

**PLATEAU  
MINING  
CORPORATION**

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of **RAG**

January 24, 2003

RECEIVED

Mr. Daron R. Haddock  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

*Bond Release* JAN 29 2003 OK

DIV. OF OIL, GAS & MINING  
*Incoming*  
*1/007/006*  
*BL03A*

**Re: Phase III Bond Release, Permit Area Reduction, Post Mining Land Use Change, Plateau Mining Corporation, Star Point Mine, C/007/06, Carbon County, Utah**

Dear Mr. Haddock:

Plateau Mining Corporation (PMC) is herewith submitting its application for phase III bond release on those disturbed lands associated with the approved and achieved oil and gas development land use.

Being that this type of permitting action is rare in the state, but authorized by regulation, several requirements needed to be reviewed and clarified. PMC reviewed the Division's bond release procedures (Tech-006), regulations, and had several discussions with Mr. Karl Housekeeper and Ms. Susan White to ensure the completeness of this application.

Typically phase III bond release can only be considered after the Division is satisfied that all the reclamation requirements for phase I and phase II reclamation are complete, the period specified for permittee responsibility in R645-301-357 is met, and all requirements of the Act and the permit are fully met for phase III. PMC believes that it has met the requirements of the Act and permit for phase III.

PMC will use the Division's Tech-006 document to identify and list the information that must be included in the bond release package or referenced in the MRP.

1. *All information required in the above Bond Release Request (All Phases).*

Area was graded and reclaimed to facilitate the installation of gas wells and utility corridor. The post mining land use was approved and achieved.

Map 321.100h has been revised to show the disturbed area acreage (5.46 acres) within the post mining land use change boundary receiving phase III bond release.

2. *A demonstration that the period specified for Permittee's responsibility in R645-301-357 is met.*

Not applicable. There is no revegetation extended responsibility period as set forth in R645-301-357. Approved post mining land use has been achieved.

File in: *C/007006, 2003, Incoming*  
Refer to:  
 Confidential  
 Shelf  
 Expandable  
Date: *1/24/03* For additional information

3. *A surface and ground water quality and quantity impact analysis assessing hydrology data relative to the impact projections contained within the Probable hydrologic Impact Assessment (CHIA). The analysis must show a) That onsite impacts have been minimized and that offsite impacts have been prevented, b) Water quality demonstrated to be adequate for the post mining land use, and c) Trends.*

Not applicable. The disturbed lands to receive phase III bond release are located within the oil and gas development post mining land use change boundary and regulated by Utah's oil and gas regulations and not by Utah's R645 Coal Rules.

4. *Detailed vegetation information, for the last two years of operator responsibility, including sampling data on woody plant densities, productivity and cover, species composition, and sampling methodology. A detailed demonstration of how all the requirements of R645-301-357 have been met in accordance with the approved reclamation plan and as required by state regulation and policy.*

Not applicable. Approved post mining land use has been achieved. There is not a revegetation extended responsibility period as set forth in R645-301-357.

5. *A detailed demonstration that the approved post mining land use is achieved. This may include, but not be limited to, lease agreements, zoning information, contracts, and letters of commitment for industrial/commercial or residential uses; information on water availability and suitability for developed water resources; vegetation productivity; livestock use; wildlife counts; and recreational use.*

All agreements, zoning and conditional use permits were in place for approval of the post mining land use change. This information is presented in Chapter 4 and Exhibit 412.200a. In addition to the approved post mining land use, the 2 gas wells and utility corridor are in place – producing and transporting coal bed methane. Maps 112.500a, 321.100h, and 542.200c show the approved post mining land use change boundary.

6. *Provide any contracts, agreements, or summaries of agreements demonstrating the likelihood of achieving and alternate post mining land use where a change in the post mining land use from the premining land use is approved by the Division.*

The information is presented in Chapter 4 and Exhibit 412.200a. The likelihood of achieving the alternate post mining land use is no longer a likelihood, but a realization. Coal bed methane gas is being transported to the Wasatch Front to provide electricity and comfort.

