

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

For

**Phase I Bond Release
Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon County, Utah**

August 6, 2004

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ADMINISTRATIVE OVERVIEW

Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon County, Utah

August 6, 2004

ACTION

Plateau Mining Corporation (PMC), a subsidiary of RAG American Coal Holding, Inc., requested Phase I bond release (60% of \$7,796,000 or \$4,677,600) for all disturbed areas within the Star Point Mine permit boundaries. A public notice published between January 15, 2004 and February 5, 2004 PMC notified all parties about this request for phase I bond release.

The amount of bond after Phase I bond release must be enough to ensure that the Division can complete reclamation if PMC failed to meet the standards for Phase II and Phase III bond release standards. PMC already placed the topsoil/growth medium and conducted the initial seeding and planting, which are items associated with Phase II bond release. If the Division forfeited on the bond they would have \$3,118,400 to reclaim the 95.3 disturbed acres. The Division determined that \$3,118,400, \$32,722 per acres, would be adequate to reclaim the site to Phase III bond release standards.

The current bond is in 2004 dollars and R645-301-830.300 requires that the bond be escalated for 5 years. The Division escalates the bonds from midterm to midterm and the last midterm was in 2004, currently at the approved escalation factor of 2.59%.

To simplify the bond adjustment process the Division should reduce the bond from \$7,796,000 to \$3,118,400 upon finding that Phase I bond release standards were met and then escalate the bond by 2.59% for 5 years to \$3,543,000. Therefore, the bond amount released would be \$4,253,000.

The Star Point Mine contained 95.3 disturbed acres. There were seven subareas within the permitted boundaries, which are as follows:

- Lion Deck.
- Number 2 Mine.
- Number 1 Mine.
- Main Mine Facilities Area.
- Unit Train Loadout.
- Mudwater Canyon
- Corner Canyon

BACKGROUND

The Star Point Mine was located on and around Gentry Mountain, approximately 23 miles southeast of Price, Utah on the east side of the Wasatch Plateau Coal Field. The main portals were located in the Northeast Corner of Section 17, Township 15 South, Range 8 East. See the Wattis Quadrangle for the location of the surface facilities. The Star Point Mine contained 8820.86 acres of which 95.3 acres were disturbed.

According to H. H. Doelling, the Lion Coal Company owned and operated the coal mines that would evolve into the Star Point Mine from 1917 to 1964. He stated that the operation had several names including the Wattis Mine, Plateau Mine and Utah Chief Mine. The Plateau Mining Company renewed production in 1967 and the operation was from then on known as Star Point Mine.

PMC's records indicated that operations began in 1916 by the Wattis Brothers and Mr. Browning when they bought 160 acres from the Federal Government and began developing the property for coal production. The Lion Coal Company operated the Wattis No. 1 and No. 2 Mines until 1963.

According to H. H. Doelling, between 7,737,000 to 7,784,150 tons of coal were produced from 1917 to 1964 from the Wattis Seam. No coal production occurred at the site from 1964 to 1967.

Plateau Mining, Ltd. opened the Star Point No. 1 Mine in the Hiawatha Coal seam, and mined the Wattis No. 1 Mine, which was renamed the Star Point No. 2 Mine from 1967 through the fall of 1971. United Nuclear Corporation (UNC) acquired the operations in the fall of 1971. UNC updated the operations by expanding the Lion Deck area in 1977. They conducted operations until 1980.

Plateau Mining Corporation, a subsidiary of Cyprus Plateau Corporation, later acquired by RAG American Coal Holding, Inc. in 1999, operated the Star Point Mine until February 2000, when the mine went into permanent cessation. Production at the Star Point Mine came from the Hiawatha, Third and Wattis seams. According to H. H. Doelling, the Third Seam did not correlate to any other seams in the area.

Mining methods at the Star Point Mine were originally room and pillar, with longwall methods being added later. Production after 1967 ranged from 1 to 3 million tons per year.

PMC applied to reduce the bond from \$7,796,000 to \$3,118,400, a 60% reduction which is the maximum amount allowed under R645-301-880.130. On a per-acre basis, the new bond amount would be \$32,722 per acre.

The chronology of reclamation activities was as follows:

2000

- Demolished the overland conveyor system and preparation plant.
- Removed equipment and machinery from underground.
- Demolished surface facilities, closed portals, backfilled and graded, and seeded at Mudwater Canyon and Corner Canyon.

2001

- Demolished, backfilled and graded, and seeded approximately 45.0 acres at the Main Mine Area.
- Demolished, backfilled and graded, and seeded approximately 10.0 acres at the Unit Train Loadout Area.

2002

- Demolished, backfilled and graded, and seeded approximately 24.5 acres at the Lion Deck and Pond No. 1.
- Demolished, backfilled and graded, and seeded approximately 22.5 acres at the Overland Conveyor and Main Channel Areas.

2003

- Abandoned water monitoring wells and boreholes.
- Backfilled and fenced off subsidence cracks.
- Ceased subsidence monitoring.
- Transferred the Refuse Pile Area to Sunnyside Cogeneration Associates (SCA.)
- Received Phase III bond release for 11.77 acres that ConocoPhillips used for access to a natural gas well and for a utility corridor.

A summary of the reclamation activities at each of the subareas is as follows:

Mudwater Canyon

The portal breakouts at Mudwater Canyon are remote facilities. No roads or trails lead to the site. The facilities were developed for ventilation reasons. Neither PMC nor its predecessors generated excess spoil in Mudwater Canyon.

Reclamation work at Mudwater Canyon was difficult because the type and size of equipment that could be transported through the mine. PMC used the following equipment:

- D-3 dozer.
- Mine-scoops.
- Portable conveyor and hopper.

PMC's main concern was to eliminate as much of the highwalls as possible. Because PMC had to transport the equipment back through the mine, the portals had to remain open until the earthwork was completed. The conventional method was to leave the highwalls exposed and just backfill the portals from inside the mine.

PMC used an innovative technique to reclaim the highwall area, i.e. they built log fences above the portals. PMC transported backfill material above the portals with the conveyor and hopper. The log fences kept the material in place. After PMC took the equipment underground, they allowed the fences to collapse, the backfill material slid down partially covering the highwalls and completely covering the portals. The method was so successful that Division presented PMC with an Earth Day Award for the use of innovative technology.

The amount of fill material at the site was limited because breakouts were developed pre-SMCRA. The cut material was not salvaged. PMC used as much of the on site material as possible. However, some cutslopes and highwall remnants remained after reclamation due to lack of backfill material and equipment limitations.

The site does blend into the surrounding topography because:

- The drainages in the disturbed area complement those outside the disturbed areas.
- PMC feathered the reclaimed slopes into the undisturbed areas so that the transition appeared natural.
- The highwall remnants that remain are similar in size and shape to natural cliffs in the area.

PMC did not eliminate all the highwalls. Because the highwalls were pre-SMCRA specific rules apply to the reclamation of highwalls, see R645-301-553.500. The reasons the Division allowed highwall retention are:

- The amount of available material was insufficient to completely backfill the highwalls.
- The size and type of equipment that could be transported through the mine was limited.
- Because of the need to keep the portals open until all earthwork was completed, PMC was limited to the amount of backfill they could place against the highwalls.

Due to restraints of the size and type of equipment that could reach the site, PMC was unable to use pocking or other surface roughening techniques to stabilize the soil. They did apply mulch and seed the site, which minimize erosion.

All portals were sealed with concrete block and backfilled a minimum of 25 feet. Both MSHA and the Division approved the portal closures.

Corner Canyon

Corner Canyon is similar to Mudwater Canyon. Both sites were developed as portal breakouts before the enactment of SMCRA and were only accessible through the mine or by foot. PMC blended the site into the surrounding areas by restoring the natural drainages and feathering the edges into the natural ground.

PMC constructed log fences above the portals. Behind the fences, PMC placed backfill material. After PMC finished using the equipment, they took it underground. PMC collapsed the fences and the backfill side down covering the portals and part of the highwalls. PMC then seeded the site so that vegetation would be established and stabilize the soil.

Again, PMC was unable to eliminate all the highwalls. Because the highwalls were pre-SMCRA, the R645-301-553.500 rules applied. The Division allowed the allowed highwall retention because:

- The amount of available material was insufficient to completely backfill the highwalls.
- The size and type of equipment that could be transported through the mine was limited.
- Because of the need to keep the portals open until all earthwork was completed, PMC was limited to the amount of backfill they could place against the highwalls.

All portals were sealed with concrete block and backfilled a minimum of 25 feet. Both MSHA and the Division approved the portal closures.

