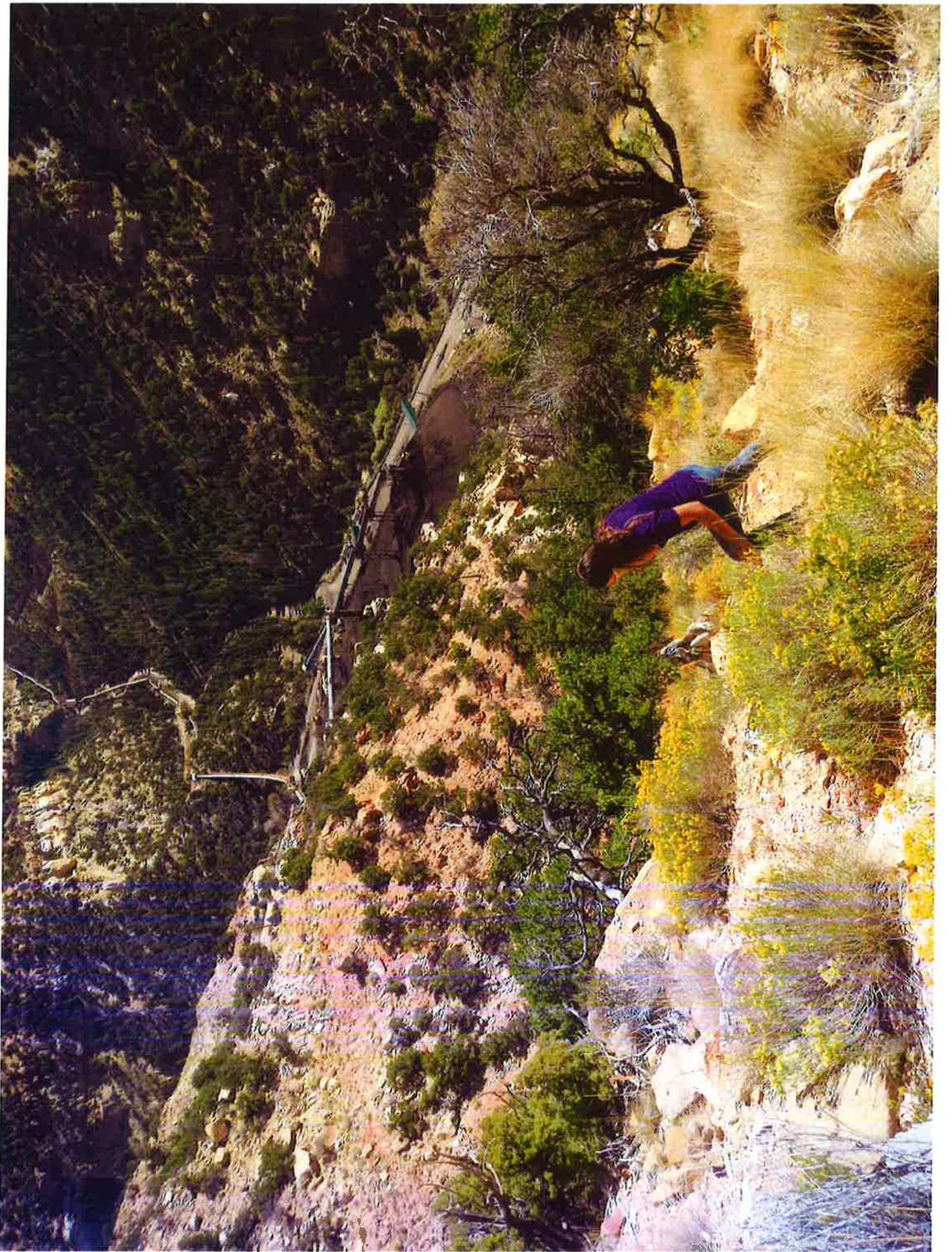


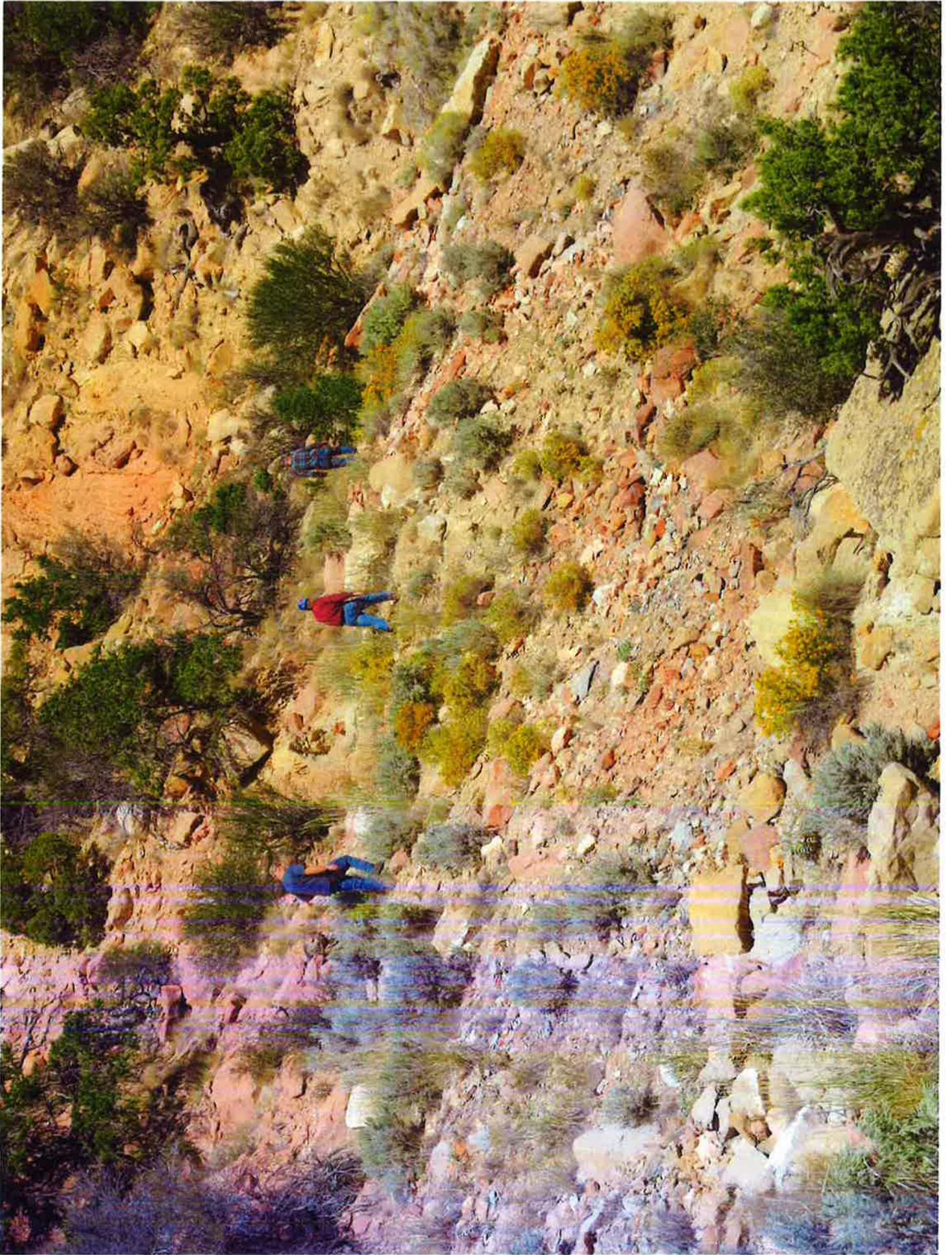




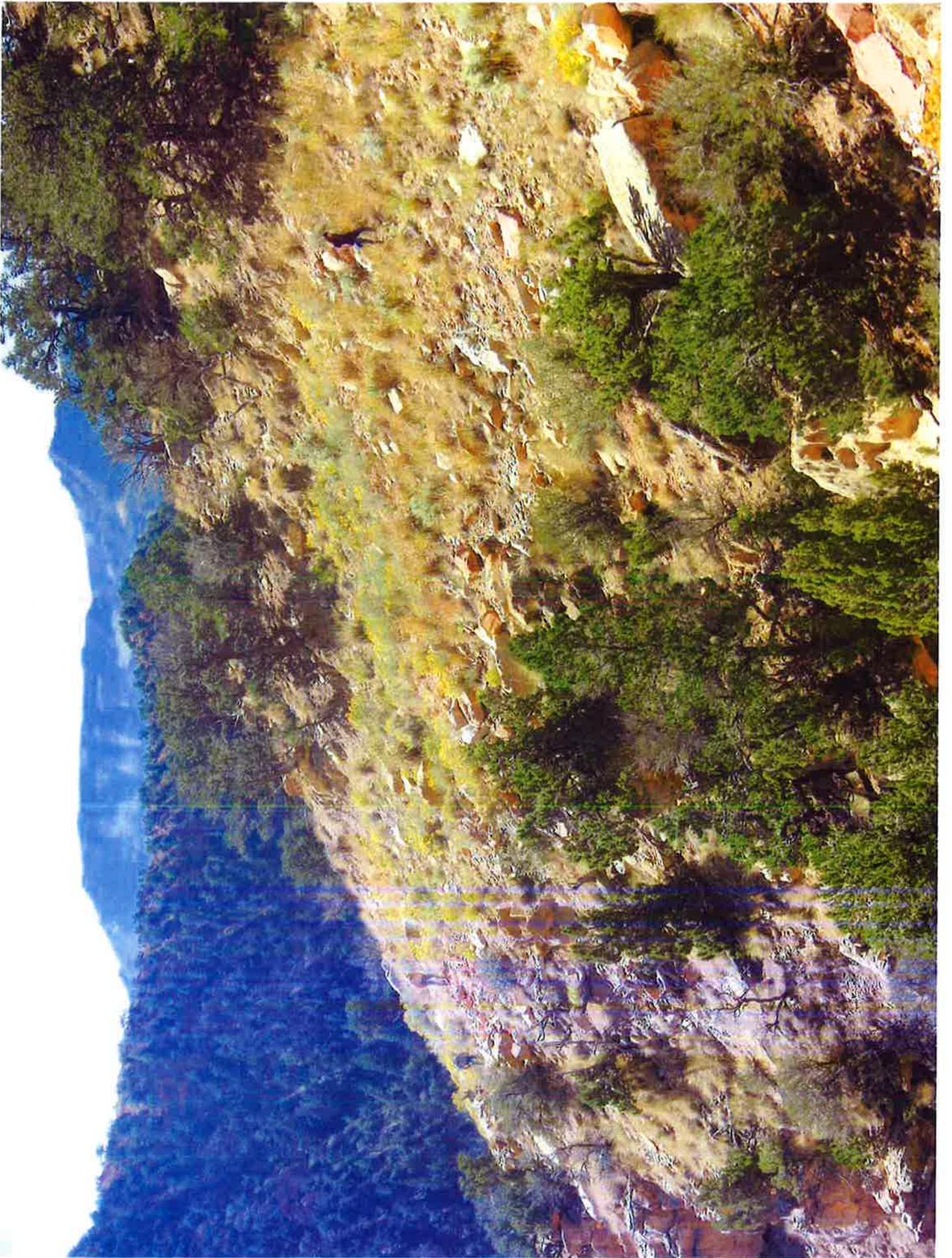


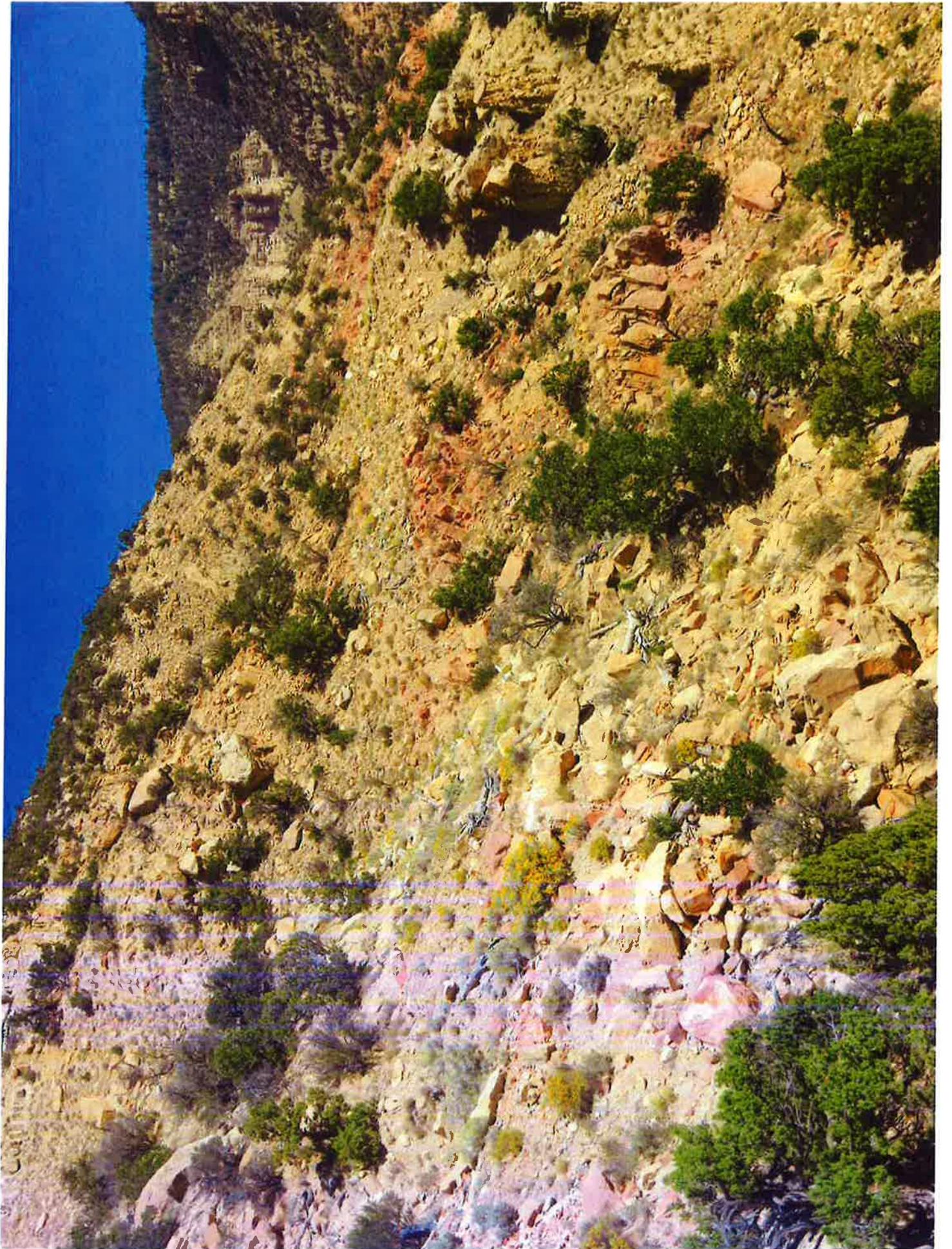


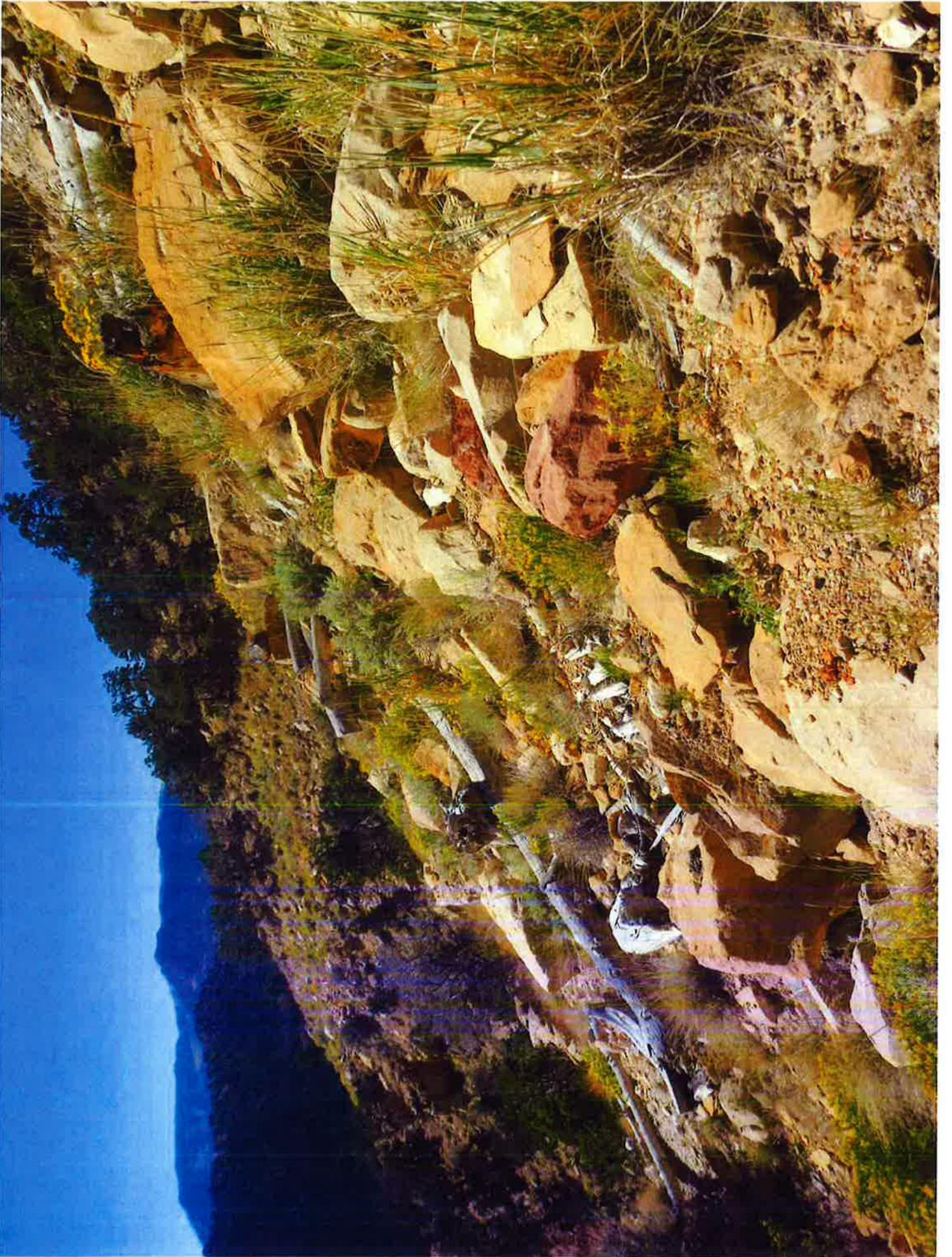


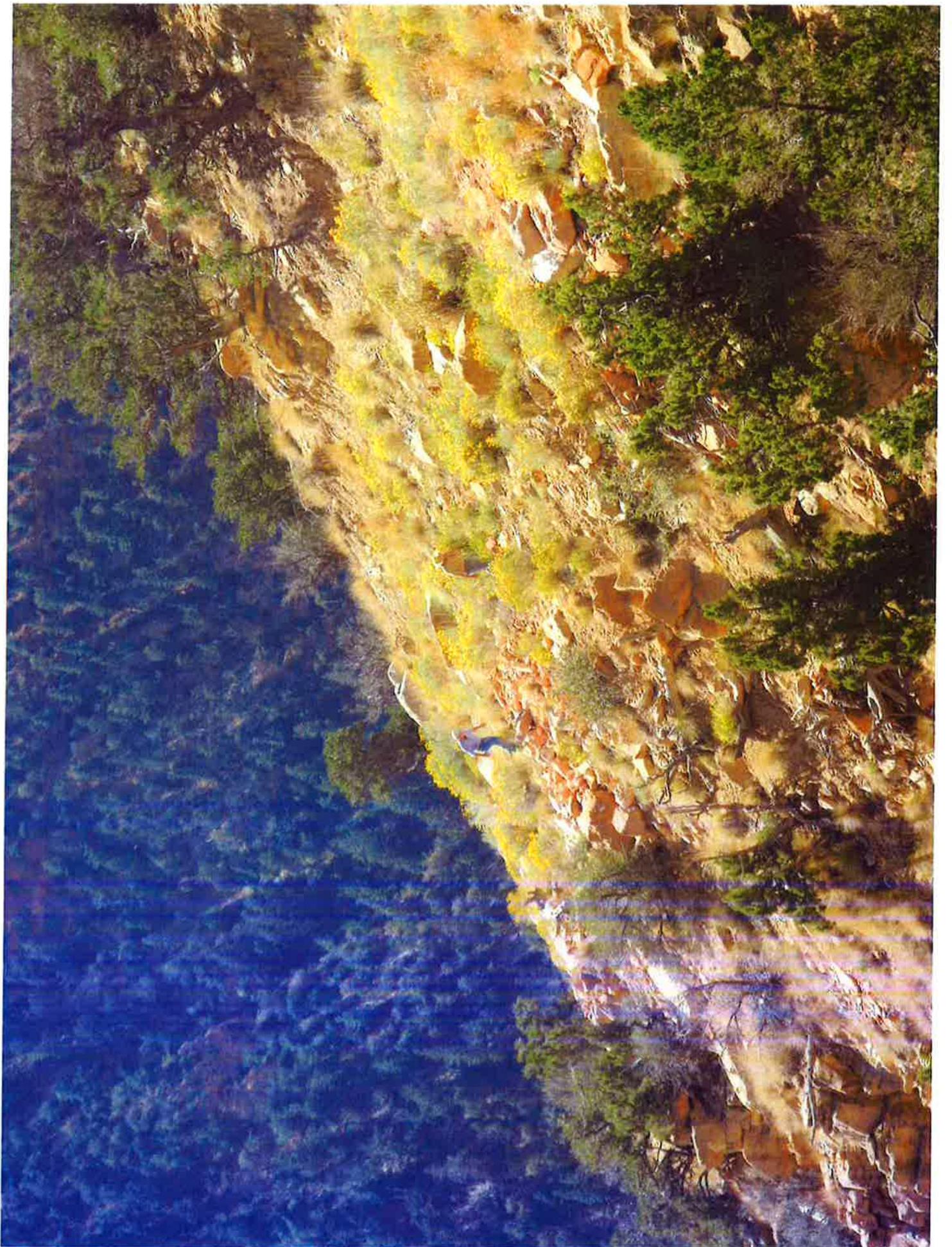


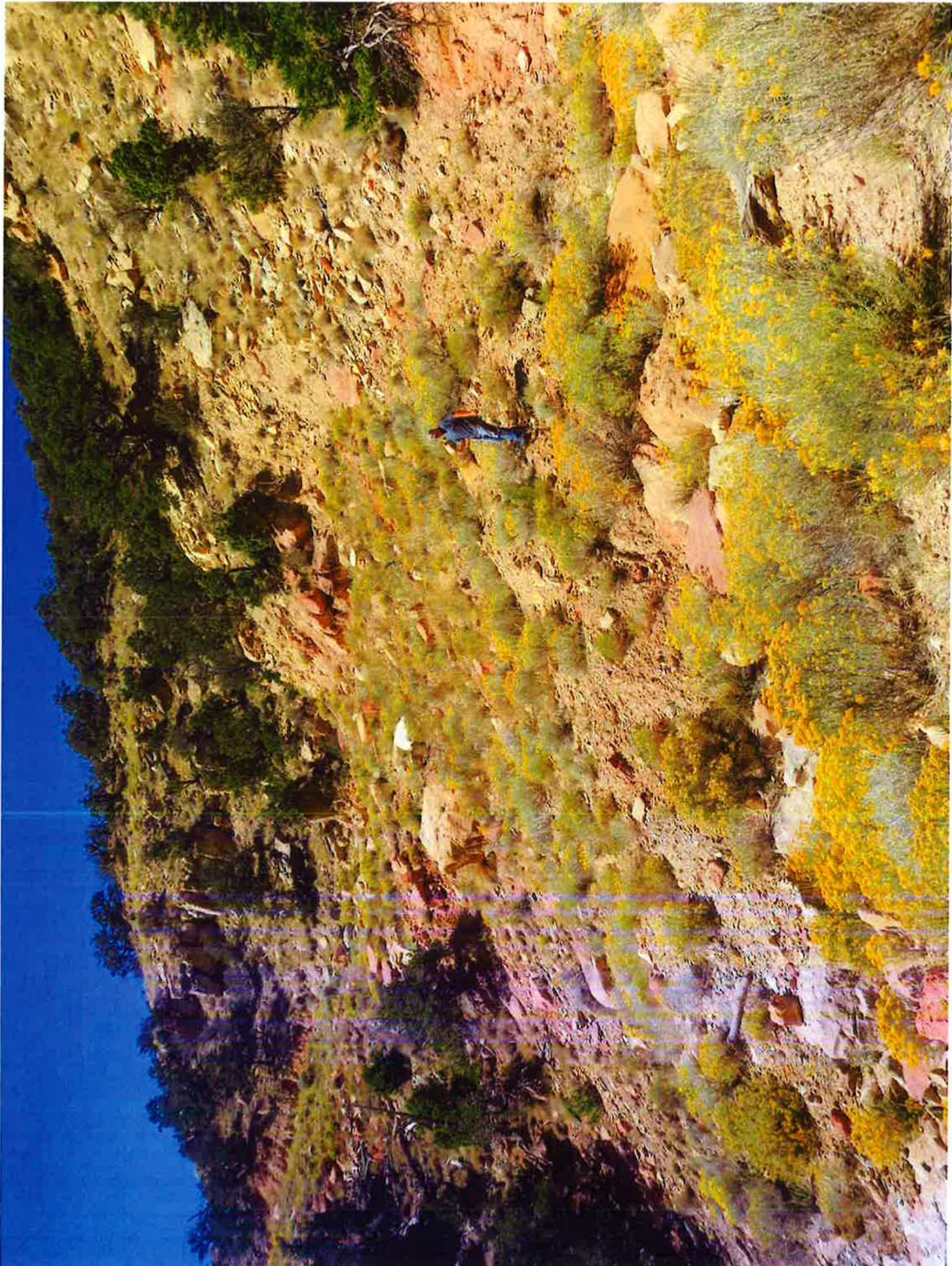


