



United States Department of the Interior

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

IN REPLY REFER TO:

January 22, 2009

John R. Baza, P.E., Director
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210, P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Plateau Mining Corporation, Star Point Mine,
Utah Permit No. C/007/006, Phase II Bond Release

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the above *Phase II Bond Release State Decision Document* (decision) dated January 14, 2009. That decision includes the October 29-30, 2008 inspection report and "Summary of Findings" prepared by the Division of Oil, Gas, and Mining (DOGM). OSM's Denver Field Division (DFD) agrees with the findings in the decision document and hereby provides OSM concurrence for this 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 bond release application. The required public, governmental agency, and landowner notifications of the bond release application were provided by the permittee and are documented in the bond release application and subsequent correspondence.

The bond release inspection notifications provided by DOGM are documented either in the decision, the report for the bond release inspection that was conducted by DOGM on October 29-30, 2008, or related correspondence. DOGM sent an invitation letter informing interested parties of the bond release inspection on October 14, 2008. Inadvertently, OSM was not notified of or invited to the inspection and therefore did not participate. One attendee from the U.S. Bureau of Land Management (BLM) participated with DOGM personnel and the permittee's designated representative in the bond release inspection.

DOGM received a letter from the BLM concurring with the Phase II bond release on December 1, 2008, and the U.S. Forest Service, Manti-La Sal Forest concurred by letter dated January 7,

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DIV. OF OIL, GAS & MINING

2009 (copies enclosed). No other federal, state, or local government agencies are required to provide a concurrence for this bond release action. No written comments on the bond release application from the public, governmental agencies, affected surface landowners, or adjacent landowners are discussed by DOGM in their findings or decision document. DOGM's decision demonstrates the applicant's compliance with the Utah approved regulatory program at Rule R645-301-800, Bonding and Insurance. Phase II bond release criteria found in the above regulatory provision(s) have been met or exceeded by the permittee.

OSM has reviewed DOGM's *Phase II Bond Release State Decision Document* and bond release inspection report, as well as other pertinent documentation including maps, photographs, and the public notice. Phase I bond release criteria were previously met or exceeded by the permittee on this site and 95.3 acres were approved by DOGM for release on October 12, 2004. Revegetation establishment criteria are discussed in the "Summary of Findings" portion of the decision document and on page 6 of DOGM's inspection report. Analysis of the hydrologic balance is discussed on pages 3 and 4 of the inspection report, and the decision document recommends Phase II bond release due to the permittee's demonstration that sediment is being controlled over the reclaimed area. OSM finds that Phase II bond release criteria have been met or exceeded by the permittee on the 95.3 acres proposed for release.

The current amount of bond held for reclamation of the site is \$3,118,400.00 and the bond amount proposed for Phase II bond release is \$1,937,400.00. As noted above, this Phase II bond release applies to 95.3 acres of reclaimed disturbance which includes the surface facilities area in Sage Brush Canyon, the Unit Train Loadout area, #1 Mine and the breakouts in Corner Canyon and Mud Water Canyon. DOGM has determined that granting this release will reduce the current amount of bond for remaining reclamation liability at the site to \$1,181,000.00. This remaining bond will ensure environmental monitoring and reclamation success through Phase III bond release. Thus, DOGM's proposed release of \$1,937,400.00 from the current amount noted above leaves sufficient bond to make certain that all remaining reclamation requirements will be completed at the Star Point Mine, Utah Permit No. C/007/006.

OSM concurs with the findings in DOGM's Phase II bond release decision, and the Phase II bond monies proposed for release as documented above.

Thank you and your staff for coordinating this federal lands bond release through the DFD. Please direct any questions concerning this action to Howard Strand, Management/Program Analyst, at hstrand@osmre.gov or to (303) 293-5026.

Sincerely,



James F. Fulton, Chief
Denver Field Division

Enclosures

cc: Plateau Mining Corp.
BLM, Salt Lake City, UT
USFS, Price, UT

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BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, UT 84501
<http://www.blm.gov/ut/price>

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CC: Dave*

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In Reply Refer To:
3474
(LLUTG02000)

Daron Haddock
Utah Division of Oil Gas and Mining
PO Box 145801
Salt Lake City, Utah
84114-5801

Dear Mr. Haddock,

Subject: Phase II Bond Release Inspection

After the Phase II Bond Release Inspection that took place on the 29th of October, Plateau Mining Corporation has completed Phase II of the approved reclamation plan for the areas of Corner Canyon and Mud Water Canyon remote fan portals, surface facilities and the Lion Deck.

Plateau Mining Corporation has completed Phase II of the approved reclamation plan for the mine facilities, fan area, portals. The BLM concurs with the reclamation that has taken place.

If you have any questions concerning this matter, please contact Sue Wiler at (435)636-3651.

Sincerely,

Steve B G
Michael Stiewig
Acting for Field Office Manager

cc: J. McKenzie (LLUT-923000)
BLM - Utah State Office

C/007/006 Incoming



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

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File Code: 2820-4

Date: January 7, 2009

Daron R. Haddock
Permit Supervisor
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

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DIV. OF OIL, GAS & MINING

Subject: Phase II Bond Release Inspection of Reclaimed Areas, Plateau Mining Corporation, Star Point Mine, C/007/0006, Task ID #2968, Outgoing File

Dear Daron:

My staff has reviewed Plateau Mining Corporations application for the Phase II bond release for the Star Point Mine. This letter documents my concurrence with the bond release.

Please remind Plateau Mining Corporation that houndstongue has been added to the Utah list of noxious weeds. They are responsible to ensure that the houndstongue infestations are eliminated before final bond release.

Sincerely,

Pamela E. Brown
PAMELA E. BROWN
Forest Supervisor

