

March 24, 2003

TO: Internal File

THRU: Karl R. Houskeeper, Environmental Scientist III, Team Lead

FROM: Wayne H. Western, Environmental Scientist III

RE: Phase III Bond Release at Oil and Gas Wells, Plateau Mining Company, Star Point Mine, C/007/006-BR03A

SUMMARY:

On January 29, 2003, the Permittee submitted a request for Phase III bond release on 5.46 acres. The postmining land use for the 5.76 acres was changed from wildlife and grazing to industrial on September 11, 2002. The Permittee wants to remove 11.77 acres from the permit area. Before that can be done, the 5.76 acres within the disturbed area boundary must be granted Phase III bond release. The permit reduction will be handled in amendment AM02D.

TECHNICAL ANALYSIS:

RECLAMATION PLAN

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Affected Area Boundary Maps

The Permittee does not propose to change the permit or affected areas as part of Phase III bond release. The permit area reduction will be handled in amendment AM02D.

TECHNICAL MEMO

Bonded Area Map

The Permittee shows the bonded areas on Map 321.100h that relates to the Phase III bond release. The Division is able to identify those disturbed areas where bond release is being sought.

Reclamation Backfilling And Grading Maps

Backfilling and grading in the traditional sense did not occur on the areas for which Phase III bond release is being sought. However, earthwork on the site was done to accommodate the alternative postmining land use. The contours for the alternative postmining land use are shown on Map 321.100h.

Reclamation Facilities Maps

The location of the gas wells and utility corridors are shown on Map 542.200c.

Final Surface Configuration Maps

The surface for the alternative postmining land use is shown on Map 542.200c.

Reclamation Monitoring And Sampling Location Maps

Any reclamation monitoring and sampling sites will be administered by the Oil and Gas program.

Reclamation Surface And Subsurface Manmade Features Maps

Map 542.200c shows the location of the gas wells and the utility corridors.

Reclamation Treatments Maps

All treatment facilities will be administered by the Oil and Gas program.

Certification Requirements.

A registered professional engineer has certified all maps.

Findings:

The Permittee has met the minimum requirements for the maps and cross-sections of the reclamation plan.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

The Permittee has requested Phase III bond release on 5.46 acres. The postmining land use for that land was changed from wildlife to industrial on September 11, 2002. On January 29, 2003, the Permittee submitted an application for Phase III bond release on the 5.46 acres.

Notification

The requirements of R645-301-880.120 are that within 30 days after the application for bond release has been filed; the Permittee will submit a copy of an advertisement. The notice of advertisement will:

- Be placed in a local paper for four successive weeks.
- Contain:
 - The Permittee's name, given as Plateau Mining Company.
 - Permit number, given as C/007/006.
 - Approval date for the permit. The date was not included but the Division believes that there is enough information for the public to be informed of the mining activities.
 - Precise location, location given in Township, Range and Section with map.
 - Number of acres, 5.46 will be granted bond release because that is the area in the disturbed area; however, 11.77 acres will be sought for permit reduction.
 - Type and amount of bond and portion sought for release. The Permittee did not mention this but no bond reduction is being sought.
 - Dates of reclamation work, this is not applicable because of the change to industrial land use.
 - Describe the type of reclamation work, postmining land use changed to industrial.
 - How to contact the Division, the Division's address and other information is given.

TECHNICAL MEMO

Letters

The permittee must send letters to each of the following:

- Adjacent landowners, they are Plateau Mining Company, Sunnyside Cogeneration Associates, United States of America, and Carbon County.
- Planning agencies, no planning agencies in the area.
- Sewage and water treatment authority, none in the area.
- Water Companies, none in the area.

Notarized Statement

The Permittee needs to submit a notarized statement stating that all the reclamation work has been done.

Inspection and Notification

The requirements of R645-301-880.200 are for an inspection and notification of interested parties.

- The Division needs to conduct an inspection.
- Within 60 days, the Division must notify the Permittee, the surety and other interested parties of the Division's decision.

Phase III Bond Release Requirements

- The general requirement for Phase III bond release is that Phase I and Phase II have been completed. However, since the reclamation plan calls for the implementation of an alternative postmining land use, the general requirements do not always apply. Instead of completing Phase I and Phase II, the Permittee has implemented the alternative postmining land use that is industrial. The postmining land use was achieved with the development of two natural gas wells.
- Because the postmining land use is industrial, the Permittee does not have to meet the vegetation requirements of R645-301-357.
- Since the alternative postmining land use is for natural gas production, the Oil and Gas section of the Division will regulate all surface and groundwater quality and quantity issues.
- Because the postmining land use is industrial, the Permittee does not have to meet the requirements of R645-301.
- A detailed demonstration that the approved postmining land use is achieved. The wells are in production and leases and agreements have been signed. The Division made those findings when the postmining alternative land use change was approved.
- Since the area to be released was not undermined, no subsidence will occur.

Form of Bond

The Permittee does not propose to change the form of the bond.

Determination of Bond Amount

The Permittee does not propose to change the amount of the bond at this time. When the Permittee does request a bond reduction, they will have to provide the Division with detailed reclamation cost estimates.

Terms and Conditions for Liability Insurance

The Permittee does not propose to change their insurance.

Findings:

Information provided in the bond release application is not considered adequate to meet the minimum requirements of the regulations. Prior to approval, the permittee must provide the following in accordance with:

R645-301-880.120, The Permittee must give the Division an affidavit of publication for the public notice. Note: the Permittee has agreed to supply the Division this document later.

R645-301-880.130, The Permittee must give the Division a notarized statement that certifies that all reclamation activities have been completed.

R645-301-880.200, The Permittee must meet with the Division and other interested parties on site to conduct a bond release inspection. Note: the Division will contact the Permittee to set up a time to conduct the inspection.

RECOMMENDATIONS:

The Division should deny the bond release application until the Permittee corrects the above-mentioned deficiencies.