Lion Deck, Number 2 Mine, Number 1 Mine, and Main Mine Facilities Area

Those sites were developed before the enactment of SMCRA. Neither PMC nor the Division was aware of any excess spoil at the Star Point Mine.

Most of the surface disturbance at Star Point Mine occurred before the passage of SMCRA. Therefore, premining topographic maps are not available. The Division cannot determine how closely the postmining slopes resemble the premining slopes. What the Division could do was determine if the postmining slopes blended into the undisturbed areas. The Division made that finding as part of the July 22, 2002 technical analysis that designs for the reclaimed slopes will blend into the surrounding area.

The Division analyzed the slope stability information as part of the July 22, 2002 technical analysis. In that analysis, the Division found that the slope designs were adequate to ensure PMC would construct slopes that have a minimum safety factor of 1.3.

In the July 18, 2002 application, PMC stated that the angle-of-repose for the backfill material is 1.5 H to 1.0 V. None of the reclaimed slopes are steeper than 1.5 H to 1.0 V; therefore, the reclaimed slopes will not exceed the angle-of-repose.

The reclaimed slopes usually do not exceed a slope angle of 2.0 H to 1.0 V. PMC had the slopes pocked during reclamation. The Division found that slopes at that steepness that have been roughened control erosion until vegetation can be established.

The Star Point Mine was constructed pre-SMCRA. Therefore specific rules apply to the reclamation of highwalls, see R645-301-553.500.

The Division approved the retention of highwall remnants at the Lion Deck area because of the need to preserve County Road 290. There was a tradeoff between eliminating the highwall remnants and preserving the County Road 290. The Division made findings about highwall retention during the permit process and when PMC submitted amendments. The Division's findings were scattered in several documents. The Division summarized the findings and provided them to PMC, who incorporated the findings into the bond release package.

On April 8, 2004, the Division received cross sections that showed the operational surface, the proposed reclamation surface and the as-built surface. The as-built drawings are similar to the reclamation designs. The as-built designs show the following:

- PMC reclaimed the pre-SMCRA highwalls to the standards in the approved reclamation plan.
- PMC covered all coal seams with a minimum of four feet of cover.
- PMC reclaimed the cutslopes according to the approved reclamation plan.

The Division found that the Main Mine Site meet the AOC requirements because the site meet the general requirement of blended into the surrounding area and the specific requirements for handling excess spoil, highwall elimination and erosion control were meet.

All portals were sealed with concrete block and backfilled a minimum of 25 feet. Both MSHA and the Division approved the portal closures.

While not technically a mine opening the stope hole was backfilled with noncombustible materials from the bottom to the top and PMC monitored the settling of the fill material. When needed, PMC placed additional material in the stope hole. PMC monitored the stope hole and found area to be stable for past eighteen months. PMC will monitor the site until Phase III bond release. If additional settling should occur, the Division will require PMC to fix the problem.

Carbon County wanted the road to remain open because it provides access to radio relay towers that are used by the County's emergency response agencies. In addition, the road provides access to public and private property on Gentry Mountain. In a letter dated April 7, 2004, the County agreed to take over road maintenance.

Unit Train Loadout Facility

The Unit Train Loadout Facility was built pre-SMCRA. None of the operators generated any excess spoil at the site and there is no evidence anyone placed spoil at the loadout. Therefore, no excess spoil piles exist at the loadout.

The Division analyzed the slope stability information as part of the July 22, 2002 technical analysis. In that analysis, the Division found that the slope designs were adequate to ensure PMC would construct slopes that have a minimum safety factor of 1.3 or greater.

In the July 18, 2002 application, PMC stated that the angle-of-repose for the backfill material was 1.5 H to 1.0 V. The reclaimed slopes are gentler than 1.5 H to 1.0 V, thus the V reclaimed slopes did not exceed the angle-of-repose.

Because the loadout was built pre-SMCRA, there are no maps that show the pre-disturbed topography. Therefore, the Division cannot evaluate how well PMC restored the site to the original topography. Instead, the Division determined if the reclaimed site blended into the surrounding area then the general AOC requirement would be met.

When PMC started backfilling and grading at the Unit Train Loadout Facility, they discovered that the reclamation plan was inadequate because:

- The reclamation plan was based on maps with ten-foot contours.
- The large contour interval did not show stream channels in the correct locations.
- Cutslopes were not well defined.

PMC modified the reclamation plans to fit the site conditions. The significant changes to the reclamation plan included:

- The as-built drawing for cross section H-3 to H-3' is much different than the design because the cutslopes were covered with ten feet more fill than originally scheduled. The placement of additional material required that PMC modify the surface configuration.
- The area that sloped towards channel SPRD-35 was steeper than shown in the reclamation plan. The field changes resulted in PMC placing more cover on the cutslopes.
- PMC moved the location of SPRD-36B so that the ditch would intercept more surface flow.
- PMC did not construct SPRD-37 when they discovered that they would build the ditch in Mancos Shale. Flows over Mancos Shale would result in high sediment loads that would clog the channel. Instead of building a channel, PMC built energy dissipaters at the base of the slopes, therefore eliminating the need for SPRD-37.

PMC showed the topography of the loadout on Map 542.200c. The contours in the reclaimed area blend into the surrounding lands. The drainage patterns outside the disturbed area appear to complement those inside the disturbed area.

No mining occurred at the loadout, so no highwalls exist at the site.

PMC left the road that provides access to Utah Railway's tracks. Utah Railway not only uses the road for access to their equipment but ConocoPhillips uses the road for access to natural gas wells in the area. The road is in good condition and on Utah Railway's property.

The Division found that the Unit Train Loadout Facility meet the AOC requirements because the site meet the general requirement of blended into the surrounding area and the specific requirement for erosion control. Excess spoil and highwalls were not present at the site.

CHRONOLOGY FOR PHASE I BOND RELEASE

Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon County, Utah

August 6, 2004

November 6, 2003

PMC submitted Phase I bond release application for the Star Point Mine for all disturbed areas with the exception of the refuse pile and associated topsoil stockpile areas that are part of the Star Point Waste Fuel permit, the well pad and associated utility corridor associated with the ConocoPhillips natural gas well .

November 18, 2003

The Office of Surface Mining wrote the Division a letter stating that the PMC's request for Phase I bond release is not a mine plan modification.

January 15, 22, 29, and February 5, 2004

The phase I bond release is published for four consecutive weeks in the Sun Advocate.

February 5, 2004

Affidavit of publication signed by Ken B. Larson, publisher for the Sun Advocate, that the public notice for the Phase I bond release for the Star Point Mine was published for four consecutive weeks.

March 29, 2004

End of 60-day public comment period, the Division did not receive any public comments about the proposed Phase I bond release.

March 30, 2004

PMC informed surface and subsurface owners by letter that PMC applied for Phase I bond release at the Star Point Mine.

April 7, 2004

Letters from Evan Hansen, Carbon County Engineer and Ray Hanson, Carbon County Road Supervisor to Carbon County Board of Commissioners state that the County Road 290 is in good repair and PMC did the required maintenance.

May 26, 2004

The Division sent letters to all potentially interested parties stating the location and time of the Phase I bond release inspections.

June 23, 2004

The inspection team left the meeting site, intersection of Highway 10 and Highway 122, at 9:15 AM and proceeded to the overview for Corner Canyon. Mike Smith declined to go on the hike. The inspection team arrived at the trailhead at 10:30 AM and hiked to the site. They arrived at 11:15 AM, stayed until noon and returned to the trailhead at 1:30 PM. In attendance were:

Mitch Rollings, OSM
Johnny Pappas, Plateau Mining Corporation
Layne Jensen, Earth Fax Engineering
Mike Smith, USFS
Wayne Western, DOGM

June 23, 2004

The Mudwater Canyon bond release inspection began the hike to the site at 2:00 PM, the inspection party reaching the site at 3:00 PM, the inspection concluded at 3:45 PM and the inspection party returned to the trailhead at 5:30 PM. In attendance were:

Johnny Pappas, Plateau Mining Corporation
Layne Jensen, Earth Fax Engineering
Wayne Western, DOGM

June 24, 2004

The inspection party arrived at the Lion Deck at 9:30 AM on June 24, 2004 and ended at 4:20 PM at the Unit Train Loadout. The weather was partly cloudy when the inspection began, thunderstorms began around 11:00 AM and light rain began about 2:30 PM and lasted until 3:30 PM. In attendance were:

Angela Wadman, Geologist, BLM, Price Office
Sue Burger, Physical Scientist, BLM, Price Office
Mitch Rollings, OSM, Denver Office
Johnny Pappas, Plateau Mining Corporation

Layne Jensen, P.E., Earth Fax Engineering
Pam Grubaugh-Littig, Permit Supervisor, DOGM
Priscilla Burton, Soil Scientist, DOGM
Wayne Western, Engineer, DOGM

SUMMARY OF FINDINGS

Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon County, Utah

August 6, 2004

SUMMARY OF FINDINGS

The Phase I bond release findings for Star Point Mine were part of the technical analysis dated March 25, 2004 that the Division did for the bond release application. The technical analysis refers to findings that the Division made about highwall remnant and cut slope retention were in a memo dated July 19, 2002.

