

PLATEAU MINING CORPORATION

Mine # C/007/0006
 File Incoming
 Record # 0017
 Doc. Date 4-7-04
 Recd. Date 4-8-04

Willow Creek Mine
 P.O. Box 30
 Helper, Utah 84526
 (435)472-0475
 Fax: (435)472-4782

April 7, 2004

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

RECEIVED

APR 08 2004

DIV. OF OIL, GAS & MINING

J. Haddock
 C/007/0006 OK

Re: Response, Phase I Bond Release Application, Plateau Mining Corporation, Star Point Mine, C/007/006, Task ID #1768, Carbon County, Utah

Dear Mr. Haddock:

Plateau Mining Corporation (PMC) is herewith responding to and submitting its responses regarding the Division's findings pursuant to the aforementioned permitting action. The Division's findings will be in bold italics and PMC's response will be in normal type.

PMC realizes the Division's intent with respect to several of the findings and if this is the Division's position from here on, then it should consider revising its requirements for phased bond release as prescribed by Tech. Directive 006.

The Division should take notice of their findings because some deal with issues affecting the existing MRP, such as pagination and revising of tables, and others pertain to making the application a stand alone document. This conflicting approach makes a simple permitting action more confusing and difficult.

To this end, PMC is adding to its Application an 11-page overview addressing the Division's findings. This overview document is not intended for insertion into the approved MRP, but to allow for a stand alone document with some reference back to the approved MRP. All of the maps, exhibits, and appropriate page replacements are to be incorporated into the MRP as noted on the C2 Form.

R645-301-113, The Permittee needs to provide a violation history for the three years preceding the application date. This information should be provided for any coal mining and reclamation operation owned or controlled by the Permittee or by any person who owns or controls the permit.

After further review by the Division it was determined that this issue was not applicable to the phased bond release process.

R645-301-121.100 and R645-301-121.200, The Permittee must update the application to show that 1) Phase III bond release has been granted for the oil and gas well area and 2) the refuse pile area has been taken out of the permit area and transferred to Sunnyside Cogeneration Associates.

Mr. Daron R. Haddock
April 7, 2004
Page 2

PMC did reflect this information on the maps through the use of different hatch patterns with a description of the hatch pattern in the legend. However, to make this more clear, additional verbiage has been added, either within the hatch pattern or adjacent to, describing the phased bond release or permittee status.

The changes to the MRP reflecting Sunnyside Cogeneration Associates and Phillips/Conoco were approved for incorporation by the Division during the same time they were reviewing this bond release application. This bond release application was assembled assuming that the Division would have approved and incorporated the SCA and Phillips/Conoco amendments before this review was initiated.

R645-301-121.200 and R645-301-553.500, The Permittee must state in a concise manner (one location) all the information about why highwall remnants were retained. At a minimum the Permittee must 1) Discuss the limitation imposed by keeping County Road 290 open, 2) The minimum safety factor for the highwall remnants, 3) Why all available material was not used to eliminate more of the highwalls remnants, 4) Why highwall remnants will not be a danger to the public or the environment, and 5) Why some as-built slopes expose 5 feet more highwall than anticipated.

During the backfilling and grading activities, 45-47 feet of the pre-SMCRA highwall was covered, which is 3-5 feet less than what the approved plan reflected (cross-section E-E'). Complete elimination of the pre-SMCRA highwall was not possible due to the Gentry Mountain (County Road 290).

Spoil material was not available for backfilling and grading, so the permittee utilized coal processing waste as the backfilling media at the Lion Deck. The ability to remove all remnants of the highwall was affected by the county road that had to be maintained through the area for access to Gentry Mountain. For longterm stability purposes the road had to be constructed on a stable surface (cut versus fill), so the road was moved inward towards the highwall and off of the side-cast fillslope, thereby; reducing the amount of highwall and cutslope that can be backfilled and achieve a 1.3 static safety factor.