7. *Analysis of observed versus projected subsidence impacts and a discussion of how any subsidence-caused material damage was prevented or mitigated. Also, Information demonstrating that subsidence monuments have been removed.*

Not applicable. No mining took place in this area.

Mr. Daron Haddock  
January 24, 2003  
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8. *Information demonstrating the requirements for all contracts and obligations has been met. This may include, as appropriate, transfer of water rights, well ownership, grazing rights, and coal lease provisions. Information demonstrating that all wells have been capped, cased, sealed or backfilled if not transferred.*

Gas wells and utility corridor installed and operating. There are not any water rights, grazing rights, or coal leases associated with the post mining land use. The only wells on these lands are gas wells and regulated by Utah's oil and gas rules.

Phase III bond release is being sought for the 5.46 acres of disturbed lands within the 11.77 acre post mining land use change boundary that is already approved by permit and achieved through drilling and construction.

PMC is providing copies of the letters sent to adjoining property owners and local governmental body notifying them of PMC's intention to seek phase III bond release on those disturbed lands within the post mining land use change boundary. PMC is also providing a copy of the newspaper public notice scheduled for posting by February 6, 2003. Proof of publication will be submitted following posting and receipt of signed affidavit of publication.

Maps 112.500a, 321.100h, and 542.200c have been revised to show the post mining land use change boundary removed from the Star Point Mine permit area. The Division will also note the on Map 321.100h the disturbed area is delineated within the post mining land use change boundary and noted in the legend as to phase of bond release and acreage.

PMC is not proposing any bond reduction for this small area, but is very eager to receive bond release on 5.46 acres and a permit area reduction of 11.77 acres on those respective tracts of land associated with the approved and achieved post mining land use.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Plateau Mining Corporation

**Mine:** Star Point Mine

**Permit Number:** C/007/006

**Title:** Phase III Bond Release on 5.46 acres of disturbed lands associated with approved Post Mining Land Use Change

**Description,** Include reason for application and timing required to implement:

To facilitate disturbed and permit area reduction on approved and achieved post mining land use area.

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes  No 1. Change in the size of the Permit Area? Acres: 11.77 Disturbed Area: 5.46  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?

*Explain:* \_\_\_\_\_

- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

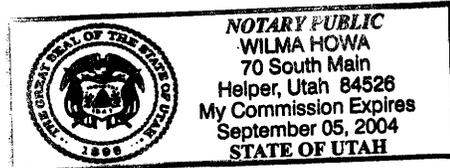
Johnny Pappas  
Print Name

[Signature] - Sr. Env. Engineer - 1/27/23  
Sign Name, Position, Date

Subscribed and sworn to before me this 27<sup>th</sup> day of Jan, 2003

Wilma Howa  
Notary Public

My commission Expires: 9/5, 2004  
Attest: State of Utah } ss:  
County of Carbon



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>
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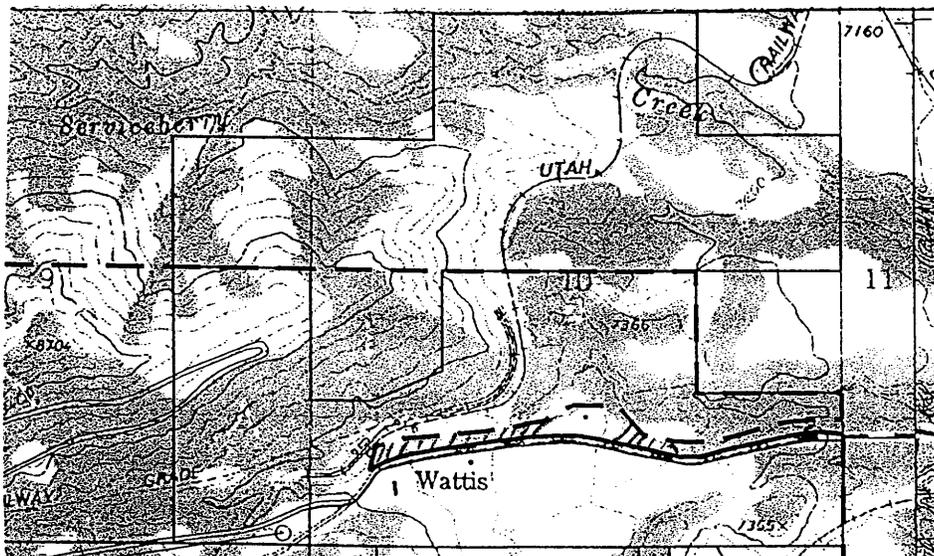
# Public Notice