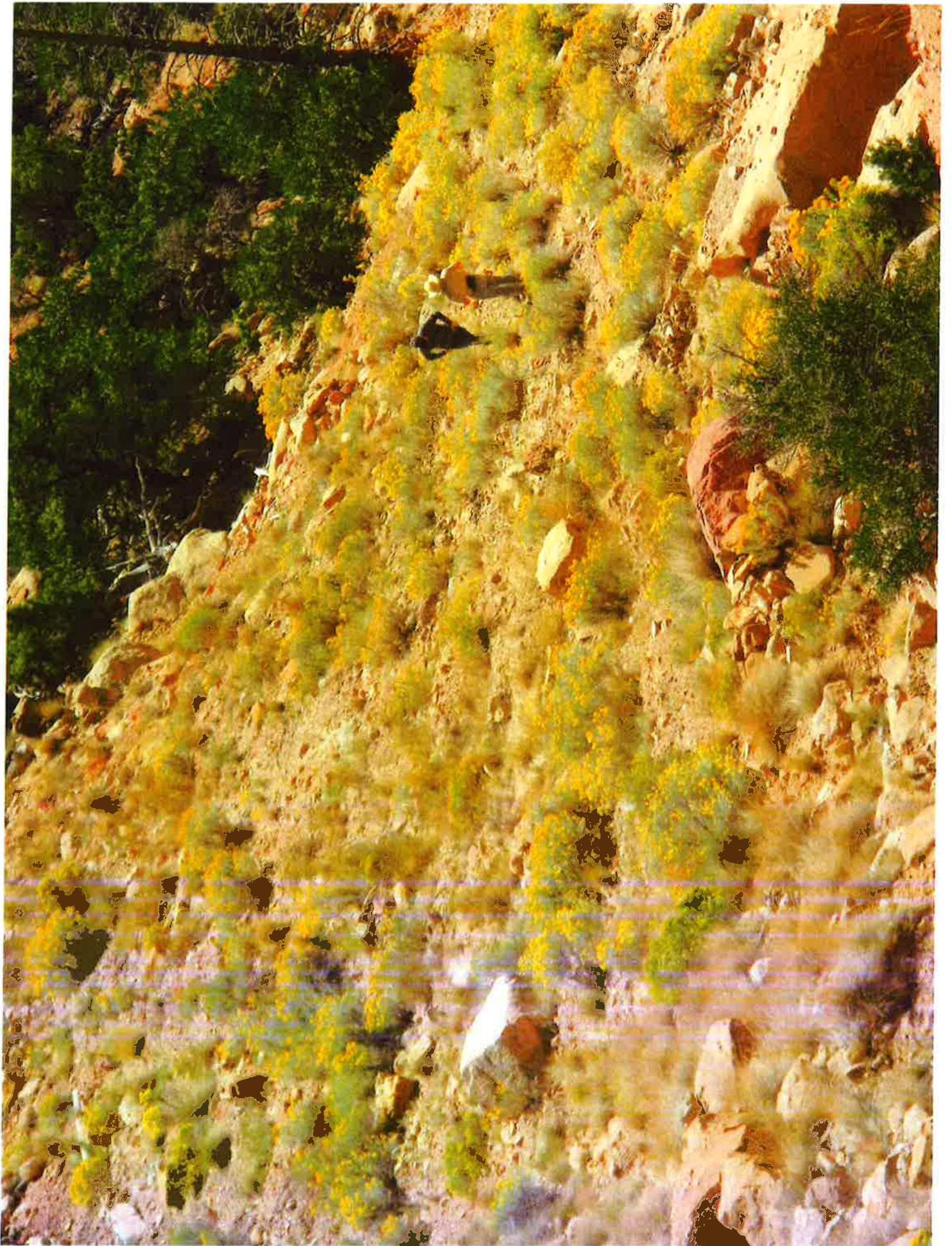


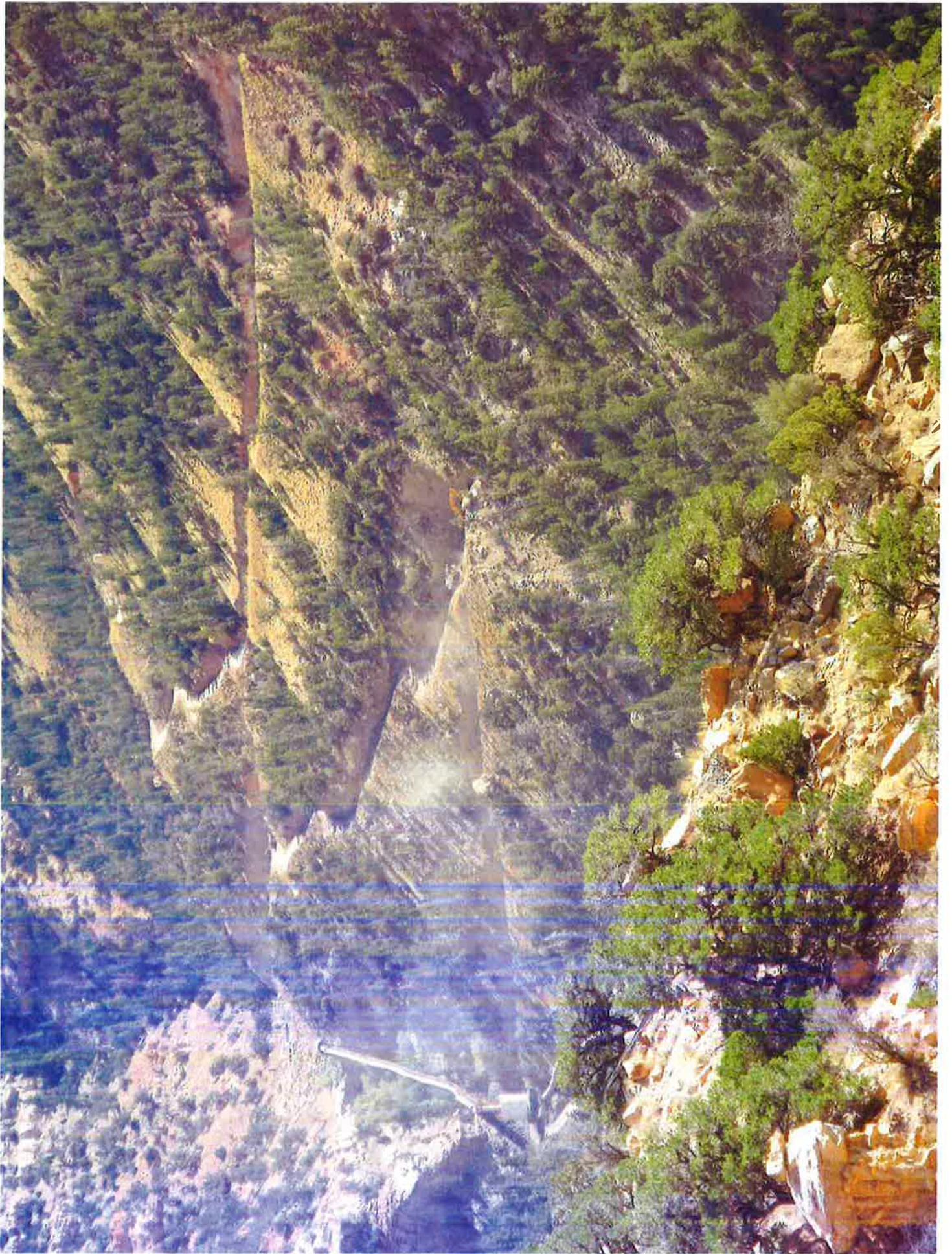


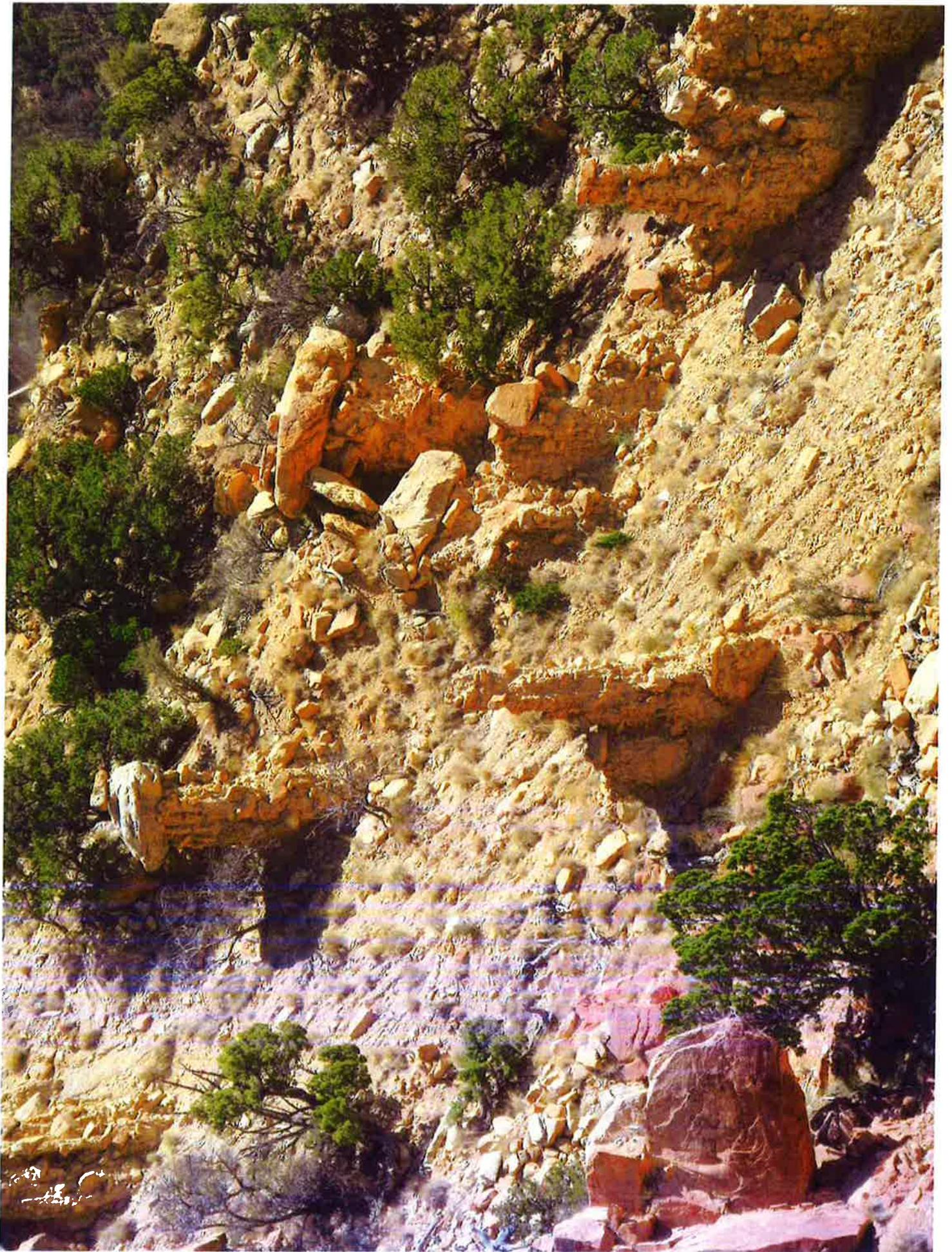






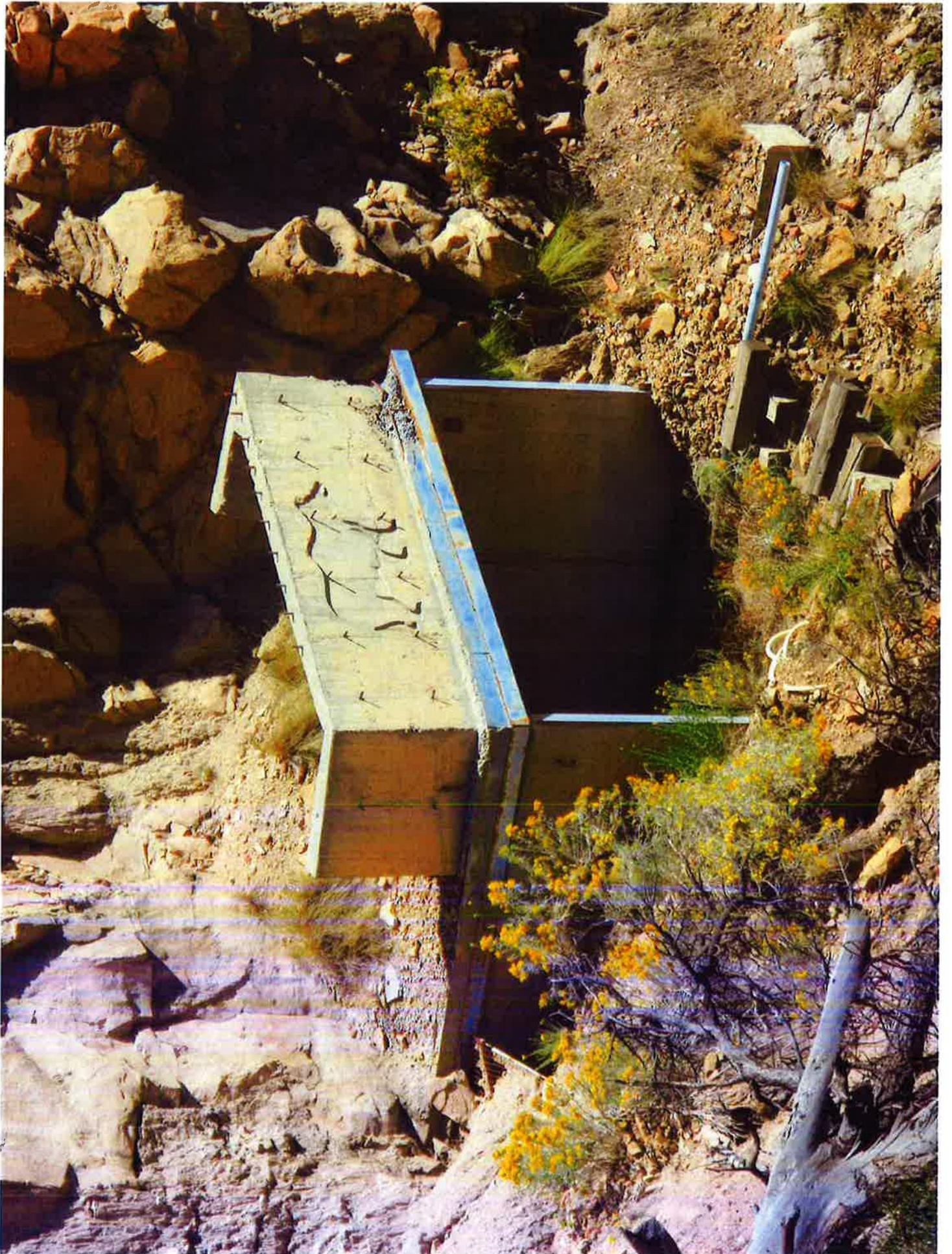


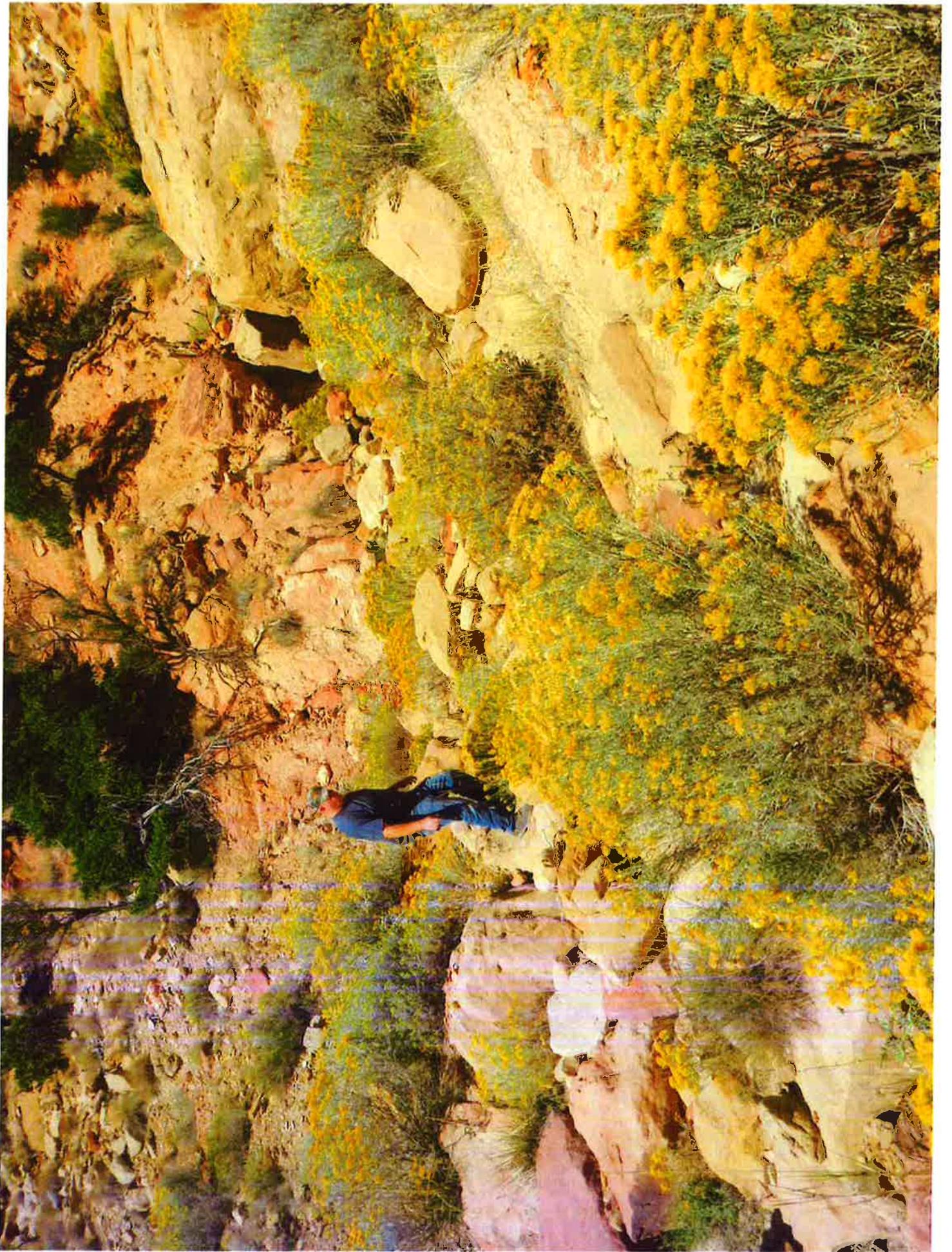


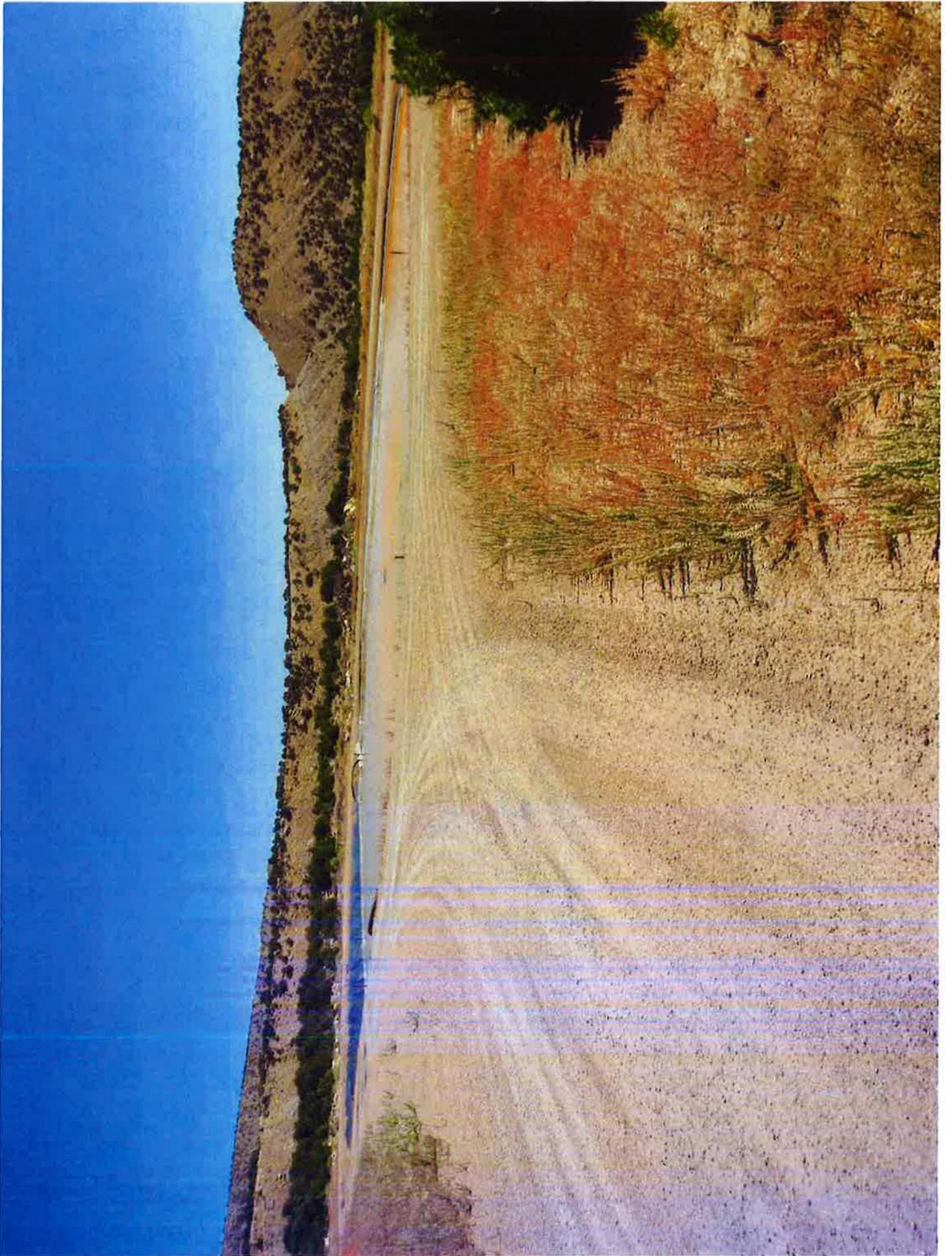


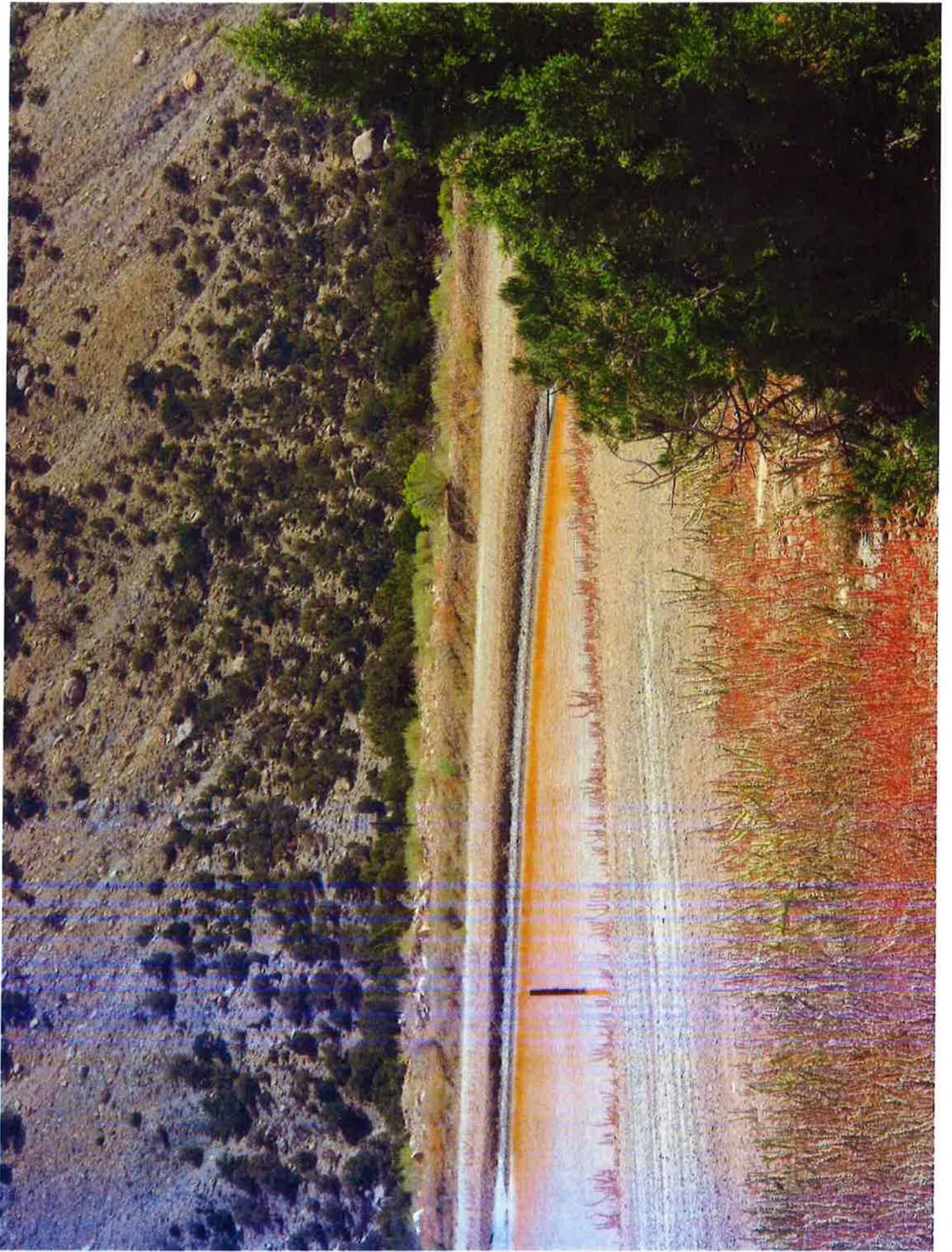