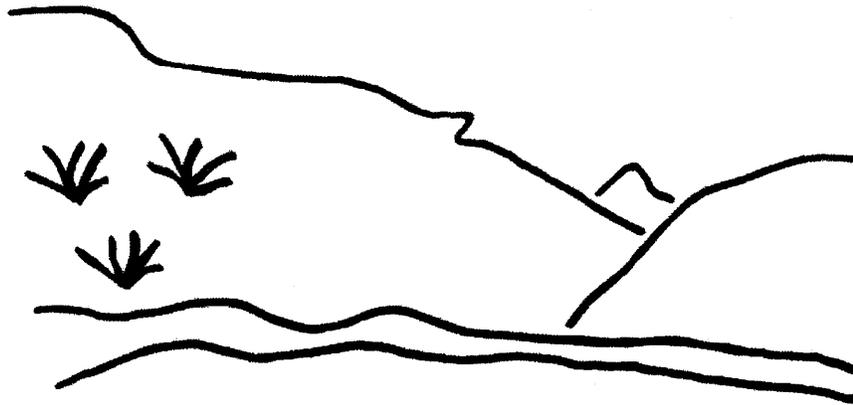
PMC advertised the request for Phase I bond for four consecutive weeks in the Sun Advocate on January 15, 22, 29 and February 5, 2004. The Division did not receive any comments during the public comment period.

On June 23, 2004 and June 25, 2004 bond OSM, BLM, USFS and the Division conducted release inspections. During the on site inspections no problems were identified.

PHASE I BOND RELEASE RECOMMENDATION

The Division recommended that Phase I bond release at the Star Point Mine be granted for \$4,677,600, with the new bond being \$3,118,400. The current bond was escalated to the year 2004. R645-301-830.300 requires that bond have an escalation factor, which the Division does at midterm (currently). The Division determined that the bond amount escalated to 2009 dollars would be \$3,542,502 at the currently escalation rate of 2.59%. The Division rounds the bond amount to the nearest \$1,000 so the new bond should be \$3,543,000.

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Star Point Mine
Phase I Bond Release 93.5 Acers
C/007/0006, Task ID # 1910
Technical Analysis
May 25, 2004

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TECHNICAL ANALYSIS

TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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Task ID #1910
May 25, 2004

TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

The Plateau Mining Company (PMC) ceased mining operations at the Star Point Mine on February 11, 2000 and began reclamation. In 2001, reclamation work included demolition of the Unit Train Loadout Facility and subsequent backfilling and grading of the immediate areas. In addition, No. 1 Mine Road area was backfilled and graded. PMC then reestablished drainages at the site.

In 2002, PMC completed demolition work at the Main Mine Site and backfilling and grading. In addition, in 2002, the Division approved a postmining land use change to facilitate the installation of two coal-bed methane wells and utility corridors by ConocoPhillips within the Star Point Mine permit area.

PMC also reclaimed remote portals at Mudwater Canyon and Corner Canyon.

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May 25, 2004

INTRODUCTION

GENERAL CONTENTS

GENERAL CONTENTS

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

The Division reviewed the approved mining and reclamation plan (MRP) for violation history information during Task #1768. The approved MRP had violation history information for the Star Point Mine, but did not contain any violation history for any of PMC or related companies other coal mining and reclamation operations. The last violation information for PMC was in 1997, which is current except for the violation issued in 2003. The Division since determined that this issue was not applicable to the phased bond release process.

Findings:

The information submitted and contained in the MRP are acceptable.

PERMIT APPLICATION FORMAT AND CONTENTS

Regulatory Reference: 30 CFR 777.11; R645-301-120.

PMC replaced cross section M-1 to M-1' on Map 542.200b with cross sections K-K' and L-L'.

PMC and the Division reviewed the acreage amounts in the bond release application and found that the number was incorrect. When the acreages were first summed the areas for Mudwater Canyon and Corner Canyon accidentally were added twice. Instead of 95.3 acres, the actual amount eligible for Phase I bond release is 93.77 acres, which is the disturbed area listed in the mining and reclamation plan.

PMC listed the disturbed area as 93.77 acres on Table 321.100b (incorporated December 2004). Maps 542.200 a, b, c all indicate that the Phase I bond release is for 93.77 acres.

In the introduction section of the Star Point Mine Phase I bond release application received April 8, 2004, PMC listed the reclaimed acreage as:

GENERAL CONTENTS

- Year 2000 Mudwater Canyon (1.10 acres) and Corner Canyon (0.44 acres).
- Year 2001 No. 1 Mine (35.0 acres) and Unit Train Loadout Facility (10.0 acres).
- Year 2002 Lion's Deck and Pond 1 (24.5 acres) and Overland Conveyor and Main Channel Areas (22.5 acres).
-

When the Division asked PMC why the area they sought for bond release was different than the disturbed area PMC replied that the acreage figures in the bond release application are approximate and that they are seeking Phase I bond release for the entire disturbed area at the Star Point Mine, which is 93.77 acres.

The Division reviewed the bond release numbers and determined that the errors were minor and that PMC did not have to republish the public notice. PMC agreed to make the changes on the clean copies, which they will submit.

Findings:

The application meets the minimum requirements for this section of the regulations.

RECLAMATION PLAN

RECLAMATION PLAN

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The public notice included as Exhibit 117.200a stated the surety amount was \$7,643,000 for which PMC requested that the Division release \$4,585,800.00 or 60% of the total bond when they approve Phase I bond release. The Division revised the bond amount from \$7,796,000 to \$7,643,000 when they approved Amendment AMOD-1. The posted bond of \$7,796,000 will remain in effect until the Division receives a rider relative to the bond release.

PMC requested 95.3 acres receive Phase I bond release. The areas for Phase I bond release include:

- Lion Deck, main mine facilities, unit train loadout, associated roads, ponds and facilities and the reconstructed channel of Serviceberry Creek, together all those areas comprise 93.77 acres.
- Mudwater Canyon site consists of 1.10 acres.
- Corner Canyon consists of 0.44 acres.

The reclaimed land belongs to PMC and the State of Utah (Surface Ownership Map 112.500a).

PMC included a notarized statement that they accomplished all reclamation activities in accordance with the coal mining and reclamation regulations and with the approved reclamation plan. PMC showed the reclamation activities on Map 542.200a - Map 542.200a3 and Map 542.200b, Map 542.200c and Map 542.200d1 and Map 542.200d2. On those maps PMC states the following reclamation activities occurred:

- Backfilling, grading and placing growth media/topsoil for Mine #1 and Mine #2 began in August 2001 and were completed in December 2001. PMC had growth media/topsoil paced concurrently with backfilling and grading.

RECLAMATION PLAN

- Backfilling, grading and placing growth media/topsoil for the Lion Deck, Ponds #1, Pond #2, and the Lower Facilities Area began in April 2002 and were completed in November 2002. PMC had growth media/topsoil paced concurrently with backfilling and grading.
- PMC showed the areas were they buried coal refuse with a minimum of four feet of cover material.

Findings:

The Permittee has met the minimum reclamation requirements for Phase I bond release.

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The Division couched the requirements for restoring a site to the approximate original contours (AOC) in the hydrology, postmining land use and backfilling and grading requirements. To clarify the requirements that pertain directly to AOC the Division developed Technical Directive 002. The Division used that document when they evaluated the AOC requirements.

The hydrology requirements for restoring the sites to AOC involved restoration of the drainage systems and sediment controls. In order to avoid duplication, the Division discussed the drainage systems and sediment controls in the hydrology section of the TA. The Division found that PMC meet all of the hydrology requirements for Phase I bond release. Therefore, the Division considered that hydrology requirements for AOC were meet.

The postmining land use requirements for restoring the site to AOC involve restoring the site so that the PMC and implement the postmining land use, which is wildlife habitat and grazing. The reclaimed areas are adequate for PMC to implement the postmining land use.

