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PLATEAU MINING CORPORATION

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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.

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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.

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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 reggrading (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.

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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 an 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.

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.

COPY

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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

COPY

Permittee: Plateau Mining Corporation

Line: 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.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ 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 - 4/7/04
Sign Name, Position, Date

Subscribed and sworn to before me this 7th day of April, 2004

Wilma Howa
Notary Public



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

My commission Expires: _____
Attest: State of Utah) ss:
County of Carbon

<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p align="center">RECEIVED</p> <p align="center">APR 08 2004</p> <p align="center">DIV. OF OIL, GAS & MINING</p>
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APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

COPY

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

*Included for textural consistency

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DIV. OF OIL, GAS & MINING

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to improve overall stability. The later report completed in 1987 indicates that stabilities were successfully improved at a critical section. According to the reports presented in the exhibits, all roads evaluated currently have conservative factors of safety greater than 1.3.

**TABLE 534.130a
Road Specifications**

Date of Letter	Content	Factor of Safety
1/84	Evaluation of Upper Mine Road (County Road 290) Stability	1.0 to 1.6
7/30/87	Re-evaluation of Upper Mine Road (County Road 290) Stability	1.37
11/15/89	Stability evaluation of mine roads south of Sediment Pond 2	1.31 to 4.05

Plan and profile views of all existing roads can be found on Maps 521.121a through 521.121d, and on Maps 534.100a through 534.100e. Road specifications can be found on Table 534.200a, Road Specifications. A revised cross section for Road F is provided in Exhibit 761b, superceding the cross section for the road shown on Map 534.100d.

- Map 534.100a, Road (A) Profile and Cross Sections**
- Map 534.100b, Road (A) Profile and Cross Sections**
- Map 534.100c, Road (B) Profile and Cross Sections**
- Map 534.100d, Road (C), (D), (E), (F), (G) Profile and Cross Sections**
- Map 534.100e, Road (H), (I), (J), (K) Profile and Cross Sections**

**TABLE 534.200a
Road Specifications**

ROAD	SURFACE TYPE	SURFACE WIDTH	LENGTH	MAXIMUM GRADE %	MINIMUM GRADE %	AVERAGE GRADE %
'A' ⁽¹⁾	Asphalt & Gravel	24' to 34'	3.71 miles	1.5	1.6	7
'B' ⁽²⁾	Asphalt & Gravel	24'	1.83 miles	13.4	1	9.4
'C' ⁽¹⁾	Gravel	20'	0.55 miles	4.2	0.9	2.8
'D' ⁽¹⁾	Gravel	20'	0.18 miles	13.3	0.4	5.3
'E' ⁽²⁾	Asphalt	24'	0.15 miles	6.5	6.5	6.5
'F' ⁽²⁾	Dirt & Gravel	12'	0.08 miles	4.3	0.0	2.6
'G' ⁽³⁾	Dirt & Gravel	12'	0.40 miles	13.9	0	4.7
'H' ⁽²⁾	Railroad Track	5'	0.65 miles	3.5	1	2.1
'I' ⁽²⁾	Gravel	12'	0.37 miles	18.1	18.1	18.1
'J' ⁽⁴⁾	Gravel	15'	0.71 miles	0.74	0.74	0.74
'K' ⁽²⁾	Gravel	12'	0.18 miles	5.5	5.5	5.5

- (1) County Road 290 – Provides post mining land use for access to Gentry Mountain
- (2) Road removed during reclamation
- (3) Road transferred to Sunnyside Cogeneration Associates Permit C/007/042 in November 2003
- (4) Utah Railway's access to their tracks

Road maintenance is addressed in R645-301-526.100. Reclamation of roads is addressed in R645-301-542.200, and typical reclamation cross sections of the roads are shown on Maps 542.200d through 542.200f. All non-public roads will be reclaimed. County Road No. 290 and the River Gas road, which are both public roads, will not be reclaimed to support the post-mining land uses. County Road No. 290 will remain to provide access to public and private property on Gentry Mountain. A 795 foot section of this road was widened in 1993, Carbon County agreed to the widening project and accepted the widened section after mining ceases. The River Gas road will remain to allow public access to areas north of the permit area and to allow River Gas Corporation access to their Coal Bed methane Facilities. A letter from River Gas Corporation requesting continued access on this road is provided in Exhibit 534.100.

Map 542.200e
Map 542.200f

535. thru 535.500. SPOIL.

Disposal of spoil is discussed in R645-301-528.322.

536. thru 536.900. COAL MINE WASTE.

Disposal of coal mine waste is discussed in R645-301-528.322.

537. thru 537.250. REGRADED SLOPES.

Regrading of fills is discussed in R645-301-542.200.

540. RECLAMATION PLAN.

541. GENERAL.

541.100. COMMITMENT.

Upon the permanent cessation of coal mining and reclamation operations at the Star Point Mines, CPMC will close, backfill, or otherwise permanently reclaim all affected areas in accordance with the R645 regulations and this reclamation plan.

541.200. SURFACE COAL MINING AND RECLAMATION ACTIVITIES

No surface coal mining and reclamation activities have or will be conducted within the permit area.

541.300. UNDERGROUND COAL MINING AND RECLAMATION ACTIVITIES.

All surface equipment, structures, or other facilities not required for continued underground mining activities and monitoring, unless approved by the Division as suitable for the post-mining land use or environmental monitoring, will be removed and the affected lands reclaimed following permanent cessation of mining operations.

541.400. ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS.

The plan presented herein is designed to meet the requirements of R645-301 and the environmental protection performance standards of the State Program.

542. NARRATIVES, MAPS AND PLANS.

542.100. RECLAMATION TIMETABLE.

Reclamation of the Refuse Pile, topsoil borrow, and subsoil stockpile sites referred to within this Plan are superseded with the information presented in Sunnyside Cogeneration Associates' Permit C/007/042.

A detailed timetable for the completion of each major step in the reclamation plan is included as Table 542.100a and Figure 5-1 in Exhibit 233. Table 542.100a projects completion of the reclamation within a 2-year period. However, specifics related to the duration and sequencing of reclamation construction activities will be dependent largely upon contractor preference and equipment. Therefore, selected tasks may shift and the time frame may be extended beyond that indicated in Table 542.100a (up to a total potential duration of 5 years).