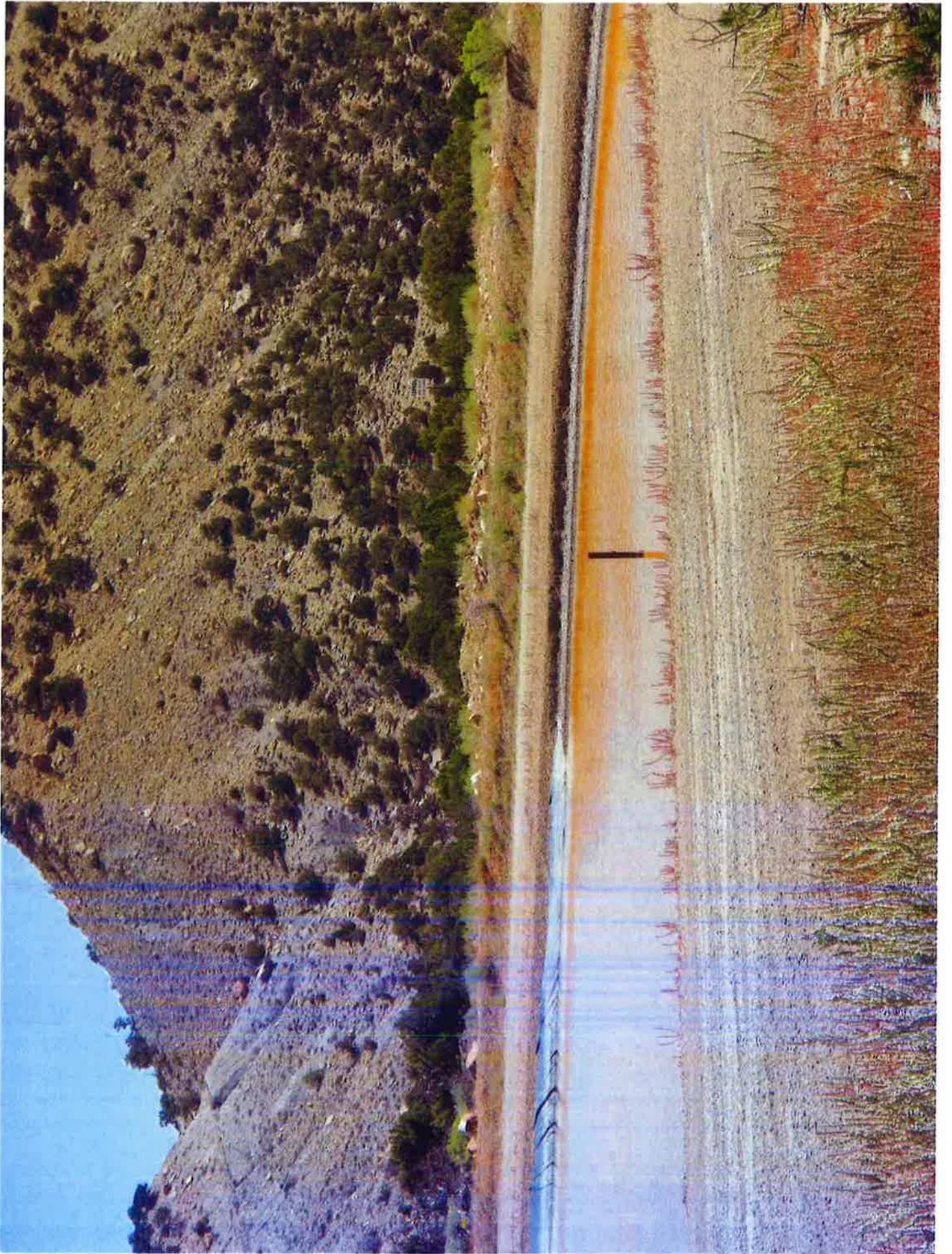


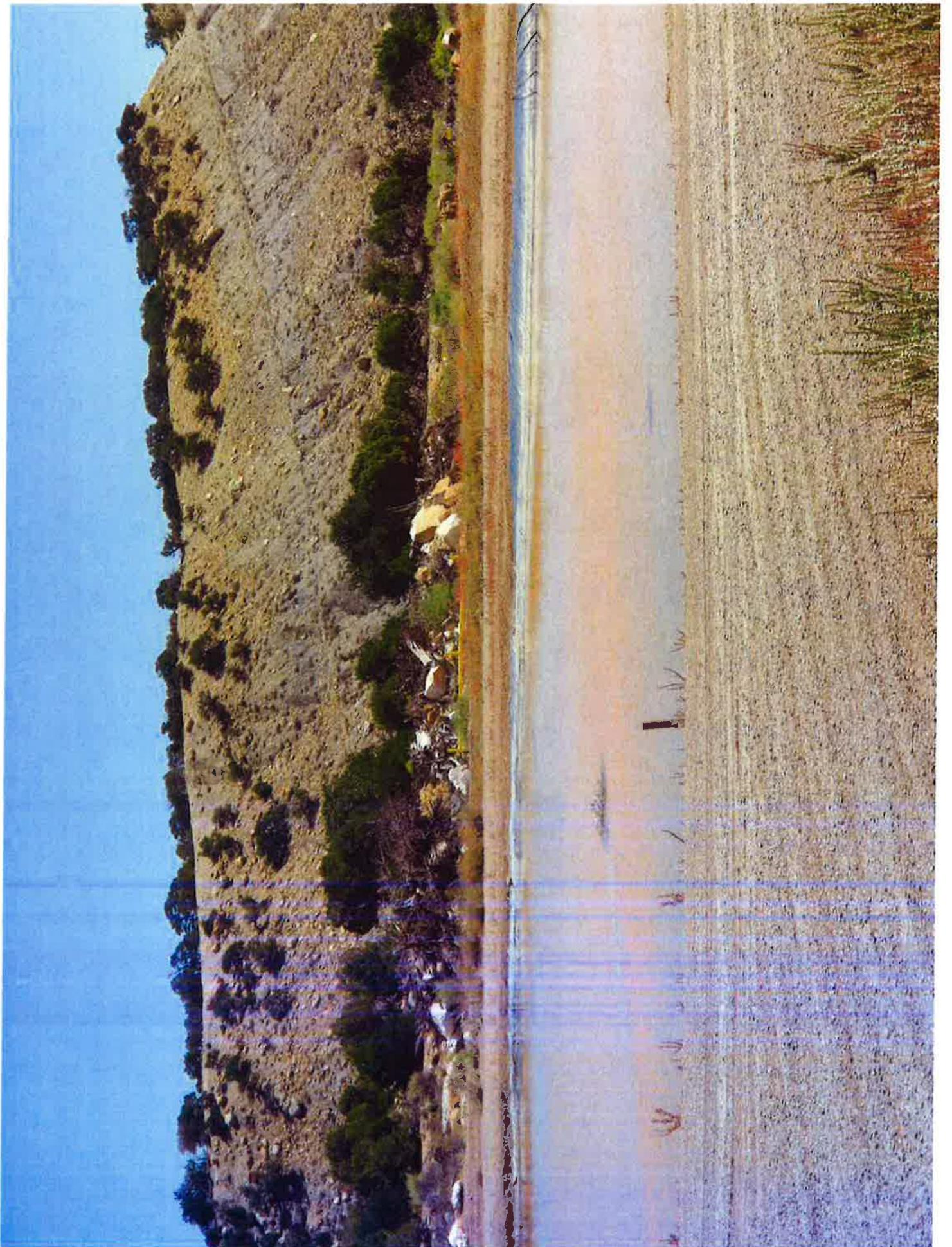


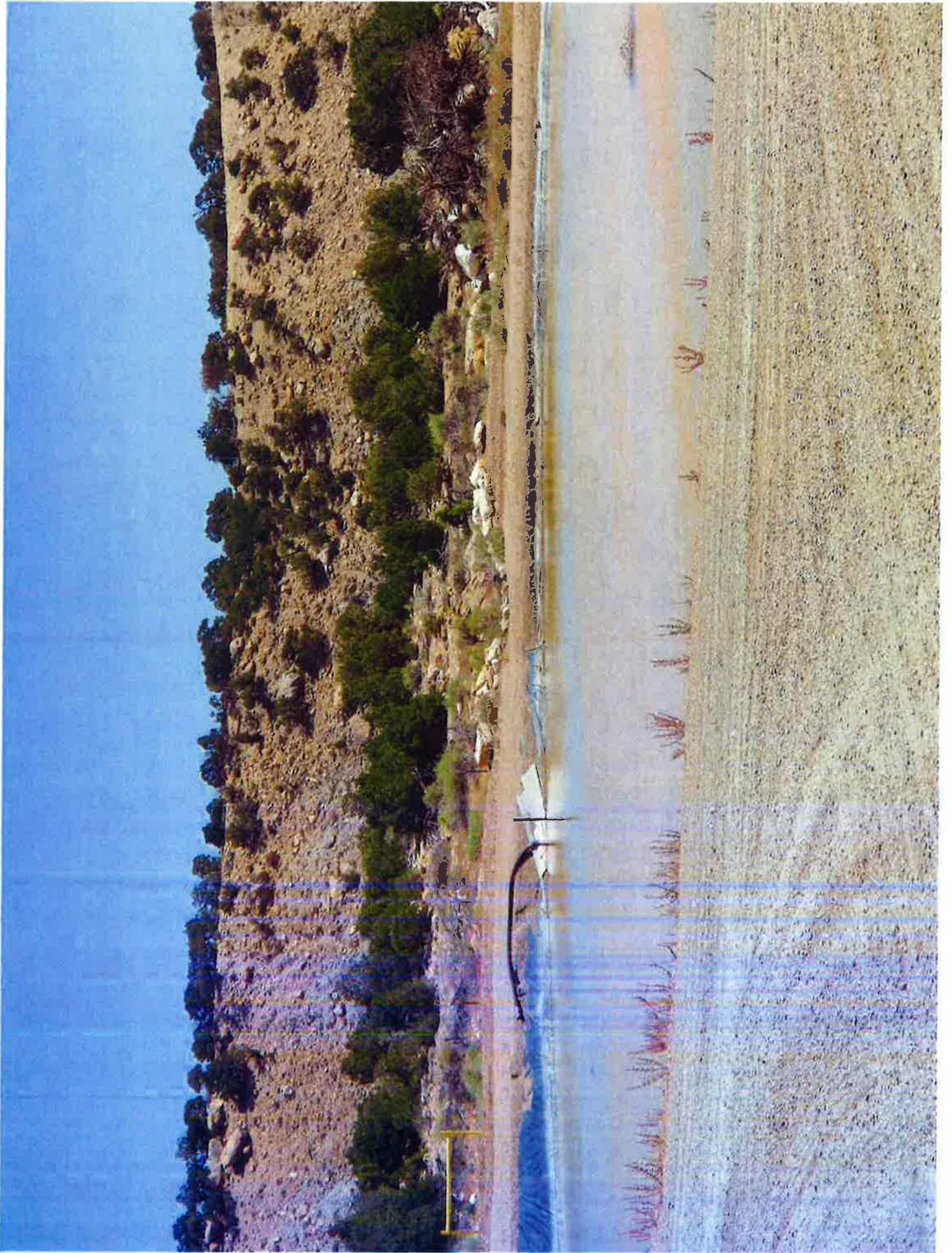




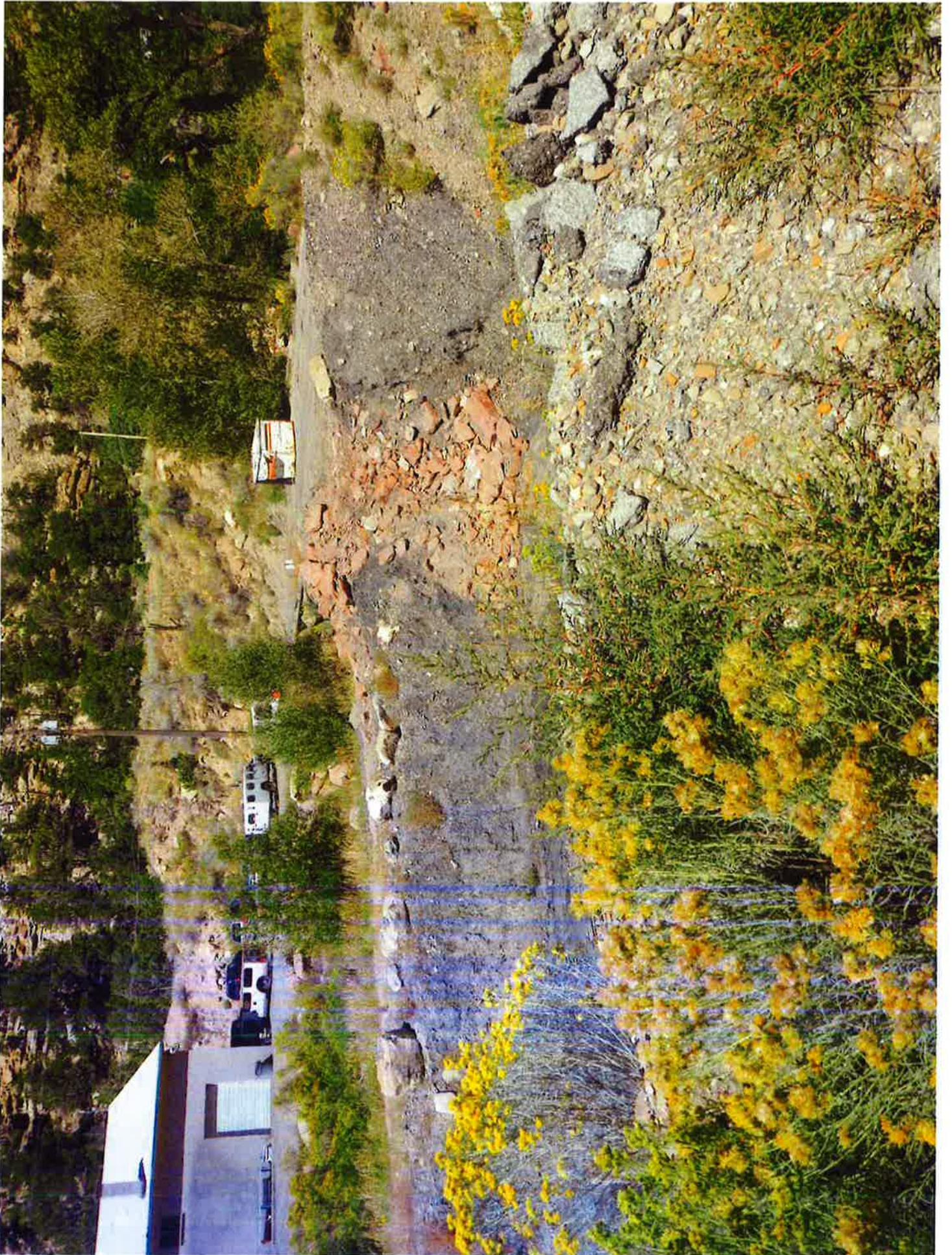






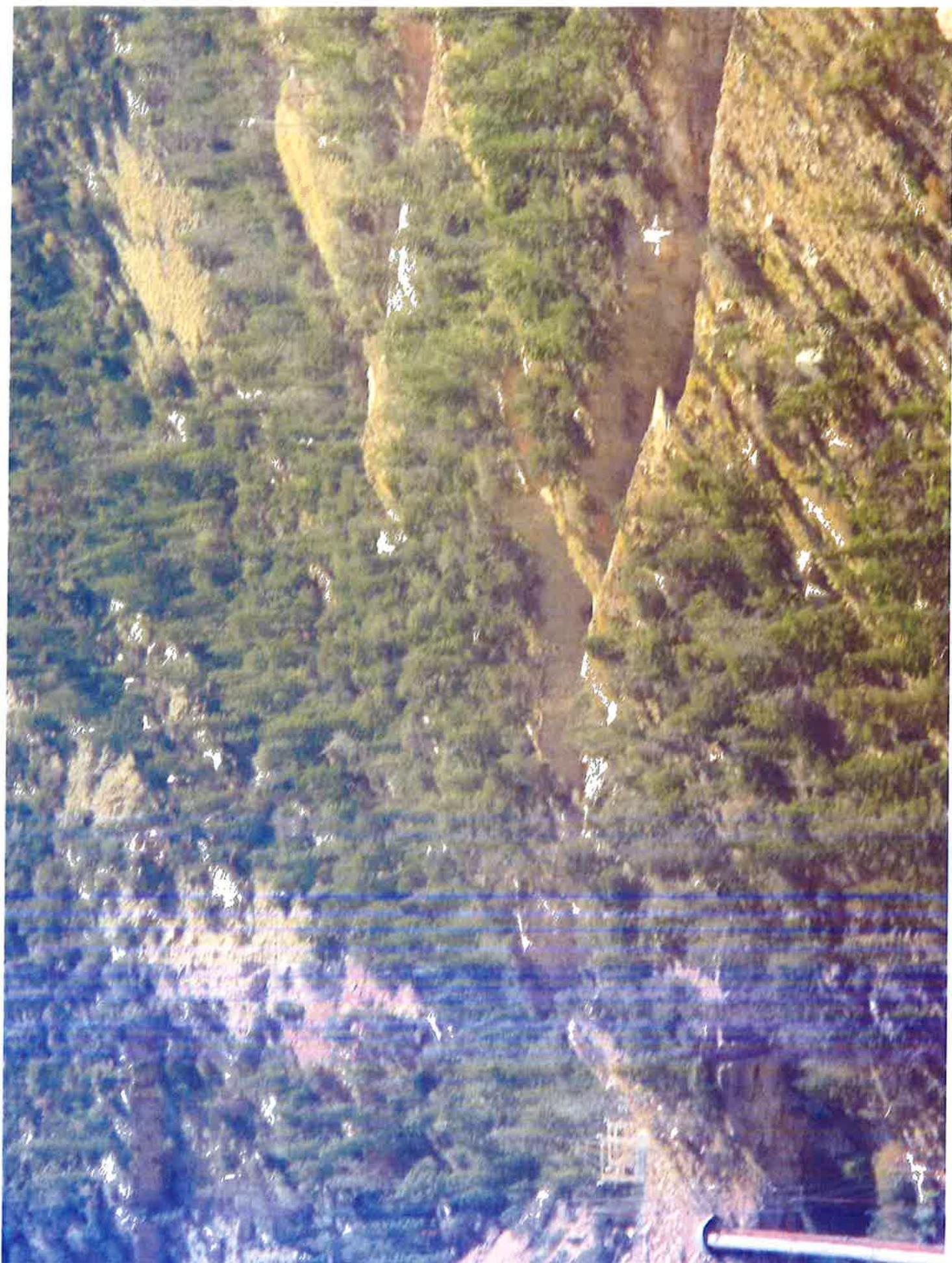














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United