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United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
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DEC 26 2003

DIV OF OIL, GAS & MINING

December 23, 2003

Mr. Lowell P. Braxton,
Division Director
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

*Incoming
C/007/0006
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RE: Decision Document to Approve Phase III Bond and Liability Release at the Plateau Mining Corp., Star Point Mine, Utah Permit No. C/007/006

Dear Mr. Braxton:

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the subject Decision Document dated August 27, 2003, which was prepared by the Utah Division of Oil, Gas and Mining (DOGGM). The Star Point Mine permit area, that includes the two operating gas wells encompassing 5.64 acres, contains Federal lands. OSM is in agreement with the decision document and hereby provides OSM concurrence to release Phase III bond and liability (reduction in the disturbed area and permit area to release acreage liability, but no bond monies are requested for release) on the two operating Phillips Petroleum gas wells encompassing 5.64 acres as documented below, and in accordance with the Federal regulations at 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, section B, of the Federal-State, Federal lands cooperative agreement.

The decision document recounts the permitting, operational, and regulatory history of the two operating gas wells noted above. It also documents actions required by the permittee, affected surface land owners, surface land owners adjacent to the permit area, government land management agencies, local governmental and planning agencies, utilities, and DOGGM to process and approve the Phase III bond release application in accordance with Utah Rule R645-301-880, Requirement to Release Performance Bonds.

The bond release application is for 5.64 acres and two operating gas wells in the Star Point Mine permit area. The mine entered permanent cessation on June 5, 2000, and all remaining disturbed areas for the entire Star Point Mine are basically completely reclaimed.

Star Point Mine Phase III, pg. 2

The current surety bond will remain at \$10,581,000. The permit area for the Star Point Mine will be reduced from 9084 acres to 9,072.23 acres (Permit area reduction requested in a separate DOGM permit amendment action, AM02D, reducing the permit area by 11.77 acres.), and the disturbed area will be reduced from 213.4 acres to 207.94 acres by approval of this Phase III bond and liability release request.

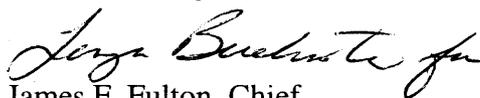
DOGM has received no public comments concerning the bond release request. DOGM conducted the bond release inspection required at Utah Rule R645-301-880.210 on April 15, 2003. OSM was notified of the inspection but did not participate. OSM participated in a joint, oversight inspection of the mine on September 5, 2002, and this action was discussed during the inspection. The Bureau of Land Management (BLM), and the United States Forest Service (USFS) were also notified of the April 15, 2003, DOGM bond release inspection but chose not to participate. BLM concurred with the proposed Phase III bond and liability release via letter to DOGM dated November 13, 2003, noting that the BLM does not have jurisdiction over the gas wells nor the acreage being requested for release (copy attached). The 5.64 acres and the two gas wells are not on USFS lands; they are located on fee surface.

OSM has reviewed DOGM's August 17, 2003, bond release decision document. The DOGM decision document at page 7 documents that no comments were received during the public comment period advertised in the Sun Advocate ending on February 27, 2003. The permittee has demonstrated the post mining land use (land use changed to an industrial/commercial land use), and the permittee is not requesting a release of bond monies at this time for the 5.64 acres and the two gas wells.

The permittee has met the requirements of the approved Utah Coal Regulatory Program at R645-301-880 for release of performance bonds, and Phase III liability release.

Thank you and your staff for coordinating this Federal lands bond release with OSM's Denver Field Division. Please address any questions concerning this action to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 844-1400 x1466.

Sincerely,



James F. Fulton, Chief
Denver Field Division

cc: Plateau Mining Corp.
BLM, Salt Lake City, UT Office
USFS, Price, UT Office

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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
www.ut.blm.gov

IN REPLY REFER TO:
3480
(UT-923)

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Mary Ann Wright
Utah Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Phase III bond release concurrence for the 5.64 acres for 2 operating gas wells on the Star Point C/007/006-BR03Amine permit.

Dear Ms. Wright:

Since this the gas wells are not on Federal surface, are not connected to a mine that contains Federal coal and are not contained in the Star Point Logical Mining unit, BLM does not have jurisdiction over this issue. As an adjacent coal owner, BLM does not disagree with the Phase III bond release (termination of State Coal Regulatory Program jurisdiction) for this site.

If you have any questions, feel free to contact Mr. Stan Perkes at (801) 539-4036.

Sincerely,

James F. Kohler
James F. Kohler
Chief, Solid Minerals Branch

cc: Price Field Office

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