

July 10, 2006

Mr. Jeffrey Fleischman  
Director  
OSM Casper Field Office  
PO Box 11018  
150 East B Street - Room 1018  
Casper, WY 82602-5004

Dear Mr. Fleischman:

The purpose of this letter is request OSM concurrence for the approval of Bond Release No. 4 to Permit KRGC-8101 held by Knife River Corporation for the Gascoyne Mine. Knife River has requested final bond release on 4 tracts totaling 274.2 acres. One tract, Tract BR4-A, contains federal coal. Tract BR4-A contains 226.9 acres of which approximately 130 acres (SE $\frac{1}{4}$  of Section 28 and the S $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 27) are federal coal. Approximately half of the federal coal acreage was disturbed by mining activities. This tract has an industrial/commercial postmine land use and is currently being used as a cattle feedlot.

Enclosed is a copy of the bond release application. The bond release tracts were inspected by OSM inspector Edzel Pugh on June 15, 2006. We have identified a few technical deficiencies (see enclosed letter) that must be satisfactorily addressed before approval. Once these items have been satisfactorily addressed, we will recommend Commission approval of this bond release. Please provide us a letter of concurrence or recommendation at your earliest convenience.

If you have any questions, please contact this office.

Sincerely,

James R. Deutsch  
Director  
Reclamation Division

cc: Mike Fagerland

Enclosures