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Green River District
Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

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OCT 08 2015

DIV. OF OIL, GAS & MINING

OCT 06 2015

In Reply Refer To:
3474(UTG023)
U-024316

Daron R. Haddock
Coal Program Manager
Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Subject: Phase III Reclamation Bond Release, Castle Valley/Bear Canyon Mine Permit Area.

Dear Mr. Haddock:

The Utah Division of Oil Gas and Mining informed the Bureau of Land Management (BLM) that Castle Valley Mining Company requested a Phase III reclamation bond release for about 5 acres at the subject mine permit area. An inspection of the area was held on September 9, 2015, in which the BLM participated. The area to be released is the access road from the Blind Canyon Seam #1 Mine portal deck to the Tank Seam #2 Mine portal deck. The area to be released is neither federal lands nor minerals but the BLM is in agreement with the reclamation results. The portals to both mines have been sealed and regraded. The BLM is satisfied with the portal seals that would protect the federal coal resource that is north of these portals. The BLM concurs with the reclamation and has no objections to the bond release.

If you have any questions concerning this matter, please contact Steve Rigby at 435-636-3604.

Sincerely,

Ahmed Mohsen
Field Manager

cc: Roger Bankert, Utah State Office (UT923)

Rick Rymerson, Green River District Office (UTG000)