The general backfilling and grading criterion for compliance with AOC are, "Does the postmining topography, excluding elevation, closely resemble its premining configuration?" When answering that question the Division looks at the following two issues:

- The final grade of postmining slopes shall not exceed approximate premining slope grades and the postmining slopes will have a static safety factor of 1.3 or greater. The Division will take into consideration soil types, climate and other pertinent characteristics of the surrounding area in evaluating the adequacy of final graded slopes.

RECLAMATION PLAN

- In arid or semi-arid areas, vegetation alone may not adequately control erosion on steep slopes. Therefore, the Division will closely evaluate the slope gradients of reclaimed areas to ensure effective erosion control.

The specific requirements AOC requirements of backfilling and grading regulations are as follows:

- All spoil piles will be eliminated.
- Final surface configuration will blend into the surrounding topography.
- All highwalls will be eliminated.
- Erosion controls will prevent offsite impacts.

PMC sought Phase I bond release for the Main Mine Site, Unit Train Loadout Facility, Mudwater Canyon and Corner Canyon. The Division addressed each area separately in this section of the TA.

Main Mine Site

The Main Mine Site was developed before the enactment of SMCRA. Neither the Division nor PMC was aware of any excess spoil at the Main Mine Site. If any operator generated excess spoil, they would have placed it in the refuse pile area that PMC subsequently transferred to Sunnyside Cogeneration Associates. Therefore, the Division considers the issue of how excess spoil pile adequately addressed.

Most of the Star Point Mine site was disturbed pre-SMCRA. Therefore, premining topographic maps are not available. The Division cannot determine how closely the postmining slopes resemble the premining slopes. What the Division can do is determine if the postmining slopes blend into the undisturbed areas. The Division made that finding as part of the July 22, 2002 technical analysis that designs for the reclaimed slopes will blend into the surrounding area.

The Division analyzed the slope stability information as part of the July 22, 2002 technical analysis. In that analysis, the Division found that the slope designs were adequate to ensure PMC would construct slopes that have a minimum safety factor of 1.3.

In the July 18, 2002 application, the PMC stated that the angle-of-repose for the backfill material is 1.5 H to 1.0 V. None of the reclaimed slopes are steeper than 1.5 H to 1.0 V, therefore, the reclaimed slopes will not exceed the angle-of-repose.

The reclaimed slopes usually do not exceed a slope angle of 2.0 H to 1.0 V. PMC had the slopes pocked during reclamation. The Division found that slopes at that steepness that have been roughened control erosion until vegetation can be established.

RECLAMATION PLAN

The Star Point Mine was constructed pre-SMCRA. Therefore specific rules apply to the reclamation of highwalls, see R645-301-553.500.

The Division approved the retention of highwall remnants at the Lion Deck area because of the need to preserve County Road 290. There was a tradeoff between eliminating the highwall remnants and preserving the County Road 290. The Division made findings about highwall retention during the permit process and when PMC submitted amendments. The Division's findings were scattered in several documents. The Division summarized the findings and provided them to PMC, who incorporated the findings into the bond release package.

On April 8, 2004, the Division received cross sections that showed the operational surface, the proposed reclamation surface and the as-built surface. The as-built drawings are similar to the reclamation designs. The as-built designs show the following:

- PMC reclaimed the pre-SMCRA highwalls to the standards in the approved reclamation plan.
- PMC covered all coal seams with a minimum of four feet of cover.
- PMC reclaimed the cutslopes according to the approved reclamation plan.

The Division found that the Main Mine Site meet the AOC requirements because the site meet the general requirement of blended into the surrounding area and the specific requirements for handling excess spoil, highwall elimination and erosion control were meet.

Unit Train Loadout Facility

The Unit Train Loadout Facility was built pre-SMCRA. None of the operators generated any excess spoil at the site and there is no evidence anyone place spoil at the loadout. Therefore, no excess spoil piles exist at the loadout.

The Division analyzed the slope stability information as part of the July 22, 2002 technical analysis. In that analyst, the Division found that the slope designs were adequate to ensure PMC would construct slopes that have a minimum safety factor of 1.3 or greater.

In the July 18, 2002 application, the Permittee states that the angle-of-repose for the backfill material is 1.5 H to 1.0 V. The reclaimed slopes will not exceed the angle-of-repose.

Because the loadout was built pre-SMCRA, there are no maps that show the pre-disturbed topography. Therefore, the Division cannot evaluate how well PMC restored the site to the original topography. Instead, the Division determined if the reclaimed site blended into the surrounding area then the AOC requirements would be meet.

RECLAMATION PLAN

When PMC started backfilling and grading at the Unit Train Loadout Facility, they discovered that the reclamation plan was inadequate because:

- The reclamation plan was based on maps with ten-foot contours.
- The large contour interval did not show stream channels in the correct locations.
- Cutslopes were not well defined.
- Map inaccuracy resulted in reclamation activities being scheduled for undisturbed areas and no reclamation activities being scheduled for disturbed areas.

PMC and the contractor modified the reclamation plans to fit the site conditions. The significant changes to the reclamation plan included:

- The as-built drawing for cross section H-3 to H-3' is much different than the design because the cutslopes was covered with ten feet more fill than originally scheduled. The placement of additional material required that PMC modify the surface configuration.
- The area that sloped towards channel SPRD-35 was steeper than shown in the reclamation plan. The field changes resulted in PMC placing more cover on the cutslopes.
- PMC moved the location of SPRD-36B so that the ditch would intercept more surface flow.
- PMC did not construct SPRD-37 when they discovered that the ditch would be have been built in Mancos Shale. Flows over Mancos Shale would result in high sediment loads that would clog the channel. Instead of building a channel, PMC built energy dissipaters at the base of the slopes. Therefore eliminating the need for SPRD-37.

PMC showed the topography of the loadout on Map 542.200c. The contours in the reclaimed area blend into the surrounding lands. The drainage patterns outside the disturbed area appear to complement those inside the disturbed area.

No mining occurred at the loadout, so no highwalls exist at the site.

The Division found that the Unit Train Loadout Facility meet the AOC requirements because the site meet the general requirement of blended into the surrounding area and the specific requirement for erosion control. Excess spoil and highwalls were not present at the site.

Mudwater Canyon

The portal breakouts at Mudwater Canyon are remote facilities. No roads or trails lead to the site. The facilities were developed for ventilation reasons. Neither PMC nor its predecessors generated excess spoil at the Mudwater Canyon site.

RECLAMATION PLAN

Reclamation work at Mudwater Canyon was difficult because the type and size of equipment that could be transported through the mine. PMC used the following equipment:

- D-3 dozer.
- Mine-scoops.
- Portable conveyor and hopper.

PMC's main concern was to eliminate as much of the highwalls as possible. Because PMC had to transport the equipment back through the mine, the portals had to remain open until the earthwork was completed. The conventional method was to leave the highwalls exposed and just backfill the portals for inside the mine.

PMC used an innovative technique to reclaim the highwall area, i.e. they built log fences above the portals. PMC transported backfill material above the portals with the conveyor and hopper. The log fences kept the material in place. After PMC took the equipment underground, they allowed the fences to collapse, the backfill material slid down partially covering the highwalls and completely covering the portals. The method was successful and the Division awarded PMC an Earth Day award.

The amount of fill material at the site was limited because breakouts were developed pre-SMCRA. The cut material was not salvaged or stored. PMC used as much of the on site material as possible. However, some cutslopes and highwall remnants remained after reclamation due to lack of backfill material and equipment limitations.

The site does blend into the surrounding topography because:

- The drainages in the disturbed area complement those outside the disturbed areas.
- PMC feathered the reclaimed slopes into the undisturbed areas so that the transition appeared natural.
- The highwall remnants that remain are similar in size and shape to natural cliffs in the area.

PMC did not eliminate all the highwalls. Because the highwalls were pre-SMCRA specific rules apply to the reclamation of highwalls, see R645-301-553.500. The reasons the Division allowed highwall retention are:

- The amount of available material was insufficient to completely backfill the highwalls.
- The size and type of equipment that could be transported through the mine was limited.
- Because of the need to keep the portals open until all earthwork was completed, PMC was limited to the amount of backfill they could place against the highwalls.

RECLAMATION PLAN

Due to restraints of the size and type of equipment that could reach the site, PMC was unable to use pocking or other surface roughening techniques to stabilize the soil. They did apply mulch and seed the site, which minimize erosion.

Corner Canyon

Corner Canyon is similar to Mudwater Canyon. Both sites were developed as portal breakouts before the enactment of SMCRA and are only accessible through the mine or by foot. PMC blended the site into the surrounding areas by restoring the natural drainages and feathering the edges into the natural ground.