Application for Phase III Bond Release  
Star Point Mine  
Plateau Mining Corporation  
Permit C/007/006, Approved 01/28/92

Notice is hereby given that Plateau Mining Corporation, P.O. Box 30, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of RAG American Coal Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining pursuant to R645-301-880 for Phase III bond release to Permit C/007/006. The Phase III bond release applies to 5.46 acres of disturbed lands on the approved and achieved land use change for oil and gas development on fee surface within the Drunkards Wash Unit under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-301-413.300 of the Utah Coal Program Regulations. The portion of the permit area that is affected is located in Carbon County, Utah and follows:

Township 15 South, Range 8 East, SLB&M

Section 10: N1/2NE1/4SE1/4, N1/2NE1/4SW1/4SE1/4, E1/2N1/2NW1/4SW1/4SE1/4, W1/2N1/2NE1/4SE1/4SW1/4, N1/2NW1/4SE1/4SW1/4, N1/2SW1/4SW1/4, a tract or parcel of land lying north of County Road 290 comprising 5.46 acres more or less.



The permit area is shown on the Wattis U.S. Geological Survey 7.5-minute map.

The Utah Division of Oil, Gas and Mining will now evaluate the proposal to determine whether it meets all the criteria of the Permanent Program Performance Standards according to the requirements of the Utah Coal Mining Rules.

Written comments, objections and requests for information conferences on this proposal may be addressed to:

Utah Coal Program  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or information conference on the proposal must be submitted by March 27, 2003.

Published in the Sun Advocate February 6, 13, 20, and 27, 2003

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Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0482  
Fax: (435) 472-0486

An affiliate of



January 24, 2003

Ms. Elaine Zieroth  
Forest Supervisor  
Manti-La Sal National Forest  
599 West Price River Drive  
Price, Utah 84501

Re: **Phase III Bond Release, Oil and Gas Development, Star Point Mine, C/007/006, Carbon County, Utah**

Dear Ms. Zieroth:

In accordance with the requirements of R645-301-880.120, Plateau Mining Corporation (PMC) is notifying the surface landowners and local governmental body within and adjacent to the Star Point Mine of its intention to seek phase III bond release on those disturbed lands approved for oil and gas development. The land is owned by PMC and shown on the attached public notice. Conoco-Phillips, which is a working interest owner in, and unit operator of, the Drunkards Wash Unit has drilled and developed two wells along with the installation of the utility corridor on PMC's fee surface.

The phase III bond release is for 5.46 acres of permitted disturbed lands within the approved and achieved 11.77 acre post mining land use change boundary.

Comments from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah and local government agencies should be mailed to: Plateau Mining Corporation, Attention: Johnny Pappas, P.O. Box 30, 847 NW Highway 191, Helper, Utah 84526.

If you have any questions or need additional information, please do not hesitate to contact me at (435)472-4741.

Sincerely,

A handwritten signature in black ink, appearing to read 'JP' or similar initials.

Johnny Pappas  
Sr. Environmental Engineer

Enclosure

Env: Star Point Mine-Phase III Bond Release  
Chrono: JP030102.LTR