



United States Department of the Interior

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DIV. OF OIL, GAS & MINING

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

IN REPLY REFER TO:

February 12, 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: Correction of Phase II Bond Release Amount, Plateau Mining Corporation,
Star Point Mine, Utah Permit No. C/007/006

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the above document dated February 2, 2009 that corrects the Phase II Bond Release amount for Plateau Mining Corporation's Star Point Mine. The document includes the permittee's June 12, 2008 revised calculations accounting for 2008 unit costs and escalation through 2011, as well as a copy of the Division of Oil, Gas, and Mining's (DOGM) June 12, 2008 approval letter and the revised "incorporated" pages of the bond calculation. 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.

DOGM's January 14, 2009 *Phase II Bond Release State Decision Document* originally identified the bond release to be in the amount of \$1,937,400.00 for 95.3 acres of reclaimed lands, which would leave \$1,181,000.00 to cover the cost of revegetation through the remainder of the liability period. By letter dated January 22, 2009, OSM found that Phase II bond release criteria had been met or exceeded by the permittee on the 95.3 acres proposed for release and concurred with the findings in DOGM's decision document and the monies proposed for release. DOGM subsequently discovered an error in its decision document wherein the cost of revegetation amount had been revised to \$734,000.00 as a result of the permittee's revised calculations accounting for 2008 unit costs and escalation through 2011. Consequently, DOGM should have identified \$2,384,000.00 for bond release rather than \$1,937,400.00 in its January 14, 2009 decision document. This revised calculation would leave \$734,000.00 in place for the remainder of the liability period. There are no changes to the 95.3 acres of reclaimed lands that were originally applied for.

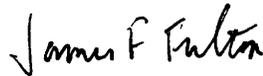
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OSM has reviewed DOGM's June 12, 2008 approval of the permittee's revised calculations accounting for 2008 unit costs and escalation through 2011 and the revised "incorporated" pages of the bond calculation. The current amount of bond held for reclamation of the site is \$3,118,000.00 and the corrected bond amount proposed for Phase II bond release is \$2,384,000.00. DOGM has determined that granting this release will reduce the current amount of bond for remaining reclamation liability at the site to \$734,000.00. This remaining bond will ensure environmental monitoring and reclamation success through Phase III bond release. Thus, DOGM's proposed release of \$2,384,000.00 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.

OSM concurs with DOGM's corrected Phase II bond amount 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

cc: Plateau Mining Corp.