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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
OK

February 12, 2009

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

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

Dear: Mr. Ware:

The Division has processed your application for Phase II bond release at the Star Point mine and bond release is hereby approved in the amount of \$2,384,000.00. The effective date of this release is June 12, 2008; the date that your application was conditionally approved. 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. Granting this release will reduce the current amount of bond for remaining reclamation liability at the site to \$734,000.00.

A copy of the Division's Decision Document is enclosed which discusses the findings that support the bond release. You will note that the Decision Document incorrectly identified the bond release to be in the amount of \$1,937,400.00, which was revised on June 12, 2008. We subsequently corrected this amount in our February 2, 2009 letter to the Office of Surface Mining. A copy of the letter and their response is also enclosed. The Office of Surface Mining, the Bureau of Land Management and the U. S. Forest Service have all concurred with this release.

Thank you for your help during this process. If you have any questions, please call Daron Haddock at (801) 538-5325 or Dave Darby at (801) 538-5341.

Sincerely,


John R. Baza
Director

DRH/sqs

Enclosure (Decision Document)

cc: Travelers Casualty & Insurance Co.

OSM

Price Field Office

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**Star Point Mine
Corner Canyon Breakout
Water Canyon Breakout
C/007/006
Carbon County, Utah**

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DECISION DOCUMENT

Star Point Mine Phase II Bond Release Carbon County, Utah

ACTION

Grant approval of Phase II bond release in the amount of \$1,937,400.00 for reclamation activities at the Star Point Mine. Plateau Mining Corporation (PMC) submitted an application for Phase II bond release on May 1, 2008 and requested release on 95.3 acres of land. Granting this release will reduce the amount of bond held for reclamation of the site from \$3,118,400 to \$1,181,000. The Division conducted a Phase II bond release inspection of the above referenced mine site on the 29th and 30th of October, 2008. The areas reviewed included the surface facilities area in Sage Brush Canyon, the Unit Train Loadout area, #1 Mine and the breakouts in Corner and Mud Water Canyons. An invitation letter was sent to parties of interest on October 14, 2008. One attendee from the U.S. Bureau of Land Management (BLM) accompanied three Division personnel and the designated representative from Star Point Mine.

The Division of Oil, Gas and Mining finds that Plateau Mining Corporation has completed Phase II reclamation of the mine site as required by the regulations. The Division received a letter from the BLM concurring with the Phase II bond release on December 1, 2008. The U.S. Forest Service, Manti-Lasal Forest sent a letter of concurrence on January 7, 2009. A copy of our inspection report is enclosed.

BACKGROUND

On May 1, 2008, the Permittee submitted an application to the Division for partial release of the reclamation bond.

The Star Point Mine is owned by Plateau Mining Corporation and is located approximately 23 miles southwest of Price, Utah. Plateau Mining Corporation, a subsidiary of Foundation American Coal Company, LLC has operated the Star Point Mine since 1980.

Reclamation activities occurred as follows:

- In 2000, reclamation began following permanent cessation, Mud Water and Corner Canyons breakout portals (1.54 ac.) were reclaimed.
- 2001, demolition and earthwork were conducted on 45 acres, which include the No. 1 Mine area (35 ac.) and the Unit Train Loadout (10 ac.).
- In 2002, reclamation of the Lions Deck and Pond 1 (25.5 ac.) area and Overland Conveyor and Main Channel areas (49 ac.) were completed.

- Phase I bond release was approved on October 12, 2004.
- In February 2006 the Bureau of Land Management issued coal lease relinquishments for the Star Point Mine's federal coal leases

There are no remaining sediment control structures (ponds, silt fences, straw bales) or diversions to be removed. The refuse pile areas were removed from the Star Point.

The only structure approved to remain for the postmining land use is County Road 290 (Gentry Mountain Road). The road runs through the disturbed area, and provides access to U.S. Forest Service lands and connects to other county roads on the plateau.