542.200. PLAN FOR BACKFILLING, SOIL STABILIZATION, COMPACTING, AND GRADING.

The Star Point regrading plan was designed to meet the objectives of balancing cut and fill quantities, maintaining a geotechnically stable site, and minimizing erosion. The primary features of the regrading plan are:

- Regrading of areas to create slopes which will adequately drain while minimizing long-term erosion concerns;
- Backfilling to remove highwalls and cut slopes to the extent possible within the objectives noted above (cut and fill balance, site stability, and erosion control), recognizing the presence of pre-SMCRA slopes where available on-site materials will not allow complete removal of the highwalls and cut slopes;
- Construction of stable channels across regraded areas; and
- Removal of sedimentation ponds and implementation of interim sediment control.

The as-built cut quantity for the Star Point facility is 652,973 cubic yards, with a fill of 442,826 cubic yards (see Table 542.200a). The difference between these two quantities was balanced by placing at the Lion Deck and Refuse Pile. Regrading activities continued until the final surface configuration was achieved as shown on Maps 542.200a through 542.200h. Details regarding topsoil placement and revegetation following regrading are provided in Chapters 200 and 300 of this M&RP, respectively. Any plans presented in this section that are not consistent with information presented in Exhibit 528.322d supercede the information in Exhibit 528.322d.

TABLE 542.200a
AS-BUILT CUT and FILL BALANCE^(a)

Area	Cut Quantity (yd ³)	Fill Quantity (yd ³)	Difference (yd ³)
Lion Deck	69,202	182,734	+113,532
Pond 1	29,906	24,075	-5,831
Pond 2	14,656	14,415	-241
Main channel and lower facilities	419,764	96,459	-323,305 ^(b)
Refuse pile ⁽¹⁾			
No. 1 and 2 Mine roads	32,801	31,557	-1,244
No. 1 Mine	54,864	57,352	+2,488
No. 2 Mine	1,137	1,780	+643
Lion Deck road repair	2320	2320	0
Exploration road	1,566	1,566	0
Pond 6 ⁽¹⁾			
Pond 7	1,589	196	-1,393
Pond 8	3,824	3,157	-667
Subsoil stockpile ⁽¹⁾			
Refuse pile test plots ⁽¹⁾			
Topsoil pile north of test plots	14,117	819	-13,298 ^(c)
Unit train loadout area and conveyor	5,561	17,287	+11,726
Mudwater Canyon fan portal	1,659	2,965	+1,306
Corner Canyon fan portal	7.0	6,144	+6,137
Little Park fan portal ^(d)			
Total	652,973	442,826	- 210,147

⁽¹⁾ Permitted by Sunnyside Cogeneration Associates (SCA) under Permit C/007/042

^(a) Calculated using Softdesk[®] Civil/Survey, Version 7.5-7.6

^(b) Material to be moved to Lion Deck and Refuse Pile (SCA Agreement)

^(c) Material to be used in reclamation of the Main Channel and/or Lion Deck areas

^(d) Little Park fan portal was never constructed.

the mulch), the erosion rate is estimated to vary from 3.8 to 36.3 tons per acre per year (a 53 percent reduction compared to pre-mining conditions). Hence, reclamation of the area will reduce soil loss below that estimated to have occurred prior to disturbance, even with the concurrent removal of the sedimentation ponds during reclamation.

If reclamation work is not completed before seasonal conditions require a halt to reclamation work, those areas which have been regraded but which have not been topsoiled and reseeded will be deep gouged and left in a roughened state until reclamation activities resume.

542.300. FINAL SURFACE CONFIGURATION MAPS AND CROSS SECTIONS.

Final surface configuration maps and cross sections for the Star Point site are provided on Maps 542.200a through 542.200i and Drawing 5-2 through 5-4. County Road 290, which accesses the lands west of the surface facilities will remain following reclamation (see Section 542.600). No other facilities related to the coal mining operations will remain in the permit area following reclamation.

542.400. REMOVAL OF TEMPORARY STRUCTURES.

All surface structures associated with the mining operation will be removed as outlined in Section 542.200. A description ensuring that all structures and the sedimentation pond have been removed will be provided to the Division before seeking bond release or abandoning the permit area.

542.500. REMOVAL OF SEDIMENTATION PONDS.

Information regarding removal of the sedimentation ponds associated with the Star Point Mines is provided in Section 542.200. The timetable for removal of these ponds is indicted in Table 542.100a.

542.600. ROADS.

All roads not to be retained for an approved post-mining land use will be reclaimed after they are no longer needed for mining and reclamation operations. County Road 290 is a public road used to access Gentry Mountain and Carbon County's communication and relay facilities. In order to achieve post-mining land use, this road will be retained after final reclamation. Reclamation of mining areas adjacent to these roads will be performed in a manner which protects the long-term post-mining land uses of the roads and the area. Table 534.200a identifies the status of each road pursuant to its post mining long term use.

Roads will be reclaimed by pulling fill back up from the downslope and placing it in the cuts. The replaced fill material will be shaped to conform to the adjacent terrain and to meet natural drainage patterns. Following rough grading, topsoil will be applied to the regraded surfaces and the reclaimed roads will be mulched, deep gouged, and revegetated in accordance with Section 542.200 of this M&RP.

Natural drainages will be re-established across the reclaimed roads as indicated in Section 760. Culverts which are required for an approved post-mining land use (i.e., those which exist along County Road 290) will be retained; all others will be removed. Water bars and cross drains may be constructed across reclaimed roads to minimize erosion where necessary. The entrances to reclaimed roads will be blocked by barriers of native rock or earthen berms to prevent vehicular access.

As indicated in Exhibit 553.130b, a section of the lower portion of the Lion Deck access road experienced a stability failure in May 1994. Although this section of road was repaired, additional repair work is anticipated during reclamation to provide a long-term, stable surface for County Road 290. This repair

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 15th day of January, 2004, and that the last publication of such notice was in the issue of such newspaper dated the 5th day of February, 2004.

