

C/015/032 Incoming

#4209

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# United States Department of the Interior



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

MAR 21 2013

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MAR 25 2013

DIV. OF OIL, GAS & MINING

John Baza, Director  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple  
Salt Lake City, UT 84114-5801

**Re: Phase I Bond Release, Genwal Resources Inc., Crandall Canyon Mine, East Mountain Project, C/015/0032, Task ID #4209**

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining (OSM), Denver Field Division's (DFD) receipt and review of the above Phase I Bond Release Decision document prepared by the Division of Oil, Gas, and Mining (DOGM) dated December 11, 2012. DFD agrees with the findings and the 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 906.30, Article IX, Section 24, of the State-Federal Cooperative Agreement.

DOGM's Proposed Decision documents the applicant's compliance with the Utah approved regulatory program at Rule R645-301-880. This Phase I bond release request applies to approximately 9.5 acres of the East Mountain Project area. By letter dated November 7, 2012, the Bureau of Land Management provided its concurrence with this bond release. By letter dated November 21, 2012, the United States Forest Service recommended the Phase I bond release. DOGM found that Utah American Energy met or exceeded the requirements for Phase I bond release on the 9.5 acres of land described above. DOGM currently holds a performance bond for this area in the amount of \$407,275. Utah American Energy is requesting a \$244,365 reduction in bond. DOGM has determined that the remaining bond amount of \$162,910 is sufficient to complete all remaining reclamation obligations at this site if the work had to be completed by a third party contractor. OSM concurs with DOGM's decision.

Thank you and your staff for coordinating this Federal mine bond release action through the DFD. Please direct any questions concerning this action to Christine Belka, Environmental Protection Specialist at [cbelka@osmre.gov](mailto:cbelka@osmre.gov) or (303) 293-5020.

Sincerely,

Jeffrey Fleischman, Chief  
Denver Field Division

cc: Daron Haddock, DOGM  
Utah American Energy