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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0070006
R

February 2, 2009

James Fulton, Chief
Office of Surface Mining
P.O. Box 46667
Denver, CO 80201-6667

Subject: Correction on Phase II Bond Release Amount, Plateau Mining Corporation, Star Point Mine, C/007/0006, Task ID #2968, Outgoing File

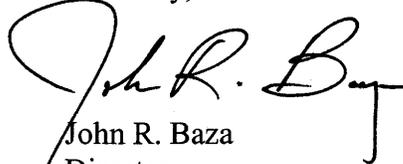
Dear Mr. Fulton:

On January 14, 2009 the Division sent you a Decision Document for the Phase II Bond Release at Plateau Mining Corporation's Star Point Mine. An error was subsequently identified in the Decision Document that needs to be corrected. The Division had originally identified the bond release to be in the amount of \$1,937,400.00 on 95.3 acres of reclaimed lands. This would leave \$1,181,000.00 to cover the cost of revegetation through the remainder of the liability period. While the acreage number is correct, the cost of revegetation number had actually been revised to \$734,000.00 on June 12, 2008 when the permittee submitted revised calculations accounting for 2008 unit costs and escalation through 2011. A copy of the Division's June 12th approval letter and the revised "incorporated" pages of the bond calculation is enclosed for your records.

This means that the Division should have identified \$2,384,000.00 for bond release rather than the \$1,937,400.00 that was in the Decision Document. This letter serves to correct the amount of Phase II bond release at the Star Point Mine to \$2,384,000.00. This will leave \$734,000.00 in place for the remainder of the reclamation liability period. There are no changes to the area or acreage that is being applied for. The Division intends on releasing bond in the amount of \$2,384,000.00. We ask for your concurrence on this corrected amount. Please provide your determination at your earliest convenience.

We apologize for any inconvenience this may have caused. If you have any questions or need further information, please feel free to call Daron Haddock at (801) 538-5325 or David Darby at (801) 538-5341.

Sincerely,


John R. Baza
Director

DRH/DD/sqs

Enclosure

cc: David Darby

Dennis Ware, PMC

O:\007006.STP\FINAL\Correction ltr.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801

telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



0010



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State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JK

June 12, 2008

Dennis N. Ware, Controller
Plateau Mining Corporation
P. O. Box 30
Helper, Utah 84526-0030

Subject: Conditional Approval of Phase II Bond Release, Task ID # 2968, Plateau Mining Corporation, Star Point Mine, C/007/0006

Dear: Mr. Ware:

The above-referenced amendment is conditionally approved upon receipt of eight clean copies prepared for incorporation. Please submit these copies by July 21, 2008 with the following additional information:

- An affidavit that the public notice was published.
- A map of the areas for which the Permittee is seeking bond release that shows the dates when reclamation was completed and the Division granted bond release.
- Update the reclamation cost estimate with 2008 unit costs and an escalation factor through 2011.

Upon receipt of the clean copies the Division will grant final approval of the amendment. Approval for bond release will be granted after the bond release inspection and when all other appropriate government agencies also approve bond release.

A stamped incorporated copy of the approved plans will also be returned to you at that time, for insertion into your copy of the Mining and Reclamation Plan. This modification does not necessitate an update to the Technical Analysis.

If you have any questions, please call me at (801) 538-5325 or Dave Darby at (801) 538-5341.

Sincerely,

Daron R. Haddock
Permit Supervisor

an

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0007

**PLATEAU
MINING
CORPORATION**

*OK Incoming
C/007/0006*
Star Point Mine
P.O. Box 30
847 NW HWY 191
Helper, Utah 84526
Phone (435)472-4737
Fax: (435)472-4782

July 15, 2008

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

Re: **Eight Clean Copies, Phase II Bond Release, Task ID # 2968, Plateau Mining Corporation,
Star Point Mine, C/007/0006**

Dear Mr. Haddock:

Plateau Mining Corporation is herewith submitting eight clean copies of the Star Point Phase II Bond Release application for incorporation into the MRP as requested in your letter dated June 12, 2008. These copies for incorporation include the following additional information as requested by the Division:

- An affidavit that the public notice was published.
- Maps of the areas for which the Permittee is seeking bond release that shows the dates when reclamation was completed and the Division granted bond release.
- An updated reclamation cost estimate with 2008 unit costs and an escalation factor through 2011.