Ken G. Larson

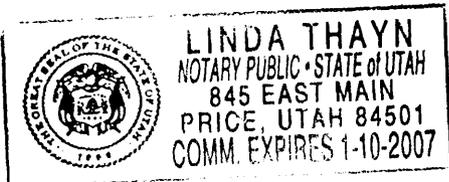
Ken G Larson - Publisher

Subscribed and sworn to before me this 5th day of February, 2004.

Linda Thayne

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 599.04



PUBLIC NOTICE

**APPLICATION FOR PHASE I 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 I bond release to Permit C/007/006; This Phase I bond release applies to 95.3 acres, including the Corner Canyon and Mudwater Fan sizes, of disturbed lands where the backfilling and grading, installation of drainage controls, and reseeding requirements have been completed in accordance with approved mining and reclamation plan and pursuant to the Utah Coal Program Regulations.

In accordance with the provision of R645-301-880, of the State of Utah R645 Coal Mining Rules, notice is hereby given that Plateau Mining Corporation is applying for partial release of the performance bond posted for this property. The surety bond posted for the Star Point Mine is \$7,796,000.00. Plateau Mining Corporation is seeking release of 60% of the bond, or \$4,677,600.00.

The portion of the permit area that is affected is located in Carbon County, Utah as follows:

Township 15 South, Range 7 East, SLB&M

Section 12: Portion of the NE1/4W1/4

Township 15 South, Range 8 East, SLB&M

Section 8: Portion of the SW1/4NW1/4

Section 9: Portion of the SE1/4SE1/4; SW1/4SW1/4

Section 10: Portion of the S1/2 North of County Road 290

Section 15: Portion of the NE1/4NE1/4

Section 16: Portion of the N1/2; SE1/4

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 request 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 8, 2004.

Published in the Sun Advocate January 15, 22, 29 and February 5, 2004.



CARBON COUNTY
PRICE, UTAH 84501

April 7, 2004

Carbon County Board of Commissioners

Re: ***Cyprus Plateau Road***

Dear Commissioners:

Ray Hanson and I have reviewed the road today with Johnny Pappas representing Cyprus Plateau. As of April 7, 2004, the road in general is in good repair and that portion that had washed out a couple years ago has been satisfactorily repaired. Cyprus Plateau requires a letter from the County Attorney as soon as possible stating that the repairs have been inspected and approved.

Sincerely,

Evan Hansen
Evan Hansen, County Engineer

Ray Hanson

Ray Hanson, County Road Supervisor

PLATEAU MINING CORPORATION

Willow Creek Mine

P.O. Box 30

Helper, Utah 84526

(435)472-0475

Fax: (435)472-4782

March 30, 2004

Ms. Alice B. Carlton
Forest Supervisor
599 West Price River Drive
Price, Utah 84501

Re: Notification of Application for Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/006, Carbon County, Utah

Dear Ms. Carlton:

Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. This is based on completing the backfilling and grading, installation of drainage controls, and reseeded requirements on 93.5 acres in accordance with the approved reclamation plan.

Pursuant to the provisions of R645-301-880 of the State of Utah R645 Coal Mining Rules, this letter will serve as notification that Plateau Mining Corporation intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond posted for this operation.

The surety bond posted for the Star Point Mine is \$7,796,000.00. Plateau Mining Corporation is seeking release of 60% of the bond, or \$4,678,000.00.

Comments concerning Phase I bond release from the legal or equitable owner of record of the surface areas affected and from the Federal, Utah and local government agencies should be mailed to: Plateau Mining Corporation, Attention: Johnny Pappas, 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,



Johnny Pappas
Sr. Environmental Engineer

PLATEAU MINING CORPORATION

Willow Creek Mine

P.O. Box 30

Helper, Utah 84526

(435)472-0475

Fax: (435)472-4782

March 30, 2004

Mr. Mark Mackiewicz
Bureau of Land Management
125 South 600 West
Price, Utah 84501

Re: Notification of Application for Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/006, Carbon County, Utah

Dear Mr. Mackiewicz:

Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. This is based on completing the backfilling and grading, installation of drainage controls, and reseeding requirements on 95.3 acres in accordance with the approved reclamation plan.

Pursuant to the provisions of R645-301-880 of the State of Utah R645 Coal Mining Rules, this letter will serve as notification that Plateau Mining Corporation intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond posted for this operation.

The surety bond posted for the Star Point Mine is \$7,796,000.00. Plateau Mining Corporation is seeking release of 60% of the bond, or \$4,678,000.00.

Comments concerning Phase I bond release from the legal or equitable owner of record of the surface areas affected and from the Federal, Utah and local government agencies should be mailed to: Plateau Mining Corporation, Attention: Johnny Pappas, 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,



Johnny Pappas
Sr. Environmental Engineer

PLATEAU MINING CORPORATION

Willow Creek Mine

P.O. Box 30

Helper, Utah 84526

(435)472-0475

Fax: (435)472-4782

March 30, 2004

Mr. William D. Krompel
Commissioner
120 East Main Street
Price, Utah 84501

Re: Notification of Application for Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/006, Carbon County, Utah

Dear Mr. Krompel:

Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. This is based on completing the backfilling and grading, installation of drainage controls, and reseeded requirements on 93.5 acres in accordance with the approved reclamation plan.

Pursuant to the provisions of R645-301-880 of the State of Utah R645 Coal Mining Rules, this letter will serve as notification that Plateau Mining Corporation intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond posted for this operation.

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

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

PLATEAU MINING CORPORATION

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

March 30, 2004

Mr. Randy Scott
General Manager
Sunnyside Cogeneration Associates
#1 Power Plant Road
Sunnyside, Utah 84539

Re: **Notification of Application for Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/006, Carbon County, Utah**

Dear Mr. Scott:

Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. This is based on completing the backfilling and grading, installation of drainage controls, and reseeding requirements on 93.5 acres in accordance with the approved reclamation plan.

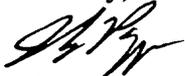
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The surety bond posted for the Star Point Mine is \$7,796,000.00. Plateau Mining Corporation is seeking release of 60% of the bond, or \$4,678,000.00.