PMC constructed log fences above the portals. Behind the fences, PMC place backfill material. After PMC finished using the equipment, they took it underground. PMC collapsed the fences and the backfill side down covering the portals and part of the highwalls. PMC then seeded the site so that vegetation would be established and stabilize the soil.

Again PMC was unable to eliminate all the highwalls. Because the highwalls were pre-SMCRA, the R645-301-553.500 rules applied. The Division allowed the allowed highwall retention because:

- The amount of available material was insufficient to completely backfill the highwalls.
- The size and type of equipment that could be transported throw the mine was limited.
- Because of the need to keep the portals open until all earthwork was completed, PMC was limited to the amount of backfill they could place against the highwalls.

Findings:

The information provided in the amendment is considered adequate to meet the requirements of the AOC section of the regulations.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The general backfilling and grading requirements include the following:

RECLAMATION PLAN

- Achieve AOC.
- Eliminate highwalls, spoil piles and depressions.
- Achieve a postmining slope that does not exceed either the angle-of-repose of such lesser slope a necessary to achieve a minimum long term static safety factor of 1.3 and prevent slides.
- Minimize erosion and water pollution both on and off site.
- Support the postmining land use.
- Disposal of coal processing waste and underground development waste.
- Cover exposed coal seams, acid- and toxic forming materials.
- Prepare final graded surfaces in a manner that minimizes erosion and provides a surface for replacement of topsoil that will minimize slippage.

Many of the backfilling and grading requirements are address in other sections of the TA. To avoid duplication the Division will not repeat the analysis in this section. The general AOC requirements, highwall elimination and slope stability requirements are addressed in the AOC section of the TA. The Division addressed erosion control and water pollution requirements in the hydrology section of the TA. See the postmining land use section of the TA for those issues

PMC covered all coal seams with a minimum of 4 feet of clean material. PMC either used coal mine waste as backfill against the highwalls or buried the material in place with a minimum of 4 feet of cover. Since the Star Point Mine was an underground operation, no excess spoil was generated. PMC reclaimed all depressions including ponds as part of the backfilling and grading process. Therefore, PMC meet the backfilling and grading requirements.

Findings:

The information provided in the amendment is considered adequate to meet the requirements of the backfilling and grading section of the regulations.

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

Analysis:

All portals were sealed with concrete block and backfilled a minimum of 25 feet. Both MSHA and the Division approved the portal closures.

RECLAMATION PLAN

While not technically a mine opening the stope hole was backfilled with noncombustible materials from the bottom to the top and PMC monitored the settling of the fill material at the stope hole. When needed, PMC placed additional material in the stope hole. PMC monitored the stope hole and found area to be stable for past eighteen months. PMC will monitor the site until Phase III bond release. If additional settling should occur the Division will require PMC to fix the problem.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section of the regulations.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

Reclamation

PMC reclaimed all roads within the disturbed area boundary with the exception of:

- County Road 290.
- The road used to access Utah Railway's tracks.

PMC reclaimed the roads as part of the general backfilling and grading plan. The specific requirements for road closure are:

- Close the road to traffic.
- Remove all bridges and culverts unless approved as part of a postmining land use.
- Scarify or rip the roadbed and replace topsoil.
- Remove or dispose of road-surfacing material.

PMC closed all roads to traffic before reclamation. None of the reclaimed roads had bridges. PMC removed all culverts associated with the reclaimed roads. PMC used pocking and other techniques breakup the roadbeds to allow water infiltration and root penetration. No topsoil was available because the site was pre-SMCRA so PMC placed growth media on the roads. PMC removed and disposed of all road surfacing materials according to the requirements of the MRP.

RECLAMATION PLAN

Retention

The general requirements for road retention after reclamation are:

- The road was part of the postmining land use.
- The Division classified the road as a primary road.
- The road was located on a stable surface.
- The road was surfaced with materials sufficiently durable for the anticipated volume of traffic and weight and speed of vehicles using the road.
- The road was properly maintained.
- The culverts were designed and installed to sustain the vertical soil pressure and weight of the vehicles using the road.

PMC retained two roads in the disturbed area for the postmining land uses. The first road was County Road 290. Carbon County wanted the road to remain open because it provides access to radio relay towers that are used by the County's emergency response agencies. In addition, the road provides to public and private property on Gentry Mountain. In a letter dated April 7, 2004, the County agreed to take over road maintenance. While the mine was in operation, PMC had an agreement with the County to maintain those section of the road that were in the disturbed area.

PMC left the road that provides access to Utah Railway's tracks. Utah Railway not only uses the road for access to their equipment but ConocoPhillips uses the road for access to natural gas wells in the area. The road is in good condition and on Utah Railway's property.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section of the regulations.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

RECLAMATION PLAN

Analysis:

Hydrologic Reclamation Plan

PMC provided an introduction in the Phase I bond release application that described the sequence of reclamation. Reclamation began in the spring of 2000, following permanent cessation. In 2000, PMC demolished the conveyor system and preparation plant in the main canyon and removed equipment and machinery from the mine. Demolition, backfilling, regrading and reseeding took place at the fan portals in Corner Canyon and Mudwater Canyon. In 2001, PMC began reclamation of the No. 1 Mine, the Unit Train Loadout Facility. PMC backfilled, reggraded, placed topsoil, prepared topsoil, seeded continued in 2002, and they completed those tasks in 2003. PMC ceased water monitoring at wells and boreholes. PMC transferred the Star Point Refuse Pile and substitute topsoil stockpile areas to Sunnyside Cogeneration Associates.

In the process of dismantling and regrading the disturbed areas, PMC removed all hydrologic structures, which include ditches, berms, culverts and sedimentation ponds. Carbon County required that PMC retain the culverts under the County road. PMC graded the disturbed areas and drainage channels to the approximate original contour (AOC). The site had several steep drainage channels, which PMC stabilized during regrading. PMC used a reinforcement mat to provide a protective barrier in the channels to prevent erosion. During the site visit on May 14, 2004 parts of the matting could be seen, however it was keyed-in so runoff could not get underneath it. The mat appeared to be functioning properly. PMC removed all sedimentation ponds and other impoundments during reclamation. With the exception of Corner Canyon and Mudwater Canyon, PMC pocked all of the disturbed areas to capture overland flow and prevent excessive runoff.

Three water monitoring sites remain active, two surface sites (ST-1 on the North Fork of the Right Fork of Miller Creek and 10-1 in Sage Brush Canyon, and spring 971 until the citizen's complaint is resolved.

PMC transferred Ponds 5, 6 and 9 to SCA in November 2003.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section of the regulations.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

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

Bonded Area Map

The bonded area for the Star Point Mine is the same as the disturbed area. The bonded area changed during reclamation activities because:

- The Division granted Phase III bond release for 11.77 acres that ConocoPhillips used for access to a natural gas well and for a utility corridor. The reason the Division granted Phase III bond release was due to a change in the post-mining land use from grazing/wildlife to industrial. The Division approved Phase III bond release in December 2003. See Map 542.200c. The Division addressed all issues related to the site during Phase III bond release.
- PMC and Sunnyside Cogeneration Associates (SCA) entered into an agreement to transfer the refuse pile area from PMC's permit C/007/0006 to SCA's permit C/007/0042. The Division approved the limited permit transfer in November 2003. SCA operates a power plant that burns low-grade fuels such as coal refuse. SCA needed an additional source of fuel so they purchased the refuse pile from PMC. See Map 542.200c. The Division resolved all issues related to the refuse pile before the transfer.

The bonded area is shown on several maps. Due to the size of the project PMC was not able to show the entire bonded area on one map. The bonded area is shown on Map 542.200a-542.200c.

Reclamation Backfilling And Grading Maps

PMC gave the Division as-built maps and cross sections for the reclaimed areas. Maps 542.200a-542.200c showed the reclaimed areas at a scale of 1" = 200'. PMC also gave the Division Maps 542.200a1-542.200a3 which show most of the reclaimed area at a scale of 1" = 40'. Layne Jensen, a registered professional engineer, certified all the maps.

The maps and cross sections were sufficient for the Division to make findings about the backfilling and grading, and approximate original contour requirements.

Reclamation Facilities Maps

The only facilities that will remain after Phase I bond release are County Road 290, and Utah Railway's Access Road. Those roads are shown on Maps 542.200a-542.200c.

RECLAMATION PLAN

Final Surface Configuration Maps

The final surface configuration maps were discussed in the AOC and backfilling and grading section of the TA. They were also discussed in the reclamation backfilling and grading maps subsection. The maps were adequate for the Division to make findings about backfilling and grading as well as AOC.

Certification Requirements.

All required maps have been certified by a registered professional engineer.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section of the regulations.