CHRONOLOGY FOR PHASE II BOND RELEASE

- | | |
|---|---|
| April 7, 2008 | PMC sends letters to local governments and property owners notifying them of the proposed bond release: Mr. Ted Farmer, MSHA; Mr. Eric Larson, Utah Div. Wildlife Resources; Mr. James Fulton, U.S. Office of Surface Mining; Mr. Howard Sargent, U.S. Forest Service, Manti-La Sal Forest; Mr. James Kohler, U.S. Bureau of Land Management; Mr. William Krompel, Carbon County Commission; Mr. Kevin Carter, School and Institutional Trust Land Administration, and Mr. Randy Scott, Sunnyside Cogeneration Association. |
| May 1, 2008 | Division receives Phase II bond release application from PMC for Star Point Mine, including surface facilities area in Sage Brush Canyon, the Unit Train Loadout area and the breakouts in Corner and Mudwater Canyons. |
| April 15, 22, 29
and May 6, 2008 | Phase II bond release published in the <u>Sun Advocate</u> , a Carbon County newspaper. |
| June 5, 2008 | End of public comment period. No comments received. |
| October 14, 2008 | The Division sent letters of invitation to attend the bond release inspection on October 29 th and 30 th , 2008. |
| October 29 th and
30 th , 2008 | Phase II bond release inspection. |
| | In attendance: Dennis Ware, PMC
Sue Wiler, BLM
David Darby, DOGM |

Daron Haddock, DOGM
Wayne Western, DOGM

SUMMARY OF FINDINGS:

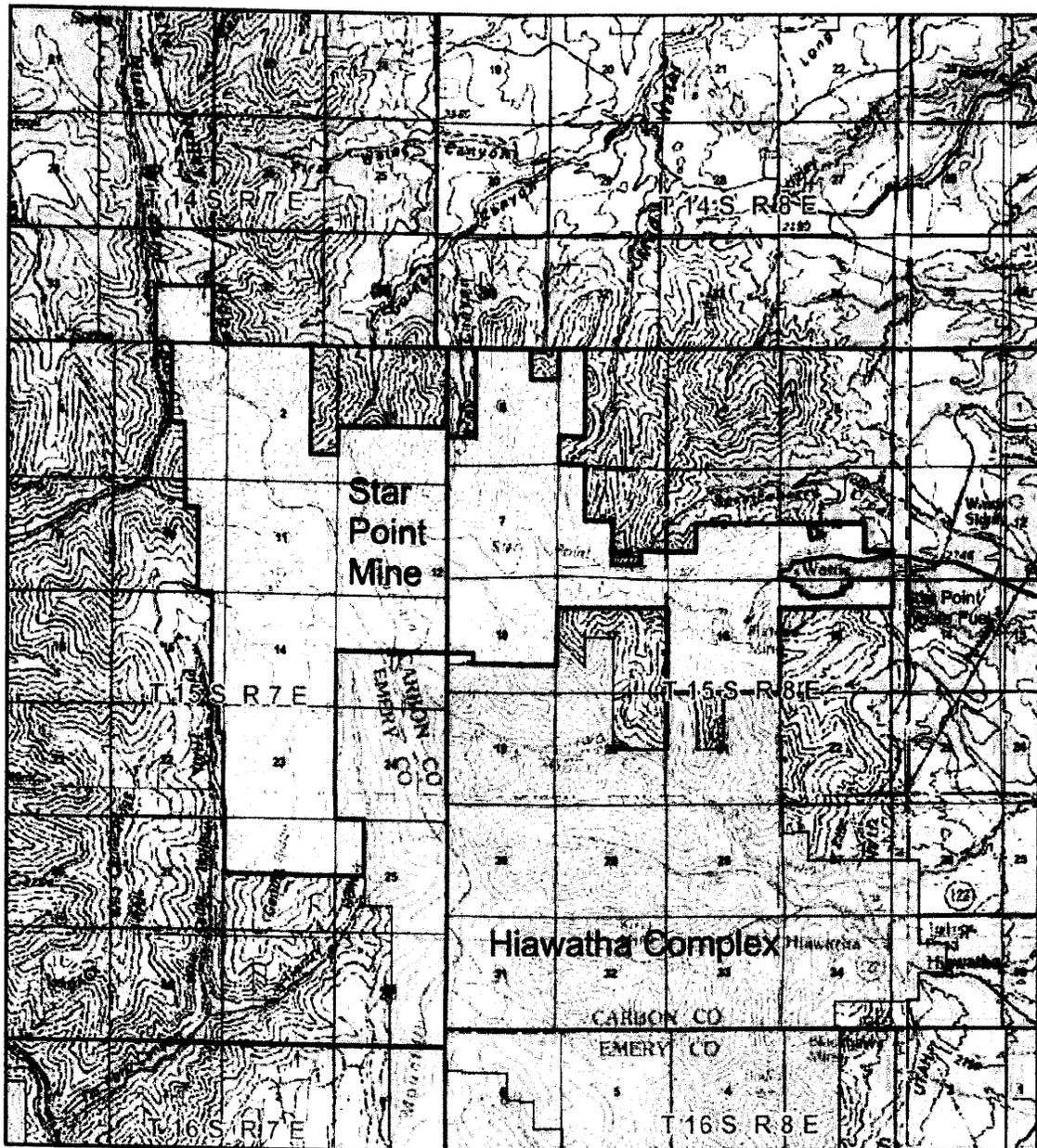
A review of the minesite and technical evaluation of the supporting data was provided in the May 1, 2008 bond release request. The Phase II bond release is for the Star Point Mine including the #1 Mine, the Unit Train Loadout area, and Corner and Mudwater Canyon breakouts. The Phase II bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted in October 2008. Some minor issues were identified in the inspection report that PMC will observe through the remaining bond life to ensure those sites meet reclamation standards. BLM's concurrence was received on December 1, 2008, and the U.S. Forest Service, Manti-La Sal sent a letter of concurrence on January 8, 1009.