It should be noted; however, when reviewing the other cross-sections in this area, the as-built backfilling and grading met or exceeded the approved plan.

R645-301-121.200, The Permittee must clarify the following: 1) State where the cover material for the Lion Deck came from, 2) The preparation work done to the slopes before topsoil placement (ripped or otherwise scarified), 3) If fertilizer was applied during seeding in 2001 and 2002, and 4) Describe the techniques used to incorporate straw and surface mulch into the topsoil.

1) PMC revised Maps 542.200a, 542.200b, and 542.200c, and added to its application Maps 542.200a1, 542.200a2, and 542.200a3. The map legend explains what the line type and color denote. Verbiage has also been added to address quantities and timing issues. 2) The backfill and graded slopes were not ripped prior to topsoil placement, however, the topsoil was mulched, deep gouged, seeded and mulched again. 3) This information is discussed in the approved MRP and in the stand alone overview document.

R645-301-121.200, The Permittee must make the following changes: 1) Revise page 500-80 of the application so that the text picks up where it ends on the preceding page, 2) Update Table 321.100b to show the area and vegetation type for Mud Water Canyon and Corner Canyon, and 3) Show the entire location of cross-section M-1 to M-1' on Map 542.200b and the cross-section on the appropriate sheet.

1) This issue is already addressed with the SCA and Phillips/Conoco clean copy submittal. 2) PMC believes this issue is already addressed in Table 321.100b because the table reflects 0.44 acres of Aspen, which is the acreage and vegetation type for Corner Canyon and the 7.24 acres of Douglas fir includes the 1.10 acres found in Mudwater Canyon. However, this finding may be due to the same reason as number 1 above. 3) The small segment of cross-section M-1 to M-1' (a plotting mistake) has been removed from Map 542.200b. This cross-section was replaced with two cross-sections, K-K' and L-L' and is why it was no longer needed.

R645-301-121.200, The Permittee needs to state in the bond release application: 1) What was required in the reclamation plan, 2) How those tasks were achieved, and 3) As-built information showing how the regulatory requirements were met. If the as-builts differ from the approved plan, the Permittee needs to state why and how the as-builts meet the regulatory requirements.

The purpose of any reclamation plan is to achieve AOC, which closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain. The requirements for AOC are a compilation of performance standards which pertain to backfilling and grading, revegetation, and protection of the hydrologic balance.

Phase I of the bond release process applies to the completion of the backfilling and regarding (which may include the replacement of topsoil) and drainage control of a bonded area in accordance with the approved reclamation plan (R645-301-880.310). The as-built information provided to the Division demonstrates compliance with the approved reclamation plan in achieving; AOC, the performance standards pertaining to backfilling and grading, revegetation, the protection of the hydrologic balance, and supports the postmining land uses.

The reclamation work performed on the affected area meets or exceeds the approved reclamation plan. The topography shown on the as-built maps is from a 2003 flyover intended to depict the as-built conditions versus the operational conditions reflected in the 2001 flyover. The cross-section maps depict the approved design topography and the as-built topography for ease of comparison.

R645-301-541.200 and R645-301-551, The Permittee must give the Division the following information: 1) When and how were each of the portals sealed, 2) What underground openings were left unsealed for monitoring purposes, and 3) How the shaft at the Lion Deck area was sealed and if the backfill material has stopped settling.

1) Concrete block walls were installed at least 25-feet in-by in each of the portals and then noncombustible material was placed in the portals to seal the mine. Following the placement of the noncombustible material in the portals, the area was backfilled and graded, roughened, mulched and reseeded. Final closure maps were provided to MSHA and the Division. Another set of such maps are being provided to the Division with this application. 2) No underground opening was left unsealed. 3) The stope hole, not shaft, was backfilled with noncombustible material from bottom to top. Based on the included surveying, it appears that the backfill material has stopped settling. The quantity (14,700 cubic yards) placed in the stope hole is stated on Maps 542.200a, 542.200a1, 542.200a2, and 542.200a3.