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

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

PLATEAU MINING CORPORATION

Willow Creek Mine

P.O. Box 30

Helper, Utah 84526

(435)472-0475

Fax: (435)472-4782

March 30, 2004

Mr. Kevin S. Carter
Director
School and Institutional Trust Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Re: **Notification of Application for Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/006, Carbon County, Utah**

Dear Mr. Carter:

Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. This is based on completing the backfilling and grading, installation of drainage controls, and reseeded requirements on 93.5 acres in accordance with the approved reclamation plan.

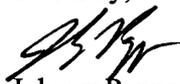
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If you have any questions or need additional information, please do not hesitate to contact me at (435) 472-4741.

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

**STAR POINT MINE
PHASE I BOND RELEASE
PERMIT C/007/006**

INTRODUCTION

The Star Point Mine is located on Gentry Mountain approximately 23 miles southwest of Price, Utah on the east side of the Wasatch Plateau Coal Field. The Star Point Mine permit area is 8820.86 acres of which 93.77 acres (Maps 542.200a, 542.200b, 542.200c, 542.200g and 542.200h) are within the disturbed (bonded) area boundary. A performance bond in the amount of \$7,796,000 is held to ensure that reclamation is accomplished. The Permit expires on January 27, 2007.

Mining operations began in 1916 when the Wattis Brothers and Mr. Browning bought 160 acres from the United States and developed the property for coal production. The Lion Coal Company operated Wattis No. 1 and 2 mines until the end of 1963. There were no coal mining activities from 1964 through 1967. Plateau Mining, Ltd. Operated the Star Point No. 1 mine in the Hiawatha Coal Seam, which was not mined by Lion Coal Company, and the Star Point No. 2 Mine in the Wattis Coal Seam, previously known as the Wattis No. 1 Mine, from 1967 through the fall of 1971. United Nuclear Corporation acquired the Star Point Mines in the fall of 1971. Modernization of the coal mine started when the Lion Deck portal area was expanded in October 1977. United Nuclear Corporation operated the mine until July 1980. Plateau Mining Corporation (PMC) operated the Star Point Mine until February 2000. The current permittee is Plateau Mining Corporation, a subsidiary of RAG American Coal Holding, Inc., changed from Cyprus Plateau Mining Corporation in 1999. Historically, the Star Point No. 2 Mine developed coal resources in the Hiawatha, Third, and Wattis seams by the room and pillar, and longwall mining methods with an annual production of 1 to 3 million tons.

Following the permanent cessation of operations in the spring of 2000, PMC began reclamation activities. Reclamation in 2000 dealt with: the demolition of the overland conveyor system and preparation plant; the removal of equipment and machinery from underground; the demolition, backfilling and grading, and reseeding of the Corner Canyon (0.44 acres) and Mudwater Canyon (1.10 acres) Fan sites; and the sealing of the portals at the Lion Deck. As a footnote to the backfilling and grading activities at the remote fan sites, PMC earned a 2001 Earth Day Award for outstanding results following applications of innovative environmental technology for backfilling remote locations from within the mine (outside-in).

Reclamation activities continued in 2001 with further demolition, backfilling and grading, and reseeding activities on approximately 45.0 acres, which include the following: 1) No. 1 Mine Area encompassing 35.0 acres; and 2) Unit Train Loadout and Silo area encompassing 10.0 acres.

During 2002, demolition, backfilling and grading, and revegetation operations were performed on approximately 47.0 acres. The reclaimed acres are as follows: 1) 24.5 acres associated with the Lions Deck and Pond 1 Areas; and 2) 22.5 acres associated with the Overland Conveyor and Main Channel Areas.

In 2003, reclamation related activities were completed with the abandonment of water monitoring wells, boreholes, and minor backfilling and/or fencing of subsidence cracks. During this year, PMC demonstrated that subsidence has substantially ceased and through the permit amendment process received approval from DOGM to discontinue further subsidence monitoring.

The Star Point Refuse pile and associated topsoil stockpile areas were removed from Permit C/007/006 in November 2003, and permitted by Sunnyside Cogeneration Associates under a new Permit C/007/042 for use as a fuel source for their power generating facility.

All demolition, backfilling and grading, and revegetation activities have been completed at the Star Point Mine.

RECLAMATION PRACTICES

BACKFILLING AND GRADING

The coal regulatory program requires that mined lands be returned to Approximate Original Contour (AOC) to provide for the restoration of the affected area to a condition which is at least, fully capable of supporting the pre-mining land use. A finding that AOC has been achieved means that; the permittee has demonstrated a basis for approval of the designs presented in the Mining and Reclamation Plan, the Division has evaluated and documented its approval of the designs in a Technical Analysis and, that upon implementation and completion of the backfilling and grading and other techniques required to achieve AOC, all performance standards required by reclamation are achieved. The requirements for AOC cannot be found in any one portion of the regulations, but are a compilation of performance standards which pertain to backfilling and grading, revegetation, land use, and protection of the hydrologic resources.

Prior to backfilling and grading the disturbed area, with the exception of the remote fan sites, the entire area was flown in 2001 in order to generate a pre-reclamation topography. Following the reclamation work completed in 2002, the entire site was flown again in the summer of 2003 in order to generate the as-built topography.

Maps 542.200a, 542.200b, and 542.200c reflect this new as-built topography which meets the requirements for AOC. Considering the reclamation challenges pre-SMCRA and steep-slope mine sites present, the permittee overcame the challenges and believes it met or exceeded expectations. In addition to supporting the postmining land use of wildlife habitat and grazing,

PMC also performed reclamation to support the industrial land use for oil and gas exploration, development and conveyance. The industrial postmining land use was achieved and Phase III bond release for the area was approved in December 2003.

The topography within the disturbed area is at 2-foot contours and reclamation cross-sections presented on Maps 542.200d1, 542.200d2, 542.200d3, 542.200e1, 542.200e2, 542.200f, 542.200g, and 542.200h depict the operational, approved, and as-built topography with Map 761d presenting the as-built channel cross-sections.

