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State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

October 21, 2004

Dennis Ware, Controller  
Plateau Mining Corporation  
P.O. Box 30  
Helper, Utah 84526

Re: Star Point Mine - Phase I Bond Release, Star Point Mine, Plateau Mining Corporation, C/007/0006, Task ID #1910, Outgoing File

*Dennis*

Dear Mr. Ware:

Phase I bond release for the Star Point Mine is approved in the amount of \$4,677,600 for 95.3 acres (\$3,118,400 is being retained). OSM concurred with this decision on October 12, 2004 (enclosed).

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

Sincerely,

Lowell P. Braxton  
Director

Enclosure

cc: James Fulton - OSM, WRCC  
David Levanger - certified mail  
Price Field Office

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IN REPLY REFER TO:

## United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
P.O. Box 46667  
Denver, Colorado 80201-6667

October 12, 2004

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

RE: Phase I Bond Release, Star Point Mine, Permit No. C/007/006, Concurrence

Dear Mr. Braxton,

This letter acknowledges the Office of Surface Mining (OSM), Western Regional Coordinating Center (WRCC), Denver Field Division's (DFD) receipt and review of the above phase I Bond Release Proposed Decision document prepared by the Division of Oil, Gas, and Mining (DOGM) dated August 9, 2004. DFD agrees with the findings and decision document and hereby provides OSM concurrence for the above bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, of the State-Federal Cooperative Agreement.

A thorough summary of the operational and reclamation history of the mine are accurately captured in the above DOGM Proposed Decision. Public and landowner notification of the bond release provided by the permittee (Plateau Mining Corporation), and the bond release inspection notifications provided by DOGM are also documented in the Proposed Decision, DOGM's inspection report for the bond release inspection, and related correspondence. Both OSM and the Bureau of Land Management (BLM) were notified of the bond release inspection. BLM concurred with the proposed decision in a letter dated July 26, 2004.

DOGM's Proposed Decision documents the applicant's compliance with the Utah approved regulatory program. Bond release criteria found in the above regulatory provisions have been met or exceeded by the permittee. Backfilling and grading to achieve approximate original contour on this site was the subject of a special focus review conducted by OSM and DOGM in 1997. The reclamation plan was found deficient and the operator submitted a revision to the mine plan. The revised plan was

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approved by DOGM on May 27, 1998. OSM and DOGM did another review of this topic in 2001. The mine was found to be in compliance at that time.

This Phase I bond release applies to 95.3 acres of disturbance at the mine. A 60% release of the total bond amount of \$7,796,000 equals \$4,677,600. A reclamation bond of \$3,118,400 will remain for reclamation.

DOGM conducted the required bond release inspection on June 23, 2004. OSM and the BLM participated in the inspection. OSM has reviewed the resulting DMG inspection report, associated historical correspondence, and DOGM's proposed decision. OSM concurs with DOGM and the BLM on this release.

Thank you and your staff for coordinating this Federal lands bond release through the DFD. Please direct any questions concerning this action to Mitch Rollings at 303-844-1440 x1445.

Sincerely,



James. F. Fulton, Chief  
Denver Field Division

Cc: Plateau Mining Corp.

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OUTGOING  
00170006

**From:** Pam Grubaugh-Littig  
**To:** Johnny Pappas  
**Date:** 4/19/04 10:54AM  
**Subject:** Re: Change in Ownership

Hi, Johnny - How the ownership was handled before from Cyprus to RAG is fine. This would not require a permit transfer, rather update the ownership and control immediately after the closing. Hope this helps. Any questions, please call me. Pam

>>> "Johnny Pappas" <jpappas@rag-american.com> 04/19/04 08:27AM >>>  
Pam,

As you probably have heard, RAG is selling its operations to First Reserve. The only change will be at the parent level (RAG) with the permittee's staying the same. Here in Utah, Plateau Mining Corporation and Castle Gate Holding Company will stay as the permittee and operator.

Knowing this, will the permitting requirement be similar to how we handled the Cyprus to RAG? The action back in 1999 was handled with a letter submitted to the Division on the day of closing. After which Plateau and Castle Gate submitted updated ownership and control information.

Please provide me with some input as soon as possible. I need to let Corporate know by tomorrow.

Thanks,  
Johnny

**CC:** Joe Helfrich; Karl Houskeeper; Pete Hess; Sheila Morrison

**U.S. Postal Service**  
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C/007/0006, TASK ID #1910, 10/21/04

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**DAVID LEVANGER**  
Street, Apt. No.;  
120 EAST MAIN STREET  
City, State, ZIP+4  
**PRICE UT 84501**