The Revised Universal Soil Loss Equation (RUSLE) was used (Appendix 2) to demonstrate sediment is controlled on site. RUSLE takes into account several factors for determining the sediment yield. The results of a sedimentation study by Earthfax Engineering (April 2008) show that the reclaimed area sediment yield at the Star Point Mine is much less than the sediment yield from undisturbed areas.

PMC provided vegetation monitoring studies by Mt. Nebo Scientific (2006, Appendix 1) that show vegetation recovery is very high in most areas with only four years growth. Gouging on the backfilled soils created holding areas for capturing precipitation runoff and providing moisture for vegetation recovery. PMC has requested a change in the reference area for woody plants because it is thought the original area selected does not reflect the true nature of the site. Complying with vegetation standards is a Phase III requirement. The reference area is located below the reclaimed minesite in a flat sagebrush dominated site. A site visit between the Division, PMC, and Utah Division of Wildlife was conducted to assess the vegetation requirements for the postmining land use of wildlife and grazing. DWR has indicated that a woody plant population of 2,000 or more plants per acre is required to sustain wildlife. Data show that after 4 years, 2 of 5 sites meet these standards and 2 sites are at 60 percent of meeting the standard. The reclamation method of using gouging is credited with both plant generation and runoff control.

PHASE II BOND RELEASE RECOMMENDATION

PMC has demonstrated that sediment is being controlled over the reclaimed 95.3 acres of the reclaimed Star Point Mine. It is recommended that the requested bond in the amount of \$1,937,400.00 be released.

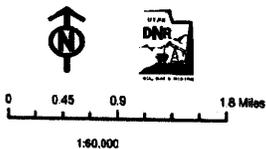


Star Point Mine

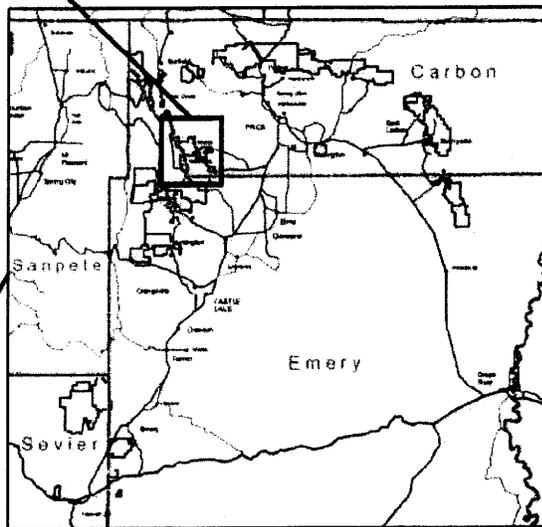
C0070006
Carbon County, Utah

Township 14 South Range 7 & 8 East
Township 15 South Range 7 & 8 East

- | | |
|--|--|
|  Permit Area |  Proposed State Permit Modification |
|  Proposed Mine Plan Modification (if shown) |  Active Permit |
| |  In Reclamation |
| |  Retained-Final Bond Release |



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8/23/2007 @ 1:23:25 PM
NAD 1983 UTM Zone 12N