Lion Deck

Since the mine is an underground mine, little if any spoil was generated; therefore, spoil material was not available for backfilling of the pre-SMCRA highwall and other cutslopes at the Lion Deck, so PMC utilized coal processing waste as the backfilling media. Approximately 113,532 cubic yards of coal waste was hauled from the main channel area and placed on the Lion Deck. Following the placement and grading of the coal waste, approximately 54,502 cubic yards of the side-cast material, making up a portion of the made-lands, was mined in benches and used to cover the coal waste with a thickness of 4-feet. In addition to the 54,502 cubic yards used to cover the coal waste, an additional 14,700 cubic yards was used to fill the stope hole for a total cut of 69,202 cubic yards.

Table 542.200a (Exhibit A), and in Section 500, of the mining and reclamation plan reflects the as-built cut and fill balance. The areas that received coal waste and the areas where the growth media was removed are shown on Maps 542.200a, 542.200b, 542.00a1, 542.200a2, and 542.200a3.

Complete elimination of the pre-SMCRA highwall was not possible due to the Gentry Mountain Road (County Road 290). For long term stability purposes the county road had to be constructed on a stable surface (cut versus fill). Therefore, the road was relocated off of the side-cast fill slope and moved inward towards the highwall; thereby, reducing the amount of highwall and cutslopes that can backfilled and achieve the 1.3 static safety factor.

The only way to place fill material higher on the highwall is to increase the slope angle or move the road to a less stable surface. Slope stability information is presented in Section 542.200 of the mining and reclamation plan. To avoid shallow surface failures and minimize erosion the slope angle should average 2H:1V. Since the slope will be concave, the upper section of the backfill could be increased to 1.8H:1V.

When looking at the as-built reclamation cross-section E-E', there remains 3-5 feet more of a pre-SMCRA highwall than anticipated at the Lion Deck. The approved reclamation plan showed approximately 50 feet of the pre-SMCRA highwall being eliminated, but during the backfilling and grading activities, 45- 47 feet of the pre-SMCRA highwall was eliminated. Complete elimination of the pre-SMCRA highwall is due to County Road 290 that traverses across the

Lion Deck and in-front of this highwall. To allow unrestricted access by the public and private property owners to Gentry Mountain, County Road 290 had to be reconstructed to facilitate the postmining land use.

The Division's letter dated March 19, 2004 (Exhibit A), further clarifies issues regarding highwall remnant retention.

All portals on the Lion Deck were sealed in accordance with the approved plan. The attached (Exhibit B) final closure Map titled "Star Point No. 2 Mine Lion Wattis Seam" was submitted to MSHA in 2001. This map shows the Lion Deck portals sealed in December 2000. Final Closure Maps were submitted to MSHA in January 2001 with a complete set sent to DOGM on February 9, 2001 (Exhibit B).

A letter from MSHA to OSM (Exhibit B), dated January 26, 2001, discusses the final mine maps and request to enter the maps into the Mine Map Repository.

Unit Train Loadout Area

The unit train loadout area once facilitated a 200-foot tall by 90-foot wide 10,000-ton concrete silo and associated conveyors and transfer structures. The concrete silo was razed by Ms. Ruth Anderson (Salt Lake Seismic Services) through the use of explosives in accordance with an approved blasting plan. Prior to razing of the silo, a trench was dug immediately adjacent to the silo for it to fall in to and the area be reclaimed back to a pad for Utah Railway. The silo was razed in September 2001.

Following the razing of the silo backfilling and grading activities commenced on the area supporting the conveyor and transfer structures. The re-contoured area is shown on Map 542.200c.

The main reason for the difference between the approved reclamation design and the as-built 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 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.

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.

No. 1 Mine Road Area

The material used as backfill and topsoil for this pre-SMCRA area came from the side-cast material used during the road and made-land construction and from the embankment of sediment pond 3. A soil investigation of the material was performed in 1997 and is further discussed in Section 240 of the mining and reclamation plan.

This area is shown on Maps 542.200a, 542.200b and 542.200c. Portal sealing of the No.1 Mine reclamation area is presented on the Maps titled "Star Point No. 1 Mine" and "Star Point No. 2 Mine Wattis Seam" in Exhibit B.

Lower Facilities and Main Channel Area

Within this area (Map 542.200c), the pre-SMCRA coal waste that once filled the main channel was removed and either used as backfill material on the Lion Deck or placed on the refuse pile. Approximately 113,532 cubic yards was hauled and placed on the Lion Deck and approximately 209,773 cubic yards was placed on the refuse pile.

In the area where the preparation plant once stood, the Permittee reclaimed the land to facilitate the industrial postmining land use for oil and gas exploration and development. The industrial land use was achieved by Phillips/Conoco and the affected area received Phase III bond release in December 2003. This area is shown on Map 542.200c.

With respect to the refuse pile and substitute topsoil stockpile, it was acquired by Sunnyside Cogeneration Associates and is now permitted under C/007/042, effective November 2003. The coal processing waste stored in the refuse pile is used as a fuel source for the power generating facility located in East Carbon, Utah. The areas under permit C/007/042 are shown on Map 542.200c.

The Star Point Mine Permit discusses the bifurcation of the refuse pile from Permit C/007/006 to Permit C/007/042 and the industrial postmining land use for Phillips/Conoco. All warranty deeds, surface use, purchase, and lease agreements are presented in the Star Point mining and reclamation plan.

Corner Canyon and Mudwater Canyon Fan Sites

The reclamation work at the Corner Canyon (Map 542.200h) and Mudwater Canyon (Map 542.200g) 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.

At the Corner Canyon site, cut material was stored in the return following the construction of the site. During the backfilling and grading, this material was removed from the mine and placed against the highwalls and cutslopes. During the construction of the site, approximately 200 cubic yards of topsoil was salvaged and hauled through the mine and placed at the topsoil stockpile across from the refuse pile. When it came time to redistribute this soil material it had to be hauled up to the Lion Deck portal and then hauled through the mine in scoops to Corner Canyon and redistributed.

At the pre-SMCRA Mudwater Canyon site, most of the backfill and growth media had to come from the pad area (made-land). The material available for backfilling purposes was limited

because much of the fill material was lost during construction. This is the main reason why remnants of the highwalls remain. PMC did however, utilize some clean underground development waste stored in the mine for use as backfill to augment the available fill material to eliminate as much of the highwall as possible.