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

Determination of Bond Amount

PMC wanted to reduce the bond amount from \$7,643,000 to \$4,585,800, a 60% reduction which is the maximum amount allowed under R645-301-880.130.

The disturbed area at the Star Point Mine contains 95.3 acres. The Division must retain enough money after Phase I bond release to ensure that they can complete reclamation if PMC fails to do the revegetation or if the revegetation fails and they were unable/unwilling to complete the revegetation program. The per acre amount that the Division would have after Phase I bond release is at least \$48,120 per acre. That amount is sufficient to ensure that the revegetation is completed.

Findings:

The information provided in the bond release application is considered adequate to meet the requirements of this section of the regulations.

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

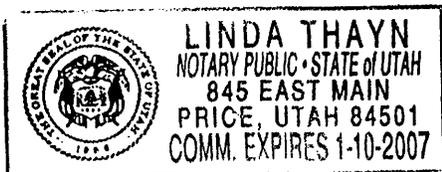
Ken G Larson - Publisher

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

Linda Hayn

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 Watis 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.

INCORPORATED

JUN 02 2004

DIV OF OIL GAS & MINING

TECHNICAL FIELD VISIT

Utah Coal Regulatory Program

July 27, 2004

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Priscilla W. Burton, Environmental Scientist III/Soils
Wayne H. Western, Environmental Scientist III/Engineering

RE: Technical Field Visit, Phase I Bond Release, Plateau Mining Corporation, Star Point Mine, C/007/006, Task ID #1910

Attendees: Angela Wadman, Geologist, BLM, Price Office
Sue Burger, Physical Scientist, BLM, Price Office
Mitch Rollings, OSM, Denver Office
Johnny Pappas, Plateau Mining Corporation
Layne Jensen, P.E., Earth Fax Engineering
Pam Grubaugh-Littig, Permit Supervisor, DOGM
Priscilla Burton, Soils, DOGM
Wayne Western, Engineer, DOGM

Date & Time:

The inspection party arrived at the Lion Deck at 9:30 AM on June 24, 2004 and ended at 4:20 PM at the Unit Train Loadout. The weather was partly cloudy when the inspection began, thunderstorms began around 11:00 AM and light rain began about 2:30 PM and lasted until 3:30 PM.

Purpose:

The inspection team conducted the site visit to determine if all disturbed areas at the Star Point Mine with the exception of the facilities at Mudwater Canyon and Corner Canyon meet the minimum requirements for Phase I bond release. Mudwater and Corner Canyon's were inspected on June 23, 2004.

TECHNICAL FIELD VISIT

Observations:

The disturbed area at the Star Point Mine excluding Mudwater Canyon and Corner Canyon consisted of 92.24 acres. In Section 521.163 of the MRP, PMC indicated that they showed the area covered by the performance bond on Maps 521.121a through 521.121d. PMC divided the disturbed area into the following subareas:

- Lion Deck.
- Number 2 Mine.
- Number 1 Mine.
- Main Mine Area.
- Unit Train Loadout.

Because of the size of the Star Point Mine, the Division addressed each of the subareas separately.

Lion Deck

At 9:30 AM, the inspection party arrived at the Lion Deck, where the portals for the Wattis Seam and mine support facilities were located. County Road 290 went through the Lion Deck when the mine was operational, after reclamation the road remained open because it provided access to Gentry Mountain. Items inspected at the Lion Deck were:

Highwall Remnants:

The Division approved the retention of highwall remnants at the Lion Deck in order to allow County Road 290 to remain open. The Division restated the findings in a letter to PMC dated March 19, 2004. If PMC had backfilled the highwalls, either the fill would have blocked the County Road 290 or the backfilled slopes would have been so steep that they would have been unstable.

The highwall remnants were approximately 400 feet in length and a maximum of 40 feet height. The highwall remnants were in competent sandstone. The inspection party found that the highwalls were stable and compatible with the postmining land use of wildlife habit, grazing and public access to Gentry Mountain.

The specific highwall remnant items that the inspection party looked at were:

TECHNICAL FIELD VISIT

- Did the highwall remnants pose a safety hazard to the public? The highwall remnants were in competent sandstone. There was no evidence that slope failure occurred in natural rock outcrops. Therefore, the risk of slope failure to the public was no more than slope failure in the surrounding area. While the highwall remnants were a potential fall hazard, the risk to the public was no greater than from natural cliffs in the area.
- Did the highwall remnants pose an environmental hazard? The major concern was that runoff from the highwall remnants could cause erosion. The lower sections of the highwalls were backfilled, pocked (surface roughening technique) and seeded. PMC did the earthwork and seeding in 2002. The pocks were able to retain all the runoff, which prevented erosion. Layne Jensen mentioned that his soil loss calculations showed that more erosion occurred on the natural slopes than occurred on the pocked areas.
- Were the highwall remnants compatible with the postmining land use? The main reason for leaving the highwall remnants was to support the postmining land use. If PMC had eliminated the highwalls, the backfill would have blocked County Road 290, which was needed for postmining land use of public access to Gentry Mountain, or the backfilled slopes would have been unstable. Under either condition not all of the postmining land uses could have occurred.

Cutslopes:

The Lion Deck Area contains both pre-SMCRA and post-SMCRA cutslopes. The pre-SMCRA cutslopes totaled 1,000 feet long and they were up to 30 feet high. The post-SMCRA cutslopes totaled 2,600 feet and they were up to 30 feet high. Had the cutslopes along County Road 290 been completely reclaimed the fill would have blocked the road.

The Division did not have specific standards for cutslope reclamation or cutslope retention. Because the cutslopes were constructed in a steep canyon, the natural slopes had safety factors of less than 1.3. Therefore, total elimination of the cutslopes and meeting the slope stability requirements were not possible. As with the highwall remnants the inspection party found that the cutslope remnants were not hazards to the public or the environment.

County Road 290:

PMC moved part of the County Road 290 during reclamation at the Lion Deck so that the road would be on stable ground instead of fill. The inspection party found that the road appeared to be stable and was in good order.

TECHNICAL FIELD VISIT

During the inspection, Mr. Rollings asked why the gouging and seeding did not include all of the disturbed area between County Road 290 and the former Treatment Facility #1 (see map 542.200a and map 521.121a and page 500-44). He questioned whether this untreated section of outslope would be included in the percent cover in the final bond release evaluation. He wondered if PMC should stabilize that section of slope. The Division stated that the area in question was not part of the disturbed area. See Map 521.121a for the location of the disturbed area boundaries.

Backfill and Grading:

Plates submitted with the Phase I bond release application, Task ID #1910, indicated that PMC placed 113,532 CY of mine waste against the Lion Deck cutslopes and highwalls (Map 542.200a). They also placed demolition debris and asphalt against the cutslopes. PMC filed the location of the debris fill with the County Recorder's Office as required by the permit by rule, which allowed the debris to be disposed on site. PMC indicated that approximately 100,000 CY of fill from the adjacent road outslope was used to cover the coal mine waste and debris.

The backfill appeared to be stable, although the stope hole has settled 1 – 2 ft. A stake on the slope marked the stope hole and PMC committed to monitor the site.

The inspection party found no signs of slumps or slides. The pocks were in good shape and prevented erosion. Since the site was pre-SMCRA, no topsoil had been salvaged. Therefore, available soils from the outslope of the road was spread over the reclaimed surface (as described in the MRP.) PMC spread two tons of hay per acre over the site with an excavator during reclamation; they pocked the surface and seeded the site. Afterwards PMC spread 1,500 lbs of straw per acre over the seeded site and anchored it with 500 pounds/acre of hydromulch/tackifier.

The inspection team noted penstamen, flax, and grasses were on the reclaimed site. The penstamen and flax were in full bloom. A crew had walked the site just recently, hand spraying a cocktail of 2-4-D, Round-Up and Escort to prevent establishment of noxious weeds (i.e. Scotch thistle, Canadian thistle).

Hydrology:

There were no sediment ponds at the Lion Deck after reclamation. Sediment control consisted of pocks and channels. Pocks proved to be effective in controlling runoff from the slopes. After a wet winter and spring, the inspection party found very little evidence of erosion on the slopes.

PMC used a synthetic fabric (Pyramat) to construct the intermittent and ephemeral

channels. PMC keyed the Pyramat into the slope using soil, rocks, and 18-inch steel pins. PMC placed check slots every thirty feet, so that erosion of a length of Pyramat would not extend down the entire channel. During reclamation, PMC placed two to four inches of soil over the Pyramat. Eventually vegetation will grow in the holes in the Pyramat and create a natural looking channel. The vegetation will slow the runoff and reduce erosion. After only one season, the inspection party noted vegetation in the channels.

