



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



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cc: Damon
Kein

July 7, 2010

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DIV. OF OIL, GAS & MINING

John Baza, Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RE: Phase III Bond Release, Star Point Mine, Permit No. C/007/0006, Concurrence

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSM), Denver Field Division's (DFD) receipt and review of the above Phase III Bond Release Proposed Decision document prepared by the Division of Oil, Gas, and Mining (DOGM) dated July 1, 2010. DFD agrees with the findings and decision document and hereby provides OSM concurrence for the above 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, Plateau Mining Corporation, Bureau of Land Management (BLM) and OSM representatives participated in the bond release inspection on June 8, 2010. The BLM concurred with the proposed decision in a letter dated June 11, 2010 (copy enclosed). DOGM did not receive any objections regarding the bond release application (Task ID #3534) submitted February 11, 2010. DOGM's Proposed Decision documents the applicant's compliance with the Utah approved regulatory program at Utah Rule R645-301-880.

This Phase III bond release request applies to a 40 acre parcel containing 32 acres of undisturbed area and 8 acres of partially reclaimed lands at Plateau Mining Corporation's Star Point Mine for transfer of property to ConocoPhillips for oil and gas development. The purpose of the bond release is to change the post mining land use from wildlife habitat, grazing and recreational use to industrial for oil and gas.

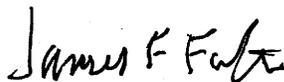
A thorough summary of the operational and reclamation history of the mine are accurately captured in the above DOGM Proposed Decision. Public and landowner notification of the bond release provided by the permittee (Plateau Mining Corporation), and the bond release inspection notifications provided by DOGM are also documented in the Proposed Decision, DOGM's inspection report for the release inspection, and related correspondence. Both OSM and the

Bureau of Land Management (BLM) were notified of the bond release inspection.

OSM finds that Plateau Mining Corporation has met or exceeded the requirements for Phase III bond release on the 40 acres of land as described above. Travelers Casualty and Surety Insurance Company currently holds a surety bond in the amount of \$734,000.00 for the 95.3 disturbed area acres of the Star Point Mine. This action will release \$62,000, leaving \$672,000 to complete any reclamation costs for the remaining 87.3 disturbed area acres. DOGM has determined that this remaining bond amount of \$672,000 is sufficient to complete all remaining reclamation obligations at this site if the work had to be completed by a third party contractor. OSM concurs with the proposed bond release amount.

Thank you and your staff for coordinating this Federal mine bond release action through the DFD. Please direct any questions concerning this action to Christy Hulsman, Natural Resources Protection Specialist at chulsman@osmre.gov or (303) 293-5042.

Sincerely,



James F. Fulton, Chief
Denver Field Division

Enclosure

cc: Daron Haddock, DOGM
Dennis Ware, Plateau Mining Corporation
Steve Rigby, BLM, Green River District Office

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BUREAU OF LAND MANAGEMENT

Green River District Office

Price Field Office

125 South 600 West

Price, UT 84501

<http://www.blm.gov/ut/st/en/fo/price.html>

June 11, 2010

In Reply Refer To:

3474

(UTG023)

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

Dear Mr. Haddock,

Subject: Phase I Bond Release Inspection for Reclaimed Areas of the Willow Creek Mine, Crandall Canyon. Phase III Bond Release Inspection for the Star Point Mine

Phase I Bond Release Inspection took place on June 8, 2010; Plateau Mining Corporation has completed Phase I of the approved reclamation plan for the areas of Crandall Canyon area other than the disturbed area around the shaft area that subsided in the winter of 2008. The BLM concurs with the reclamation that has taken place.

Phase III Bond Release Inspection took place on June 8, 2010 on 40 acres of the reclaimed surface facilities to change the post mining land use from wildlife habitat, grazing and recreational use to industrial for oil and gas. The BLM concur with the reclamation and the post mining land use change.

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

Sincerely

Steve Rigby

Assistant Field Office Manager, Coal

cc: (UT923), Roger Bankert