Locator Map



**PLATEAU MINING CORPORATION
STAR POINT MINE C/007/006
PHASE II BOND RELEASE CALCULATION**

SUMMARY OF BOND COSTS	<u>Bond Before Phase I Release</u>	<u>Cost of Re-Vegetation</u>
Direct Costs		
Demolition	\$1,715,253.00	
Backfilling and Grading	\$2,670,828.00	
Revegetation	\$783,322.00	\$783,322.00
Total Direct Costs	\$5,169,403.00	\$783,322.00
Indirect Costs		
Startup @ 10.0%	\$516,940.30	\$78,332.00
Contingency @ 10.0%	\$516,940.30	\$78,332.00
Engineering Redesign @ 5.0%	\$258,470.15	\$39,166.00
Project Management Fee @ 5.0%	\$258,470.15	\$39,166.00
Main Office Expense @5.0%	\$258,470.15	\$39,166.00
Total Indirect Costs	\$1,809,291.05	\$274,162.00
Total Reclamation Costs	\$6,978,694.05	\$1,057,484.00
Escalation	\$817,422.11	\$123,864.00
Reclamation Cost 2007	\$7,796,116.16	\$1,181,348.00
Bond Amount (nearest \$1,000)	<u>\$7,796,000.00</u>	<u>\$1,181,000.00</u>
<u>Summary Bond Data</u>		
Bond before Phase I Bond Release	\$7,796,000.00	
Phase I Bond Release (October 2004)	<u>-\$4,677,600.00</u>	
Current Bond before Phase II Bond Release	\$3,118,400.00	
Phase II Bond Release	<u>-\$1,937,400.00</u>	
Bond after Phase II Bond Release	\$1,181,000.00	

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Carbon,)

I, Richard Shaw, 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 the first publication was on the 15th day of April, 2008, and that the last publication of such notice was in the issue of such newspaper dated the 6th day of May, 2008.

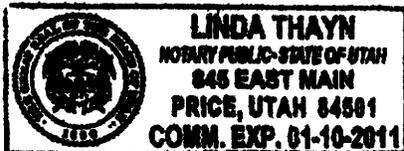

Richard Shaw - Publisher

Subscribed and sworn to before me this 6th day of May, 2008.



Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 665.60



**PUBLIC NOTICE
APPLICATION FOR PHASE II BOND RELEASE
STAR POINT MINE
PLATEAU MINING CORPORATION
PERMIT C/007/006, APPROVED 01/28/2007
CARBON COUNTY, UTAH**

Notice is hereby given that Plateau Mining Corporation, P.O. Box 30, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of Foundation Coal Corporation, 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 II bond release for the Star Point Mine, Permit C/007/006. The Phase II bond release applies to 95.3 acres of disturbed land included the Corner Canyon and Mudwater Fan sites. This bond release application is based on meeting the vegetation and water quality requirements for Phase II reclamation in accordance with the approved reclamation plan pursuant to the Utah Coal Program Regulations.

The reclamation of the Star Point Mine began in 2000 and was completed in 2002. Phase I bond release for the 95.3 acres of disturbed land was approved in October of 2004.

In accordance with the provision of R645-301-880, of the State of Utah R645 Coal Mining Rules, notice is hereby 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 \$3,118,400; Plateau Mining Corporation is seeking release of \$1,937,200 which will reduce the bond to \$1,181,200.

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 NE1/4NW1/4

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 Wattis 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 requests for public hearings or informal conferences on this proposals may be submitted 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 June 06, 2008.

Published in the Sun Advocate April 15, 22, 29 and May 6, 2008.

0013



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

October 14, 2008

Mailing list attached

Q

Dave Levanger
Carbon County Courthouse
120 East Main
Price, Utah 84501

Subject: Invitation to Attend Phase II Bond Release Inspection for Reclaimed Areas,
Plateau Mining Company, Star Point Mine, C/007/0006, Task ID #2968,
Outgoing File

Dear Mr. Levanger:

You are invited to attend the bond release inspection for the Star Point Mine. Three sites will need to be reviewed; Corner Canyon and Mud Water Canyon breakouts and the mine surface facilities area and portal area in Sage Brush Canyon. Given the limited time left in the season we will try to evaluate the areas in two days. The inspections will commence on October 29 and 30, 2008. We will meet at 9:00 a.m. along the Wattis road near the Star Point refuse area. Corner Canyon and Mud Water Canyon breakout sites will be evaluated first. We may have to split into teams to check these sites. The surface facilities and portal area will be checked the next day.