This submittal also includes the C1 and C2 forms as required by the Division.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,


Dennis N. Ware
Controller and Administrative Manager

Enclosures

Enviro/PermitActions/StarPoint/PhaseIIBondRelease/CoverLetter

RECEIVED
JUL 21 2008
DIV. OF OIL, GAS & MINING

File in:
C/007/0006 2008. Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date 7/15/08 For additional information

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Plateau Mining Corporation

Mine: Star Point Mine

Permit Number: C/007/006

Title: Phase II Bond Release, Eight Clean Copies, Task ID 2968

Description, Include reason for application and timing required to implement:
Phase II Bond Release

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Dennis N. Wore
Print Name

[Signature], Controller, 07/16/08
Sign Name, Position, Date

Subscribed and sworn to before me this 16 day of July, 2008

[Signature]
Notary Public

My commission Expires: April 15, 2009

Attest: State of Utah) ss:
County of Emery



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining <div style="text-align: center; font-size: 1.5em; font-weight: bold;">RECEIVED</div> <div style="text-align: center; font-size: 1.2em; font-weight: bold;">JUL 21 2008</div> DIV. OF OIL, GAS & MINING
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Exhibit 880.100a

**Phase II Bond Release
Plateau Mining Corporation
Star Point Mine
C/007/006**

April 2008

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Div. of Oil, Gas & Mining

Introduction

The Star Point Mine is located on Gentry Mountain approximately 23 miles southwest of Price, Utah on the east side of the Wasatch Plateau Coal Field. The Star Point Mine permit area is 8820.86 acres as shown on map 112.500a in Volume 1 of the MRP. The 93.7 acres within the disturbed area boundary are found on maps 542.200a, 542.200b and 542.200c in Volume 2 of the MRP. An additional 1.54 acres associated with the remote Mud Water and Corner Canyon Fan sites are shown on maps 542.200g and 542.200h in Volume 2 of the MRP. Phase I bond release for the Star Point Mine was approved on October 12, 2004.

Plateau Mining Corporation has completed Phase II of the approved reclamation plan for the Star Point Mine. This is based on meeting the vegetation and water quality requirements for Phase II reclamation in accordance with the approved reclamation plan on the entire acreage within the disturbed area boundary.

A performance bond in the amount of \$3,118,400 is currently held to ensure that reclamation is accomplished. Following the approval of this Phase II bond release the bond will be reduced to \$734,000 as calculated by the Division.

Mining operations began in 1916 when the Wattis Brothers and Mr. Browning bought 160 acres from the United States and developed the property for coal production. The Lion Coal Company operated Wattis No.1 and 2 mines until the end of 1963. There were no coal mining activities from 1964 through 1967. Plateau Mining, Ltd. operated the Star Point No.1 mine in the Hiawatha Coal Seam, and the Star Point No.2 Mine in the Wattis Coal Seam, from 1967 through the fall of 1971. United Nuclear Corporation acquired the Star Point Mines in the fall of 1971. Modernization of the coal mine started when the Lion Deck portal area was expanded in October 1977. United Nuclear Corporation operated the mine until July 1980. The current Permittee, Plateau Mining Corporation (PMC) a subsidiary of Foundation American Coal Company, LLC, operated the Star Point Mine from July of 1980 until its closure in February of 2000.

Following the permanent cessation of operations in 2000, PMC began reclamation activities. Reclamation in 2000 dealt with: the demolition of the overland conveyor system and preparation plant; the removal of equipment and machinery from underground; the demolition, backfilling and grading, and reseeding of the 1.54 acres at the Mud Water and the Corner Canyon Fan sites; and the sealing of the portals at the Lion Deck. As a footnote to the backfilling and grading activities at the remote fan sites, PMC earned a 2001 Earth Day Award for outstanding results following applications of innovative environmental technology for backfilling remote locations from within the mine (outside-in).

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

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During 2002, demolition, backfilling and grading, and revegetation operations were performed on approximately 49.0 acres. The reclaimed acres included 25.5 acres associated with the Lions Deck and Pond 1 Areas and 23.5 acres associated with the Overland Conveyor and Main Channel Areas. (In 2006 PMC received an Earth Day Award for this reclamation identifying outstanding final reclamation of a pre-SMCRA site as the reason for the award). Also, during 2002, PMC demonstrated that mining did not impact the hydrologic balance and through the permit amendment process received approval from DOGM to discontinue further water monitoring, on all but three locations. Two of the three remaining locations deal with the North Fork of the Right Fork of Miller Creek and the other is to monitor for off site contributions of sediment below the reclaimed lands.

In 2003, reclamation related activities were completed with the abandonment of water monitoring wells, boreholes, and minor backfilling and/or fencing of subsidence cracks. During 2003, PMC demonstrated that subsidence has substantially ceased and through the permit amendment process received approval from DOGM to discontinue further subsidence monitoring. Also in 2003, an amendment to discontinue color infrared vegetation monitoring was approved by the Forest Service and DOGM.

No augmented seeding has taken place following the initial seeding dates provided above. In October of 2003, the year following the reclamation of the Main Channel area, two small gullies were repaired on the slope north of the reclaimed Clean Coal Stacking Tube and, since this repair the area has remained stable. Each year since the initial seeding, the reseeded land has been inspected for noxious weeds and those found have been either treated or removed. No other augmentative practices have taken place within the disturbed area boundary.

There are no remaining sediment control structures (ponds, silt fences, straw bales) or diversions to be removed and the refuse pile and associated topsoil stockpile areas were removed from the Star Point Mine Permit in November of 2003, and permitted by Sunnyside Cogeneration Associates under Permit C/007/042 for use as a fuel source for their power generating facility.