The Division's letter dated March 19, 2004 (Exhibit A), further clarifies issues regarding highwall remnant retention.

Portal sealing of the Corner Canyon and Mudwater Canyon portals are presented on the Maps titled "Star Point No. 2 Mine 2nd West Mains Wattis Seam" and "Star Point No. 2 Mine Main West Middle Seam", respectively, in Exhibit B.

Roads

The only road that remained to support the postmining land uses is County Road 290 (Gentry Mountain Road). The roads that once supported the mining operation have been reclaimed, transferred to Sunnyside Cogeneration Associates, or retained to support the postmining land uses. This is shown on the Table 534.200a (Exhibit A) and discussed in Section 542.600 of the mining and reclamation plan.

The section of the oiled (asphalted) county road that required some minor rehabilitation work was inspected by the County Engineer and his approval of the work is presented in Exhibit A.

TOPSOIL/GROWTH MEDIA RESOURCES

Due to the majority of the surface disturbance being pre-SMCRA, topsoil resources were not salvaged for redistribution during reclamation. With the lack of topsoil resources, suitable growth media was identified and used for reclamation purposes. Much of the growth media was generated from the side-cast material placed during the construction of access roads, building pads, pond embankments, parking lots, and other made lands.

The actual placement of the growth media/topsoil resources occurred concurrently with the backfilling and grading activities. Soil resources are distributed onto the graded areas as soon as possible and prepared for reseeding. Once the appropriate depth of soil cover is applied, approximately 2 tons per acre on certified noxious weed free hay is spread and mixed into the soil resource. After the seed is distributed, an additional 1.5 tons per acre of certified noxious weed free straw is spread over the area and then tacked together with approximately 500 pounds per acre of tackifier and hydrolmulch.

During the incorporation of the hay into the soil, deep gouges (approximately 18" to 24" deep) are created by the track-hoe equipment for the purpose of, but not limited to: controlling sediment

and erosion, harvesting precipitation, entrapment of seed, and creating micro-climates that will enhance the opportunity for revegetation success.

The only nutrients added to the soil resources are the organic material associated with the hay and straw. No fertilizers were used during reclamation. It has been PMC's experience that fertilizer is not necessary and only encourages the growth of annual weeds that compete against the native species for nutrients and water.

It should be noted however, that no further roughening of the fill material, other than that already created by the dozers and track-hoes, and that performed during the deep gouging process, was performed prior to the placement of growth media. The deep gouging technique typically provides for the roughening of the fill and soil interface.

More information regarding the soil resources can be found in Section 200 of the Star Point Mine Permit.

REVEGETATION

Once the backfilling and grading activities were completed for each respective area, the soils were prepared for seeding by incorporating 2 tons/acre of certified noxious weed free hay into the soil and the establishing of deep gouges for sediment treatment and water harvesting purposes. Shortly after the soil was prepared, seeding was performed and approximately 1.5 tons/acre of certified noxious weed free straw was scattered over the reseeded areas, followed by approximately 500 pounds/acre of hydromulch and tackifier. The main purpose of the hydromulch and tackifier is to bind the straw together whereby a semblance of a mat is created to keep the straw in place and provide further erosion control.

More information regarding biology and vegetation can be found in Section 300 of the Star Point Mine Permit. Copies of the seed mixes used and seedlings transplanted are provided in the 2000, 2001, and 2002 annual reports when the reclamation reseeding was performed.

HYDROLOGY

Reclamation channels were constructed to meet or exceed the minimum design criteria set forth in Utah's R645 Coal rules. The design and as-built of the reclamation channels is presented in Appendix 761c in Section 700 of the Star Point Mine Permit. Information presented in Appendix 761c demonstrates that the constructed reclamation channels can handle the peak flow generated by the 10-year, 6-hour design storm and for the 100-year, 6-hour design storm for the main channel (SPRD-31).

As-built reclamation watersheds and diversions are presented on Maps 761a, 761b, and 761c. As-built reclamation channel cross-sections are presented on Map 761d.

BOND RELEASE

Plateau Mining Corporation (PMC) is requesting a 60% reduction in its bond in accordance with R645-301-880.310. At the completion of Phase I, after the operator completes the backfilling and regrading (which may include the replacement of topsoil) and drainage control of a bonded area in accordance with the approved reclamation plan, 60 percent of the bond can be released.

Therefore, PMC is requesting a 60% reduction to its \$7,796,000 bond. The reduction by \$4,678,000 (rounded to nearest \$1,000) will leave a \$3,118,000 bond.

Based on the provided as-built topography and drainage control, PMC has adequately demonstrated that it has met or exceeded the approved backfilling and grading plan. This can be easily confirmed when observing Maps 521.200d1, 542.200d2, 542.200d3, 542.200e1, 542.200e2, 542.200f, 542.200g, and 542.200h. The cross-sections depict the approved design topography and the as-built topography for ease of comparison.

Furthermore, all topsoil and/or other substitute growth media has been placed, prepared, and seeded. The reclamation of the Star Point Mine achieved the approved plan and facilitates the permitted multiple land uses.

EXHIBIT A

TABLES AND CORRESPONDENCE

**TABLE 542.200a
AS-BUILT CUT and FILL BALANCE^(a)**

Area	Cut Quantity (yd ³)	Fill Quantity (yd ³)	Difference (yd ³)
Lion Deck	69,202	182,734	+113,532
Pond 1	29,906	24,075	-5,831
Pond 2	14,656	14,415	-241
Main channel and lower facilities	419,764	96,459	-323,305 ^(b)
Refuse pile ⁽¹⁾			
No. 1 and 2 Mine roads	32,801	31,557	-1,244
No. 1 Mine	54,864	57,352	+2,488
No. 2 Mine	1,137	1,780	+643
Lion Deck road repair	2320	2320	0
Exploration road	1,566	1,566	0
Pond 6 ⁽¹⁾			
Pond 7	1,589	196	-1,393
Pond 8	3,824	3,157	-667
Subsoil stockpile ⁽¹⁾			
Refuse pile test plots ⁽¹⁾			
Topsoil pile north of test plots	14,117	819	-13,298 ^(c)
Unit train loadout area and conveyor	5,561	17,287	+11,726
Mudwater Canyon fan portal	1,659	2,965	+1,306
Corner Canyon fan portal	7.0	6,144	+6,137
Little Park fan portal ^(d)			
Total	652,973	442,826	- 210,147

⁽¹⁾ Permitted by Sunnyside Cogeneration Associates (SCA) under Permit C/007/042

^(a) Calculated using Softdesk® Civil/Survey, Version 7.5-7.6

^(b) Material to be moved to Lion Deck and Refuse Pile (SCA Agreement)

^(c) Material to be used in reclamation of the Main Channel and/or Lion Deck areas

^(d) Little Park fan portal was never constructed.