The inspection will involve hiking on rough terrain. The hikes to these areas will take most of the day. Inspection of the surface facilities and portal areas will also consume most of a day. If there is a demand from individuals to visit both breakouts, we may have to visit them on the 29th and 30th, then schedule the visit to the surface facilities and portal areas on November 5, 2008. Be prepared for weather conditions. Please bring water, snacks, hat, sunscreen, rain gear, jacket and hiking boots.

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

Sincerely,

Daron Haddock
Permit Supervisor

cc: Dave Darby

sqs
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Dave Levanger
Carbon County Courthouse
120 East Main
Price, UT 84501

John J & LaRue Petitti
822 West 1800 North
Price, UT 84501

Sue Wiler
Bureau of Land Mgmt
125 South 600 West
Price, UT 84501

Steve Falk
Bureau of Land Mgmt
125 South 600 West
Price, UT 84501

Steve Rigby
Bureau of Land Mgmt
125 South 600 West
Price, UT 84501

Jeff McKenzie
Bureau of Land Mgmt
P.O. Box 45155
Salt Lake City, UT 84145-0155

Dale Harber
USFS
599 W Price River Dr
Price, UT 84501

Tom Lloyd
USFS
599 W Price River Dr
Price, UT 84501

Rod Player
USFS
599 W Price River Dr
Price, UT 84501

Elliot Finley
Hiawatha Coal Company
P.O. Box 1240
Huntington, UT 84528

Mark Reynolds
Hiawatha Coal Company
P.O. Box 1240
Huntington, UT 84528

John Blake
Trust Lands Administration
675 East 500 South
Salt Lake City, UT 84101

Dennis Ware
Plateau Mining Corp.
847 NW Highway 191
Helper, UT 84526

Duane Jensen
Huntington Cleveland Irrigation Co
P.O. Box 395
Cleveland, UT 84518

Randall Bell
North Emery Water Users
P.O. Box 129
Cleveland, UT 84518

Sunnyside Cogeneration Associates
P.O. Box 159
Sunnyside, UT 84539



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Governor

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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

December 10, 2008

Pamela Brown
US Forest Service
599 West Price River Drive
Price, Utah 84501

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

Dear Ms. Brown:

Plateau Mining Corporation submitted an application for Phase II bond release on May 1, 2008 and requested release on 95.3 acres of land. Granting this release will reduce the amount of bond held for reclamation of the site from \$3,118,400 to \$1,181,000. After review and approval of the application, the Division conducted a Phase II bond release inspection of the above referenced mine site on the 29th and 30th of October, 2008. The areas reviewed included Corner Canyon and Mud Water Canyon breakouts, the mine surface facilities areas, and portal areas in Sage Brush Canyon. An invitation letter was sent to parties of interest on October 14, 2008. One attendee from the U.S. Bureau of Land Management (BLM) accompanied three Division personnel and the designated representative from Star Point Mine. A copy of our inspection report is enclosed for your information and records.

The Division of Oil, Gas and Mining finds that Plateau Mining Corporation has completed Phase II reclamation of the mine site as required. A letter concurring with the phase II bond release was received from the BLM on December 1, 2008. The Division seeks your concurrence as well. Please provide a letter of concurrence by January 8, 2009. If you have any questions or need further information, please feel free to call me at (801) 538-5325 or David Darby at (801) 538-5341.

Sincerely,

Daron R. Haddock
Permit Supervisor

sqg
Enclosure
cc: David Darby
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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



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

*C/007/006 Incoming
CC: Dave*

RECEIVED
DEC 01 2008
DIV. OF OIL, GAS & MINING

Q

NOV 25 2008

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 Bly
Michael Stewig
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

R

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

RECEIVED
JAN 12 2009
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

For
PAMELA E. BROWN
Forest Supervisor

SEARCHED
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State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Table with 2 columns: Agency, Name, Title. Includes OGM Dave Darby, Daron R. Haddock, OGM Wayne Western, Company Dennis Ware, BLM Sue Wiler.

Inspection Report

Table with 2 columns: Field, Value. Includes Permit Number: C0070006, Inspection Type: BOND RELEASE, Inspection Date: Wednesday, October 29, 2008, Start Date/Time: 10/29/2008 9:00:00 AM, End Date/Time: 10/30/2008 11:00:00 AM, Last Inspection: Tuesday, October 14, 2008.