The only structure approved to remain for the postmining land use is County Road 290 (Gentry Mountain Road). The roads that once supported the mining operation have been reclaimed, transferred to Sunnyside Cogeneration Associates or in the case of County Road 290, used to support the postmining land uses. The roads are shown on Table 534.200a on pages 500-70 and 71 in Volume 2 of the MRP and discussed in Section 542.600 on pages 500-80 and 81 in Volume 2 of the MRP.

For information on As-Built Topography, Treatment and Cross Sections refer to Maps 542.200a through 542.200h in Volume 2 of the Star Point MRP.

Phase I bond release for the Star Point Mine was approved on October 12, 2004.

On July 29, 2004 the Division received a letter from Alice B. Carlton, Forest Supervisor approving the Star Point Mine Phase I bond release in behalf of the Forest Service. The letter included in this application in Appendix 4, included the following statement. "As previously

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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.” In August of 2007 the subsidence cracks referred to by the Forest Service were repaired and the protective fence surrounding the cracks was removed. In March of 2008 the Permittee contacted the Forest Service concerning the aforementioned subsidence repair and the Forest Service indicated they would inspect these repairs as well as the reclamation of the Mud Water and Corner Canyon Fan sites when weather permits.

In December of 2005 Plateau Mining Corporation reached an agreement with the Huntington Cattle Association and the Huntington-Cleveland Irrigation Company resolving the long standing Citizens Complaint associated with the Star Point Spring. Also in September of 2005 the culverts that were located in the North Fork of the Right Fork of Miller Creek were removed and hauled off the mountain.

In February of 2006 the Bureau of Land Management issued coal lease relinquishments for the Star Point Mine Federal Coal Leases.

With the completion of the year-four vegetation monitoring study performed by Mt. Nebo Scientific, Inc. in 2006 and the Sediment Yield Calculations prepared by EarthFax Engineering in 2007, Plateau Mining Corporation has completed all the necessary reclamation work to justify Phase II bond release for the Star Point Mine.

Vegetation Information

Vegetation sampling (Appendix 1) on the reclaimed and reference areas at the Star Point Mine was conducted during the growing season of 2006 as a means to monitor the success of the revegetation and to determine whether on not Phase II bond release was possible.

The vegetation sampling report presents the methodology and data as required by the mining and reclamation plan. The data show that the revegetation at the Star Point Mine is progressing well and with the statistical, similarity, and diversity comparisons Phase II bond release is warranted.

Comparing background conditions (approved Reference Areas), it is shown that the living cover value, so important to erosion control, of the reclaimed area is not statistically dissimilar that the reference area.

Sediment Yield Information

To demonstrate that the reclaimed area will generate the same amount or less sediment than the undisturbed condition, the revised universal soil loss equation (RUSLE) was used (Appendix 2).

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The revised universal soil loss equation takes into several factors in determining the sediment yield for an area. The factors involved are: 1) rainfall-runoff erosivity, 2) soil erodibility, 3) length of slope, 4) cover management, and 5) support practice.

The RUSLE demonstrates that the reclaimed area sediment yield at the Star Point Mine is much less than the sediment yield under undisturbed conditions.

Conclusion

As authorized by R645-301-880.300, Phase II Bond Release should be approved based on the Permittee meeting vegetation and water quality requirements in accordance with the mining and reclamation plan.

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Appendix 7

Phase II Bond Release Bond Release Calculation Star Point Mine

**STAR POINT MINE
 BOND AMOUNT
 REVISED MAY 2008 FOR PHASE II BOND RELEASE**

Direct Costs

Demolition	\$0.00
Backfilling and Grading	\$0.00
Revegetation	\$517,916.00
Total Direct Costs	\$517,916.00

Indirect Costs

Mob/Demob	\$51,792.00	10.0%
Contingency	\$25,896.00	5.0%
Engineering Redesign	\$12,948.00	2.5%
Main Office Expense	\$35,218.00	6.8%
Project Management Fee	\$12,948.00	2.5%
Subtotal Indirect Costs	\$138,802.00	26.8%

Total Costs **\$656,718.00**

Escalation Factor		0.038
Number of Years		3
Escalation	\$77,747.00	

Total Cost in 2011 Dollars **\$734,000.00**
 (rounded to nearest \$1,000)

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Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost	
	Main Area																				
	Seed Mix	Wildflower Seed Mix	32 92 19 14 5600	49.5 MSF	MSF					92.16						acre		4014	MSF	198993	
	Mulch	Hay Mulch	32 92 19 13 0350	58.5 MSF	MSF					92.16						acre		4014	MSF	234819	
	Plant Seedlings	Bare root seedlings, 6" to 10" med. soil	32 83 43 10 0120	0.72 EA	EA											EA		22800	EA	18416	
	Seedlings	Seedlings	Castle Gate 001	2 EA	EA											EA		22800	EA	45600	
	Subtotal																			855526	
	Reseeding and Replanting																				
	Subtotal																				12388
	Total																				567918

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