Erosion of soil cover over the Pyramat had occurred in some channel sections before vegetation could be established (i.e. channel SPRD 17 b). However, the fabric prevented the channels from eroding. The inspection team found that the channels and pocks functioned properly.

Number 2 Mine

The Number 2 Mine Site consisted of a small area where portals had been constructed to access the Wattis Seam. As with the Lion Deck Area, County Road 290 ran through part of the Number 2 Mine. The Division allowed highwall remnants and cutslopes to remain at the site.

Highwall Remnant:

The highwall at the Number 2 Mine was approximately 300 feet long, with 100 feet being next to County Road 290. As at the Lion Deck, total highwall elimination would have blocked County Road 290.

The limiting factor for reclaiming the other 200 feet highwall section was slope stability. Since the natural slopes had safety factors of less than 1.3, total highwall elimination would have required that the reclaimed slopes had a safety factor of less than 1.3. The Division determined that slope stability was more important to public safety and environmental protection than total highwall elimination.

The specific items that the inspection party looked at were:

- Did the highwall remnants pose a safety hazard to the public? The highwall remnants were in competent sandstone. The risk of slope failure was minimal. The area around the highwall was steep which limited access by the public, so the fall hazard was similar to the natural cliffs in the area.
- Did the highwall remnants pose an environmental hazard? The area was backfilled in 2000. The inspection party found that the backfill was stable over the past 4 years and there was no sign of erosion. The highwalls were not an environmental hazard.

TECHNICAL FIELD VISIT

- Were the highwall remnants compatible with the postmining land use? The highwall remnants would not interfere with the postmining land uses, which were public access to Gentry Mountain, grazing and wildlife habitat.

Cutslopes:

The cutslopes at the Number 2 Mine are pre-SMCRA and approximately 200 feet long and 30 feet high. If the cutslopes had been backfilled, the reclaimed slopes would not meet the minimum safety factor requirement of 1.3 or greater.

The cutslopes were similar to the highwall remnants. The inspection team found that they were not a public safety hazard, posed environmental risk, or interfered with the postmining land use.

County Road 290:

The inspection party found that the road appeared to be stable and was in good order.

Backfilling and Grading:

Mr. Rollings inquired whether the Division required cover over all coal seams or just the mineable coal seam. The Division replied that on a pre-SMCRA site, they would allow the rider seams to be left exposed. The BLM representatives agreed with this assessment. The backfill appeared to be stable. The inspection party found no signs of slumps or slides. The pocks were in good shape and prevented erosion.

Hydrology:

There were no sediment ponds or other hydrologic structures at the Number 2 Mine. Pocks controlled runoff. The inspection team found no rills or gullies.

Number 1 Mine

Highwall Remnants:

Mine Number 1 was constructed pre-SMCRA. The Division approved the retention of highwall remnants because of slope stability limitations. The highwall remnants are in competent sandstone and appeared to be stable.

The specific items that the inspection party looked at were:

TECHNICAL FIELD VISIT

- Did the highwall remnants pose a safety hazard to the public? The highwall remnants were in competent sandstone. The inspection party did not find any failure of the highwall remnants. The highwall remnants are located in a steep canyon, which restricts access by the public. Natural cliffs in the area posed a similar fall hazard.
- Did the highwall remnants pose an environmental hazard? The major concern was that runoff from the highwall remnants could cause erosion. There was no evidence of erosion or slope failure on the slopes below the highwall remnants.
- Were the highwall remnants compatible with the postmining land use? The highwall remnants will not interfere with the postmining land use of wildlife habitat and grazing. The highwall remnants are similar to nature cliffs in the area.

Cutslopes:

The cutslopes at the Number 1 Mine were pre-SMCRA. There are cutslopes in the pad area and along the mine access road. The cutslope remnants associated with the pad areas were similar to the highwall remnants. The inspection team made the same finding for the pad cutslopes remnants as they did for the highwall remnants.

The mine road that provided access to the Number 1 Mine was constructed in a steep canyon. The safety factor of the natural slopes was less than 1.3. Therefore, totally reclaiming the cutslopes and achieving a safety factor of 1.3 or greater was impossible.

The cutslopes along the mine access road were stable since 1916. The inspection team found no sign of failure along the mine access road.

Backfill and Grading:

Approximately 40,000 CYs of fill from Sediment Pond #3 embankments were used to reclaim Mine #1. The soil contained approximately 25% coal fragments. The dry soil color is 2.5Y 6/2. The backfill appeared to be stable. The inspection party found no signs of slumps or slides. The pocks were in good shape and prevented erosion. The site was seeded in the Fall of 2001 and the inspection team noted flax, penstamen, purple mustard, winterfat, foxtail, rice grass, Great Basin wildrye at the higher elevations of Mine #1 site. The vegetation and soil type changes to Kochia and halogeton on the lower portion of the access road up to the former Sediment Pond #3.

TECHNICAL FIELD VISIT

Hydrology:

The hydrologic structures included channels constructed with fabric and channels constructed with riprap, and a plunge pool. The plunge pool was constructed as an energy dissipater in 2001. The plunge pool was not blocked by sediment and the area below the structure showed no signs of erosion or failure.

All the channels appeared to be in good condition. There were no signs that the runoff had gone outside the channel boundaries. The inspection team noted that the vegetation had controlled erosion.

Main Mine Site

Highwalls:

There were no highwalls associated with the Main Mine Site.

Cutslopes:

The cutslopes at the Main Mine Area were pre-SMCRA. The cutslopes were in competent rock and appeared stable. The Division allowed the retention of the cutslopes due to slope stability factors.

Backfill and Grading:

PMC buried demolition debris and asphalt at the Main Mine site (permit by rule). The location of the debris fill was filed in the County Recorder's Office and shown on reclamation maps.

The backfill appeared to be stable. The inspection party found no signs of slumps or slides. The pocks were in good shape and prevented erosion. The Main Mine area and channel was seeded in the Fall 2003. Yellow sweet clover dominates the slope and reclaimed sediment pond #2 area, along County Road 290 south of the main channel.

Hydrology:

The side channels entering the main channel were constructed of Pyramat fabric. Three additional side channels were constructed on the north side of the main channel in the fall of 2003 after a large rainfall event indicated the need. These new channels are between the two existing channels downstream of the historic buildings left on the north side of the channel.

Unit Train Loadout

Highwalls:

There were no highwalls at the Unit Train Loadout.

Cutslopes:

There were no exposed cutslopes at the Unit Train Loadout.

Backfill and Grading:

The former silo area is level and now serves as a staging area for the railroad. The backfill of the slopes appeared to be stable. The inspection party found no signs of slumps or slides. The pocks were in good shape and there was some sediment accumulation in the pocks, which showed the pocks were effective in controlling erosion. The Unit Train Loadout slopes were seeded in 2001. The inspection team noted shadscale and yellow sweetclover growing at this site.

Hydrology:

The only hydrologic structure at the Unit Train Loadout was a culvert that directed water underneath the railroad tracks. Vegetation and pocks controlled erosion. The inspection team found the Unit Train Loadout to be stable.

RECOMMENDATIONS/CONCLUSIONS:

In the future, the Division should bring operational photos of the site to bond release inspections and a map showing reclamation and operations contours for the site.

The Division should approve Phase I bond release for the areas covered by this inspection.

As noted during the inspection, letters of concurrence from all affected surface owners (BLM and F.S.) are required within 30 days of the inspection.

TECHNICAL FIELD VISIT

Utah Coal Regulatory Program

July 27, 2004

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III/Engineering

RE: Technical Field Visit, Phase I Bond Release Mudwater Canyon, Plateau Mining Corporation, Star Point Mine, C/007/006, Task ID #1910

Attendees: Johnny Pappas, Plateau Mining Corporation
Layne Jensen, Earth Fax Engineering
Wayne Western, DOGM

Date & Time:

On June 23, 2004, met at trailhead by relay towers at 2:00 PM and arrived at the site at 3:00 PM stayed until 3:45 PM and returned to trailhead by 5:30 PM. Weather was warm with clear to partly cloudy skies.

PURPOSE:

The inspection team conducted the site visit to determine if Mudwater Canyon met the minimum requirements for Phase I bond release.

OBSERVATIONS:

Reclamation at Mudwater Canyon was limited due to the remote location. The only access for machinery was through the mine. The type and size of equipment that Plateau Mining Corporation (PMC) could bring through mine was limited. In addition, since PMC had to send all the equipment back into the mine before they sealed the portals that restriction limited the amount of fill that they could place against the highwalls.