Inspector: Dave Darby, Environmental Scientist III

Weather: Sunny, Warm, 60-70 degrees

InspectionID Report Number: 1823

Accepted by: jhelfric
12/9/2008

Permittee: PLATEAU MINING CORP
Operator: PLATEAU MINING CORP
Site: STAR POINT MINE
Address: PO BOX 30, HELPER UT 84526-0030
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: RECLAIMED

Current Acreages

Table with 2 columns: Acreage, Category. Includes 8,919.91 Total Permitted, 113.34 Total Disturbed, 113.34 Phase I, Phase II, Phase III.

Mineral Ownership

- Checked: Federal, State, Fee
Unchecked: County, Other

Types of Operations

- Checked: Underground
Unchecked: Surface, Loadout, Processing, Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

This was a Phase II bond release inspection. Notice of the Phase II bond release application was made in the Price Sun Advocate on April 15, 22, 29, and May 6, 2008. The Division also sent notice on October 14, 2008 to the landowners and pertinent agencies that the bond release inspection was to occur on October 29th and 30th.

Inspector's Signature:

Handwritten signature of Dave Darby

Dave Darby, Environmental Scientist III
Inspector ID Number: 18

Date Wednesday, November 05, 2008

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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

REVIEW OF PERMIT PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The applicant applied for phase II bond release on May 1, 2008. This application was determined to be incomplete on June 5, 2008 after a field inspection revealed erosion problems in some of the channels. Mitigation measures were discussed during the field investigation by Division Personnel. Dennis Ware sent an e-mail on August 21, 2008 notifying the Division that the repairs to the channels had been made. On August 21, 2008 the Division sent a letter of final approval of the plans. Denis Ware was notified a final bond release inspection was required that must include all parties of interest and state and federal agencies. This report is a summary of that inspection.

4.a Hydrologic Balance: Diversions

The main channel of Sage Brush Creek in the lower part of the minesite appears to be holding up pretty well. There is one spot near the bottom of the reconstructed channel that is eroding. A hole has developed about 3 feet in diameter. It has a potential to erode back up the channel. We discussed this with Dennis and suggested that he watch the area to make sure it did not get worse. Some maintenance should be done if further erosion takes place. There is also some rilling on the west side of Sage Brush Creek that is caused by water running off the steep slopes the site below the steep slope is also a clay type soil that does not produce vegetation. The slope above contains a lot of rock and has a lot of small channels that feed onto the clay site. The lined channels that are on the are lined with the Pyromat material. The material is exposed in the channels, however vegetation has grown in several sections along their length that hold the mat in place. Hopefully more vegetation will grow and cover the site. During the last inspection it was noticed that the a section in the upper reach of Sage Brush creek just below the Lions Deck was headcutting at the break in slope between the reclaimed disturbed area and premining slope. The first round of Phase II was denied until the Permittee repaired the slope. In an email on August 5, 2008, Dennis identified the mitigation to repair the slope and reduce the velocities had been completed. Cobble to boulder size rock had been keyed into the channel that extended from the road to about 30 feet over the edge of the break in sope. Larger boulders were place in the channel to break the rate of velocity of any larger flows in the channel. The new channel protection looked like it would function better than the previous protection.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

All sedimentation ponds containing sediment and runoff from the facilities have been removed. All ponds and basins capturing runoff from the refuse pile and loadout area were turned over to the Sunnyside Cogeneration Association, operators of the Star Point Refuse operation.

4.c Hydrologic Balance: Other Sediment Control Measures

The main minesite has many steep slopes. Phase 1 surface contouring and stabilization has been completed. All of the areas were gouged, a monumental task that has resulted in a stable surface for most of the area and good vegetation growth that controls erosion over most of the site. The gouging have performed excellently in capturing runoff and sediment over the site and promoting vegetation growth. Most of the gouge creators hold vegetaton in their bottoms as well as the edges. Most of the site appears to be stable, however there is an area on the west side of Sage Brush Creek that has a lot of clay on the surface. The undisturbed area above is very steep and erosive. A lot of material washes down and the combination of erosion and clays have created an area covered by rills. The area is small compared to the size of the site and vegetation cover should average in the final vegetation count. The remote portal areas of Corner Canyon and Mud Water Canyon were investigated and neither site was contributing sediment to streamflow outside of the permit area.