Revised: 04/04

**TABLE 534.200a
Road Specifications**

ROAD	SURFACE TYPE	SURFACE WIDTH	LENGTH	MAXIMUM GRADE %	MINIMUM GRADE %	AVERAGE GRADE %
'A' ⁽¹⁾	Asphalt & Gravel	24' to 34'	3.71 miles	1.5	1.6	7
'B' ⁽²⁾	Asphalt & Gravel	24'	1.83 miles	13.4	1	9.4
'C' ⁽¹⁾	Gravel	20'	0.55 miles	4.2	0.9	2.8
'D' ⁽¹⁾	Gravel	20'	0.18 miles	13.3	0.4	5.3
'E' ⁽²⁾	Asphalt	24'	0.15 miles	6.5	6.5	6.5
'F' ⁽²⁾	Dirt & Gravel	12'	0.08 miles	4.3	0.0	2.6
'G' ⁽³⁾	Dirt & Gravel	12'	0.40 miles	13.9	0	4.7
'H' ⁽²⁾	Railroad Track	5'	0.65 miles	3.5	1	2.1
'I' ⁽²⁾	Gravel	12'	0.37 miles	18.1	18.1	18.1
'J' ⁽⁴⁾	Gravel	15'	0.71 miles	0.74	0.74	0.74
'K' ⁽²⁾	Gravel	12'	0.18 miles	5.5	5.5	5.5

⁽¹⁾ County Road 290 – Provides post mining land use for access to Gentry Mountain

⁽²⁾ Road removed during reclamation

⁽³⁾ Road transferred to Sunnyside Cogeneration Associates Permit C/007/042 in November 2003

⁽⁴⁾ Utah Railway's access to their tracks



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRANTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

March 19, 2004

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation
P.O. Box 30
Helper, Utah 84526-0030

Re: The Division's Findings on Highwall Retention at the Lion Deck, Corner Canyon and Mudwater Canyon Portal Areas, Plateau Mining Corporation, Star Point Mine, C/007/006, Task ID #1768, Outgoing File

Dear Mr. Pappas:

In a conversation that you had with Wayne Western on February 26, 2004, you requested that the Division provide you with the findings that the Division made on highwall remnants that will be retained at the Star Point Mine. The following information should address your concerns.

Highwall Remnant Retention at the Lion Deck Area:

On February 14, 2002, Plateau Mining Corporation submitted a revised reclamation plan for the Lion Deck area because of the availability of improved topographic maps and changes to the reclamation plan for the conveyor belt access road. The revised reclamation plan for the Lion Deck area called for concave slopes to replace the approved straight postmining slopes. The concave design allowed for increased slope heights without decreased stability.

The higher postmining slopes eliminated or reduced the highwalls scheduled to remain after reclamation. However, some highwall remnants would remain.

R645-301-553.650 required the Division to make specific findings in writings before approval of highwall remnant retention. The Division stated the findings in Technical Analysis AM02B-2, dated July 22, 2002 and a summary of the finds is as follows:

When the Division evaluated the reclamation plan, they found that the regulations conflicted because:

- R645-301-553.120, Eliminate all highwalls with the exception of pre-SMCRA highwalls at sites where lack of reasonably available fill prevents total reclamation. Volume calculations for the Star Point Mine showed that there is enough fill material for total highwall elimination.
- R645-301-553.130, Postmining slopes will not exceed the angle of repose and the slopes must have a safety factor of 1.3 or greater. In order to achieve a safety factor of 1.3 some of the slopes used to reclaim highwalls would have to extent on to County Road 290. The reclaimed slopes would block the road.
- R645-301-553.150, The reclaimed site must support the approved postmining land use that included keeping County Road 290 open. Therefore, the toe of the reclaimed slopes cannot extent onto the right of way for County Road 290.

The highwalls were constructed pre-SMCRA so that the limitations of eliminating the highwall remnants and keeping County Road 290 open existed at the time of the initial permit. County Road 290 is in a steep canyon with many cliffs so moving the road is not possible. The only options the Division had during the initial permit process was to deny the permit or require road closure at reclamation.

When the Division first permitted the Star Point Mine, they examined those issues. Closing County Road 290 was not possible because neither the Division nor the applicant had the authority to close the road and the county insisted that the road to remain open. Because the postmining slopes would be next to County Road 290, the main concern was public safety. Therefore, the Division required the Permittee to construct slopes that had a safety factor of 1.3.

The revised reclamation plan called for more highwall elimination or reduction due to higher postmining slopes. The concave design allowed increased slope heights without decreased stability. Because of those advantages over the existing plan, the Division approved the amendment.

Minimum Safety Factor for Highwall Remnants at the Lion Deck Portal Area:

The slope stability calculations for the Lion Deck area are in Exhibit 553.130a of the mining and reclamation plan. In those calculations, PMC demonstrated that the reclaimed slopes would have a safety factor of 1.3.

The slope stability calculations do not cover all the reclaimed highwall slopes. R645-301-553.530 allows alternative methods for determining slope stability for highwall remnants. In the Technical Analysis dated July 22, 2002, the Division approved PMC to backfill slopes to a 2H: 1V grade with the upper sections of the slopes being at 1.8H: 1V. The Division has found slopes with that design are stable.

Both PMC and the Division assumed the highwall remnant designs stable because the remnants are similar to the stable natural cliffs and bedrock outcrops in the area. Therefore, the Division concluded that allowing highwall remnants to remain is not a hazard to the public or the environment.