TECHNICAL FIELD VISIT

Highwall Remnants

Mudwater Canyon was a pre-SMCRA site. The limitation for highwall reclamation were:

- The size and type of equipment that PMC could bring through the mine was limited.
- The amount of material available for reclamation was limited because the site was pre-SMCRA.
- PMC had to take the equipment underground before they finished reclamation.

The specific items that the inspection party looked at were:

- Did the highwall remnants pose a safety hazard to the public? The highwall remnants were in competent sandstone. There was no evidence that slope failure occurred in natural rock outcrops. The area is very remote so few people would ever visit the site.
- Did the highwall remnants pose an environmental hazard? The team found the site to be stable. There was no sign of erosion or surface failure. Vegetation had become established which helped control surface runoff.
- Were the highwall remnants compatible with the postmining land use? The postmining land use was wildlife habitat and grazing. The highwall remnants did not interfere with those land uses. The highwall remnants were similar to nature cliffs in the area.

Cutslopes

Cutslopes or highwall remnants ran across the eastern edge of the site. The cutslopes are in competent sandstone and the area appears stable.

Backfill and Grading

The backfill appeared to be stable. The inspection party found no signs of slumps or slides.

Hydrology

The hydraulic controls at the site were surface roughening, vegetation, and straw bales. The inspection team found no signs of erosion on the areas subject to surface flows. On the north end of the site there is an ephemeral drainage. To control erosion PMC installed straw bales in 2000. The bales are still in place and functional. Vegetation in the ephemeral channel has been established and should control erosion after the straw bales fail.

RECOMMENDATIONS/CONCLUSIONS:

The Division's recommendation was to grant Phase I bond for the Corner Canyon Facilities. The Division found that the designs, including the retention of highwall remnants and cutslopes, met the requirements for backfilling and grading, including restoring the site to the approximate original contours.

cc: All Attendees
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TECHNICAL FIELD VISIT

Utah Coal Regulatory Program

July 27, 2004

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III/Engineering

RE: Technical Field Visit, Phase I Bond Release Corner Canyon, Plateau Mining Corporation, Star Point Mine, C/007/006, Task ID #1910

Attendees: Mitch Rollings, OSM
Johnny Pappas, Plateau Mining Corporation
Layne Jensen, Earth Fax Engineering
Mike Smith, USFS
Wayne Western, DOGM

Date & Time:

On June 23, 2004, the inspection team left the meeting site, intersection of Highway 10 and Highway 122, at 9:15 AM and proceeded to the overview for Corner Canyon. Mike Smith declined to go on the hike. The inspection team arrived at the trailhead at 10:30 AM and hiked to the site. They arrived at 11:15 AM, stayed until noon and returned to trailhead at 1:30 PM.

PURPOSE:

The inspection team conducted the site visit to determine if Corner Canyon met the minimum requirements for Phase I bond release. The minimum requirements were that backfilling and grading, which included topsoil/growth medium placement and drainage controls were completed.

OBSERVATIONS:

The Corner Canyon Facilities were located on 0.44 acres in the South Fork of Corner Canyon. The facilities consisted of a fan and five portals.

When the inspection team arrived on site, they determined the Plateau Mining Corporation (PMC) removed all the facilities and equipment from the site. PMC seeded the site in 2000 and the established vegetation appeared adequate to control erosion. The inspection team found no evidence of any activities other than reclamation occurred on site since 2000.

The facilities consisted of a fan and five portals. The fan and the two exhaust portals were located on the southern part of the site. The three intake portals were on the northern side. The exhaust portals and fan facility were discussed as one unit and the three intake portals were discussed as a separate unit.

Exhaust Portals and Fan Facility

The main items that the inspection team evaluated at the site were how well the highwalls and cutslope were reclaimed, the stability of the backfill material, and hydrologic controls.

Highwall Remnants

Corner Canyon was a pre-SMCRA site. PMC was unable to eliminate the highwalls because of the following restriction:

- The size and type of equipment that PMC could bring through the mine was limited.
- The amount of material available for reclamation was limited because the site was pre-SMCRA.
- PMC had to take the equipment underground before they finished reclamation.

The inspection team evaluated the safety of the highwall remnants as follows:

- Did the highwall remnants pose a safety hazard to the public? The highwall remnants were in competent sandstone. There was no evidence that slope failure occurred in the highwall remnants or in the natural rock outcrops. The highwall remnants were stable and did not pose a public safety risk.
- Did the highwall remnants pose an environmental hazard? The main environmental concerns involved runoff. Either the runoff coming off the highwall remnants would cause erosion or that runoff would go into the fill and cause stability problems. The inspection team found no signs of runoff going into the fill or of erosion.
- Were the highwall remnants compatible with the postmining land use? The postmining land use was wildlife habitat and grazing. The highwall remnants did not interfere with those land uses. The highwall remnants were similar to nature cliffs in the area.

TECHNICAL FIELD VISIT

Cutslopes

The cutslopes were pre-SMCRA. As stated in the highwall remnant section the amount of reclamation the PMC could be was limited. As with the highwall remnants the inspection party found that the cutslope remnants were not hazards to the public or the environment.

Backfill and Grading:

The backfill appeared to be stable. The inspection team found no signs of slumps or slides.

The inspection team found that the topsoil was stable and able to support vegetation.

Hydrology:

The only hydraulic control methods at the site were surface roughening and vegetation. The inspection team found no signs of erosion so those methods have been effective.

Intake Portals

The amount of disturbed area for each of the three portals was about 20 feet square. The only indications that the areas were disturbed were the change in slope at the undisturbed edges and lack of mature vegetation. There were no highwall remnants or cutslopes in the northern part of the site.

Backfill and Grading

The backfill appeared to be stable. The inspection found no signs of mass movement or instability.

The inspection team found that the topsoil was stable and able to support vegetation.

Hydrology

The only hydraulic control methods at the site were surface roughening and vegetation. The inspection team found no signs of erosion so those methods have been effective.

RECOMMENDATIONS/CONCLUSIONS:

The Division's recommendation was to grant Phase I bond for the Corner Canyon Facilities. The Division found that the designs, including the retention of highwall remnants and cutslopes, met the requirements for backfilling and grading, including restoring the site to the approximant original contours in a technical analysis date July 22, 2002. In the field inspection of June 23, 2004, the Division confirmed that PMC had properly backfilled and graded the site and that the hydrologic controls were adequate.

cc: All Attendees
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United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 2820-4

Date: July 27, 2004

Mary Ann Wright
Associate Director
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84501

RECEIVED

JUL 29 2004

DIV. OF OIL, GAS & MINING

J. Young
C/007/0006
Copy PAM

Dear Ms. Wright:

We concur that reclamation of the Corner and Mudwater Breakouts and the Vent hole on Gentry Mountain for the Plateau Mining Company Starpoint Mine has been completed satisfactorily, consistent with Phase I bond release criteria. Additionally, water-monitoring wells on Gentry Mountain have been plugged and reclaimed, however, these sites need to be monitored until re-vegetation has been determined to be in conformance with established ground cover standards.

As previously reported to your staff, several subsidence cracks within the Starpoint Mine Permit Area on Castle Valley Ridge pose a hazard to the public and wildlife. Reclamation of these cracks must be completed before we can concur with additional phases of bond release.

If you have any questions, please contact Tom Lloyd (435-636-3596) or Carter Reed (435-636-3547).

Sincerely,

Alice B. Carlton

ALICE B. CARLTON
Forest Supervisor

cc:
D-2/3





United States Department of the Interior

BUREAU OF LAND MANAGEMENT



Price Field Office
125 South 600 West
Price, Utah 84501

<http://www.blm.gov/utah/price/>

RECEIVED

JUL 28 2004

3474
(UT-070)

DIV. OF OIL, GAS & MINING

Pamela Grubaugh-Littig
Division of Oil, Gas and Mining
1594 West North Temple Ste 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

JUL 26 2004

Jacobs
4007/0006
Copy Pam ✓

Dear Mrs. Grubaugh-Littig:

After the Phase I Bond Release Inspection that took place on the 23rd & 24th of June, Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the Star Point Mine area. The BLM concurs with the reclamation that has taken place.

The Lion Deck, Number 1 mine site and associated haul roads, Serviceberry Creek recontouring, train load out, sedimentation pond and over land conveyor all have good vegetation growth. All coal resources have been protected due to sealing of all portals.

If you have any questions concerning this matter, please contact George Tetreault at (435) 636-3604.

Sincerely

Patrick Gubbins
Patrick Gubbins
Field Manager

cc: UT-92413, J. Kohler, Utah State Office