4.d Hydrologic Balance: Water Monitoring

The Permittee monitors three water monitoring sites. Site 971 is a spring located on top of the montain quite a distance from the disturbed areas. The operator would have petitioned to remove the spring from the monitoring list, but it has been a point of contension with the water users. The Permittee has conducted mitigation work at the spring and has resolved this issue with the water users. The Permittee just has to apply to remove this site from the monitoring plan. Monitoring at Spring 971 serves no useful purpose at this point. The Permittee monitors two surface water sites, ST-1 in the North Fork of the Right Fork of Miller Creek and site 10-1 in Sage Brush Canyon below the mine. All monitoring is current. The Permittee has stated their intentions to remove these sites after Phase II is granted.

12. Backfilling And Grading

Wayne Western and Daron Haddock hiked to the Mud Water Canyon remote portals evaluated the site and took some photos. The mud water site appears stable and doesn't seem to have any significant erosion problems. The vegetation is a little sparse, but that may be due to heavy grazing use by cattle. There is quite a lot of small rock on the surface which also helps control erosion. At Mud Water Canyon there were a couple of small holes that had opened near the portals (probably due to settling). We piled some rocks on the holes to cover them and we wouldn't anticipate that they open up again, but this may need to be looked at again at some time in the future. Dennis Ware, Sue Wiler and David Darby hiked down to the breakout portal in Corner Canyon. Vegetation is growing on the reclaimed area, however it is not as dense as the surrounding area. There is no sign of sediment or runoff leaving the area that had been reclaimed. Pock holes are still visible and functioning to retain water. The site appears stable and there is no sign of the portal. There were no noxious weeds growing on the reclaimed site at Corner Canyon. The No. 1 mine area and lower parts of the mine facilities area were observed during previous inspections. There is no sediment leaving the site from any of the areas. Gouging has been affective over the whole minesite. Every area, except as mentioned above has promoted vegetation growth, retained and controlled runoff and stablized the surface in all distrubed areas. The Permittee has mitigated the deficiencies identified during the last inspecton. The damage identified in the upper main channel of Sage Brush Creek as water flowed from to Lions Deck reclaimed slope to the steep natural slope caused erosion and headcutting of the channel. The Pemittee replaced the riprap in the channel with cobble size rock that was notched into the slope, then placed boulder size rock in the channel on the cobble rock to check higher flows and velocities that may be produced from storm events. It was a large storm event that caused the damage to the channel. This repair should prevent future erosion in the channel. Dennis mentioned he would check it as weather allowed and if there was any problems he would notify the Division.

13. Revegetation

The vegetation is growing pretty well in most areas. It appears to be adequate to control erosion as required for phase II bond release. Dennis did point out an area that was identified as a brush community that may have difficulty in achieving adequate woody species density as compared to the reference area. He felt that the wrong reference area had been selected for this site and suggested that they change the reference area to be more in line with the grassland areas that are in the area. He anticipates submitting an amendment to change the reference area sometime in the future. While not an issue for phase II bond release, there is an infestation of some hounds tongue burr at the Mud Water Canyon area. This is considered to be a noxious weed and should be controlled so that at final bond release there would not be a problem. On December 16, 2008 Joe Helfrich (DOGM) met with Leroy Mead (DWR), Dennis Ware (Plateau Mining Company) and Rick Collins (Mt. Nebo Scientific) to discuss the reference area and post mining land use. R645-301-3576.231 requires wildlife habitat, meet the acceptance of DWR for woody plant densities. It was concluded at the site visit between DOGM, PMC (the landowner) and DWR that a woody plant density of 2,000 plant, instead of the 8,000 plant would meet DWR's established requirements for the post mining land use of wildlife and grazing. Mr. Helfrich is preparing the documentation and evidence of consultation presently.



United States Department of the Interior

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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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

0003



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

February 2, 2009

Outgoing
C0070006
R

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

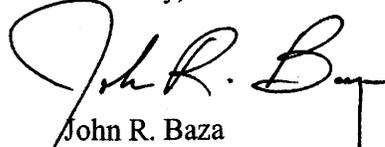
Dear Mr. Fulton:

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

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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



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

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

Direct Costs

Demolition	\$0.00
Backfilling and Grading	\$0.00
Revegetation	<u>\$517,916.00</u>
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	<u>\$12,948.00</u>	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)

INCORPORATED

JUN 12 2008

Div. of Oil, Gas & Mining



United States Department of the Interior

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.

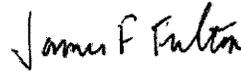
**TAKE PRIDE
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OSM has reviewed DOGM's June 12, 2008 approval of the permittee's revised calculations accounting for 2008 unit costs and escalation through 2011 and the revised "incorporated" pages of the bond calculation. The current amount of bond 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.