Why Not All of Available Fill Material Was Used to Eliminate More of the Highwall Remnants at the Lion Deck Portal Area:

R645-301-553.600, All highwalls must be eliminated with the exception of pre-SMCRA highwalls at site where there is not enough fill to complete reclamation. There is abundant fill material at the site. As mentioned earlier, the regulatory requirement to eliminate highwalls whenever there is available fill material conflicts with leaving County Road 290 open and the stability requirements.

Why the Highwall Remnants Will Not be a Danger to the Public or the Environment at the Lion Deck Portal Area:

The highwall remnants will not be a danger to the public or the environment because:

- The reclaimed slopes have a safety factor of 1.3.
- The highwall remnants are in solid bedrock and are a safe.
- PMC used roughening techniques such as pocking to minimize erosion until vegetation is established.
- PMC seeded the slopes so that vegetation would stabilize the soils.

Why Some As-Built Slopes Expose More of the Highwalls than Anticipated:

PMC must address this issue. Mr. Pappas did state to Mr. Western on February 26, 2004 that a mistake was made but the effects were minimal.

Highwall Retention at Mudwater Canyon and Corner Canyon:

PMC received the annual Earth Day award in 2001 for the innovative technique they used to reclaim the pre-SMCRA portals at Mudwater Canyon and Corner Canyon. The miners at both sites constructed the portals as breakouts. The only access for mechanized equipment is through the mine. Therefore, type and size of equipment that can reach a site is limited.

The traditional way to reclaim a remote breakout is to use small earthmoving equipment to reclaim the area around the portal, remove the equipment and then push fill out the portal. That technique prevented reclamation of the highwalls because the miners could not place material above the portals.

PMC used innovative techniques to reclaim Mudwater Canyon and Corner Canyon. PMC constructed a log fence above each portal, placed backfill material

behind the log fences and then collapsed the log fences. The backfill material slide down and covered the highwalls ten to fifteen feet above the portals. PMC did not eliminate all the highwalls but the highwall remnants that remained were smaller than at comparable sites.

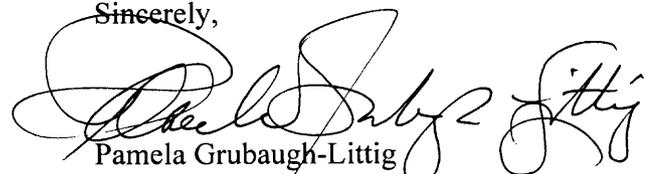
The factors that prevented the elimination of highwalls at Mudwater Canyon and Corner Canyon are as follows:

- The portals are on slopes that are at or near the angle of repose. Such slopes have safety factors of 1.0, and R645-301-553.100 requires that reclaimed slopes have a safety factor of 1.3. Eliminating the highwalls would require restoring the site to the original configuration. At the original configuration, the slopes would not meet the safety factor requirements.
- The limitations PMC faced transporting equipment through the mine. While no regulation allows for highwall retention due to equipment limitation the Division recognizes those limitations when they evaluated the reclamation plan for pre-SMCRA sites.
- Much of the fill material at the sites was lost during construction. Therefore, the amount of available fill was limited.
- PMC seeded the sites so that vegetation would stabilize the soils. During annual inspections of the sites, the Division found that the vegetation was adequate to prevent erosion. The Division considers those sites environmentally stable.

Since the sites are in remote locations therefore, only a small number of people will visit the area. While the highwalls are a potential hazard, they are similar to natural cliffs in the areas. The Division does not consider the highwalls to be a significant public hazard.

I hope that you find this information helpful. If you have any questions, please call me at (801) 538-5268 or Wayne Western at (801) 538-5263.

Sincerely,



Pamela Grubaugh-Littig
Permit Supervisor



CARBON COUNTY
PRICE, UTAH 84501

April 7, 2004

Carbon County Board of Commissioners

Re: ***Cyprus Plateau Road***

Dear Commissioners:

Ray Hanson and I have reviewed the road today with Johnny Pappas representing Cyprus Plateau. As of April 7, 2004, the road in general is in good repair and that portion that had washed out a couple years ago has been satisfactorily repaired. Cyprus Plateau requires a letter from the County Attorney as soon as possible stating that the repairs have been inspected and approved.

Sincerely,

Evan Hansen
Evan Hansen, County Engineer

Ray Hanson

Ray Hanson, County Road Supervisor

EXHIBIT B

CORRESPONDENCE AND MSHA CLOSURE MAPS

**PLATEAU
MINING
CORPORATION**

Willow Creek Mine
847 NW Hwy 191
Helper, Utah 84526
(435) 472-0475
Fax: (435) 472-4780

An affiliate of **RAG**

February 9, 2001

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

Re: Star Point Mine MSHA Final Closure Maps, Plateau Mining Corporation, Star Point Mine, C/007/006, Carbon County, Utah

Dear Mr. Haddock:

Plateau Mining Corporation (PMC) is submitting a courtesy copy of the aforementioned as submitted to MSHA. If the Division has any questions, please do not hesitate to contact me at (435) 472-4741.

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

Enclosures

File: Star Point Mine - MSHA Final Closure
Chrono: JP010204.ltr

John Kuzar
MSHA

**RE: Plateau Mining Corporation: Star Point No. 2 Mine, MSHA ID # 42-00171 and
Star Point No. 1 Mine, MSHA ID # 42-00170 Final Mine Closure Maps**

Dear Mr. Kuzar:

Enclosed are the final mine closure maps for the Star Point #2 Mine and the Star Point #1 Mine. The grid system on the Star Point #2 maps are State Plane coordinates and a coordinate grid conversion to State Plane coordinates is included on the Star Point #1 map.

The enclosed maps are as follows:

Star Point No. 2 Mine

Lion, Wattis Seam
Third Main South, Wattis Seam
2ND West Mains, Wattis Seam
South Mains, Wattis Seam
Third North Mains, Wattis Seam
Third North Mains, Wattis Seam Map 2
Wattis Seam (For Mine Workings Reference East of the Lion Portal)
Mudwater, Middle Seam
2ND North Mains, Middle Seam
Main West, Middle Seam
SL031286, Hiawatha Seam

Star Point No. 1 Mine

Star Point No. 1 Mine

