

OLENE S. WALKER  
*Governor*

GAYLE F. MKEACHNIE  
*Lieutenant Governor*

December 23, 2003

Johnny Pappas, Environmental Engineer  
Castle Gate Holding Company  
P.O. Box 30  
Helper, Utah 84526-0030

Re Approval of Phase III Bond Release (5.46 Acres – Gas Wells), Plateau Mining Company, Star Point Mine, C/007/0006-BR03A, Outgoing File

Dear Mr. Pappas:

Phase III bond release is granted for 5.46 acres of the Star Point Mine for two operating Phillips Petroleum gas wells. The request involves a reduction in the disturbed area but no reduction in the bond.

If you have any questions, please call Pamela Grubaugh-Littig at (801) 538-5268.

Sincerely,

Lowell P. Braxton  
Director

an  
cc: David Levanger, Carbon County Planning (certified mail)  
James Fulton, OSM - WRCC  
Price Field Office  
O:\007006.STP\FINAL\PHaseIIIAppBR03A.doc

12/23

Henry said  
it was  
signed today.

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

**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 (DOG M). 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 DOGM 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](mailto: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