Mr. Daron R. Haddock
April 7, 2004
Page 4

R645-301-542 and R645-301-553.510, The Permittee must include a narrative about how the reclamation work at Mudwater and Corner Canyon meets the minimum AOC and backfilling and grading requirements. In particular, a discussion about why some pre-SMCRA highwalls were left must be included.

The reclamation work at the Corner Canyon and Mudwater Canyon fan portals and associated ventilation portals was very challenging and required the use of an innovative picket fence technique for which the Permittee received an Earth Day Award in 2001. The reclamation was done from the outside working back into the mine (outside-in versus inside-out). Like a gopher trying to backfill its hole as it goes back into its hole.

There are no roads to the site and all equipment had to be transported through the mine. To accomplish the difficult task of backfilling steep highwalls and cuts, PMC utilized an innovative method of constructing a log "picket fence" supported by cables. Using small conveyors and equipment, soil was piled behind the log fence. When the cables were released, the fence and soil fell, covering the disturbed area. The final results were slopes that closely match the surrounding area.

Some of the pre-SMCRA highwall remnants remain due to the lack of available spoil and other backfilling material. As stated above, there are no roads into this area which limited the type of equipment that could be used. The backfilling and grading was done with mine-scoops, a D-3 dozer, and a small conveyor belt and hopper.

R645-301-542, The Permittee must include a narrative about how the unit train loadout facility was reclaimed with and emphasis on why the as-builts differ significantly from the design.

The main reason for the difference between the approved reclamation design and the actual reclamation is the limitations caused by only having 10' contours when the reclamation plan was developed. The 10' contours did not define the channel alignments correctly and the cutslopes were not well defined. As a result, the approved reclamation design showed some undisturbed areas being disturbed as part of reclamation and some disturbed areas not being reclaimed at all.

During reclamation construction, cutslopes were covered to the extent possible without cutting into or covering undisturbed areas. Cross-section H-3 to H-3' is very different from the approved plan because the cutslope was covered over 10' higher than the approved design shows. To accomplish this, the shape of the area was modified from the design. The reclaimed area slopes towards channel SPRD-35 more than shown on the approved plan. The cross-section parallels the slope on the actual reclaimed surface while it ran nearly perpendicular to the slope on the approved reclamation plan. Thus, it appears that less of the cutslope was reclaimed when in actuality more of the cutslope was covered and just the shape of the reclaimed surface was changed.

The approved design and actual reclamation in the vicinity of cross-section I-3 to I-3' is very different because the reclamation design has part of the undisturbed drainage being filled in to move the channel to the east. As mentioned above undisturbed areas were left alone as much as possible during reclamation. Thus, the cross-sections of the reclamation design and actual reclamation surface are different.

Mr. Daron R. Haddock
April 7, 2004
Page 5

In the approved reclamation plan SPRD-36B was to be constructed on an extremely small watershed while no channel was to be built on an adjacent larger watershed. During construction, it was determined that a constructed channel would be far more beneficial on the larger watershed. Thus, SPRD-36b in the approved reclamation plan was moved and referred to as SPRD-35a on the as-built maps.

Channel SPRD-37 in the approved reclamation plan was not built because it was unnecessary and would not provide a benefit. Due to the Mancos Shale in this drainage the sediment load in the runoff is very high. The nearly flat slope of the proposed SPRD-37 would result in the constructed channel filling in with sediment not long after being built.

After filling, the channel with sediment the runoff would then find its own course. Knowing this, it was determined that it would be more natural to place large rocks at the bottom of the three tributary drainages to dissipate energy and then spread the runoff over the reclaimed area. This would allow nature to find its own course and provide extra water to the reclaimed area to promote vegetation growth. Since the runoff will be depositing sediment as it slows down, the path taken by the runoff will be constantly changing. Whether a channel was built or not this would eventually occur. Therefore, it was decided to let nature have its way from the beginning instead of waiting a few years for nature to fill in the channel.

R645-301-542.100 and R645-301-542.600, The Permittee must state what roads were reclaimed and what roads will be retained as part of the postmining land use.

Table 534.200a has been revised to reflect what roads were reclaimed and what roads were retained for the postmining land use. Section 542.600, page 500-80, is revised to refer the reader to Table 534.200a.

R645-301-542.600 and R645-301-121.100, The Permittee must state what repair work was done to County Road 290 and provide documentation that the County is satisfied with the road's condition.

The County Engineer and Road Supervisor inspected the county road including the repaired segment and are satisfied with the road and the repaired portion. Their letter is included for incorporation into Exhibit 412.200a.

R645-301-553.110 and R645-301-542.300, The Permittee must give the Division maps of main mine facilities and unit train loadout at a scale of 1"=40', so the Division can compare the approved designs with the as-builts by overlaying the two maps. Note, the Permittee gave the Division contour maps at a scale of 1"=40' in the approved MRP.

The Permittee is providing the Division with Maps 542.200a1, 542.200a2, and 542.200a3 which were part of the MRP. However, the permittee did not have any maps at a scale of 1"=40' for the unit train loadout and therefore does not have any to provide the Division and make part of this application.

R645-301-553.150 and R645-301-542.310, The Permittee must show on maps the following: 1) Dates when backfilling and grading activities were completed, 2) Dates when topsoil replacement was completed, 3) Topsoil replacement depths, and 4) Areas where coal mine waste are located.

Mr. Daron R. Haddock
April 7, 2004
Page 6

1) PMC revised Maps 542.200a, 542.200b, and 542.200c to reflect the information requested by the Division. It should be noted, however; that most of the Star Point Mine was pre-SMCRA disturbance and no topsoil was available, so substitute topsoil was used. 2) Soil placement was done concurrent with the backfilling and grading activities as the areas achieved final grade. 3 and 4) A minimum of 4 feet of soil material was placed over the coal waste located in the areas shown on the aforementioned maps.

R645-301-553.260 and R645-301-542.200, The Permittee must state in the narrative and show on as-built maps the location of all know coal mine disposal areas within the area proposed for bond release.

As stated above, Maps 542.200a, 542.200b, and 542.200c show the locations of coal mine waste within the bond release area. The map legend explains what the line type and color denote.

PMC has attempted to address the conflicting approach to the Phased Bond Release process requested by the Division. If this approach is what the Division wants, then a revision of "Technical Directive 006" is warranted.

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

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

Enclosures

File: Star Point Mine -- Phase I Bond Release
Chron.: JP040401.ltr

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 I Bond Release

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

Phase I requirements achieved and request for 60% bond reduction

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

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?
<i>Explain:</i> _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 PAPAS
Print Name

[Signature] - Sr. Env. Engineer - 4/7/04
Sign Name, Position, Date

Subscribed and sworn to before me this 1st day of April, 2004

[Signature]
Notary Public

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



NOTARY PUBLIC
WILMA HOWA
70 South Main
Helper, Utah 84526
My Commission Expires
September 05, 2004
STATE OF UTAH

For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

RECEIVED

APR 08 2004

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Plateau Mining Corporation

Mine: Star Point Mine

Permit Number: C/007/006

Title: Phase I Bond Release

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200a
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200a1
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200a2
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200a3
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200b
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200c
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200d1
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 542.200d2
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Exhibit 117.200a; Proof of Publication - Affidavit of Publication to follow after publication
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Exhibit 412.200a; Land Owner and Governmental Agency letters
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Section 500; Pages 500-70, 500-71, 500-72, 500-76, and 500-80,
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	

Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

*Included for textural consistency

Received by Oil, Gas & Mining

RECEIVED

APR 08 2004

DIV. OF OIL, GAS & MINING