

C/007/006 Incoming
CC: James

#4320
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United States Department of the Interior

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



July 25, 2013

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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
P.O. Box 145801
Salt Lake City, UT 84114-5801

**RE: Phase III Bond Release, Plateau Mining Corporation, Star Point Mine, C/007/0006,
Task #4320**

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining (OSM), Denver Field Division's (DFD) receipt and review of the above Phase III Bond Release Decision Document prepared by the Division of Oil, Gas, and Mining (DOG M) dated July 11, 2013. 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 906.30, Article IX, Section 24, of the State-Federal Cooperative Agreement.

DOG M's Decision Document notes the applicant's compliance with the Utah approved regulatory program at Rule R645-301-880. The Bureau of Land Management's (BLM) and the US Forest Service's (USFS) concurrence letters on the bond release to DOG M are attached in the Decision Document as is evidence of public notification and permit condition requirements that the applicant must meet.

DOG M's Decision document releases the remaining bond on the 87.3 bonded acres within the disturbed area boundary by granting Phase III bond release, releases the Plateau Mining Corporation (PMC) from all reclamation liability associated with the Star Point Mine permit, and terminates DOG M's jurisdiction on the entirety of the Star Point Mine Permit area, which encompasses 8,780 acres.

OSM finds that PMC has met or exceeded the requirements for Phase III bond release on the 8,780 acres of land described above. DOG M currently holds a performance bond in the amount of \$672,000 of which PMC has requested full release. OSM concurs with DOG M's decision and recommends release for the entire requested area at the Star Point Mine.

I have attached OSM's inspection report from the bond release inspection for your records. Please direct any questions concerning this action to Flynn Dickinson, Hydrologist, at

fdickinson@osmre.gov or (303) 293-5013.

Sincerely,

A handwritten signature in blue ink that reads "Alan Belman, acting for". The signature is written in a cursive style.

Jeffrey Fleischman, Chief
Denver Field Division

cc: Daron Haddock, DOGM
Plateau Mining Corporation

DENVER FIELD BRANCH

INSPECTION NARRATIVE

COMPANY: Plateau Mining Corporation
MINE: Star Point Mine
PERMIT NO: C/007/0006
DATE OF INSPECTION: May 23, 2013
WEATHER: Sunny and windy, mid 70's
COMPANY OFFICIALS: Dennis Ware, Patrick Collins, and Richard White
STATE OFFICIAL: Priscilla Burton, Amanda Daniels, James Owen, Daron Haddock, Joe Helfrich
OSMRE OFFICIAL: Flynn Dickinson
FEDERAL LAND MANAGEMENT AGENCY OFFICIALS: Vaughn Hughes and Sue Wiley (BLM), Kyle Beagley, Ethan Mangum, and Tom Lloyd (USFS)

A partial inspection of the Star Point Mine was conducted to determine acceptability for Phase III bond release. This inspection was focused on releasing the bond associated with 87.3 acres of reclaimed, previously disturbed area(s) and terminating jurisdiction on the remaining 8,693 acres in the permit area. The total permitted area of the mine is 8,780 acres.

For the completion of Phase III, the operator must meet re-vegetation success standards and other performance standards, including but not limited to:

- Meeting the 10-year liability requirement for successful re-vegetation on areas which receive 26 inches or less of annual average precipitation
- Demonstrating that the re-vegetation is suitable to support the post-mining land use
- Demonstrating that surface mining and reclamation activities have been conducted to minimize disturbance to the hydrologic balance, that the water resources on the mine site support the post-mining land use, that replacement or protection of water rights has occurred, and that material damage to the hydrologic balance has been mitigated
- Demonstrating that material damage related to subsidence features has been prevented or mitigated and that such subsidence features and the effects thereof have been corrected
- Meeting any other requirements mandated by a previous partial release of bond during Phase I or II where discrepancies were identified by the regulatory authority
- Meeting any and all other conditions or stipulations of the permit and all applicable performance standards

The company submitted DOGM a report showing that the extended responsibility period has been met, vegetation information for the last two years of the extended responsibility period, sediment yield information, public notice, landowner and government agency notification letters, a reclamation certification, and bond release calculations. Evaluation of public, land owner and adjacent land owners, and other bond release notification procedures required by the coal operator and the regulatory authority will be addressed in OSM's concurrence letter.

The current performance bond for 87.3 acres of reclaimed area at the Star Point Mine is \$672,000. The phase III bond release application requested full bond release on the bonded area and termination of jurisdiction on the remaining permit area.

All applicable bonded areas of the mine were visited, excluding Corner Canyon (0.4 acres) and Mud Water Canyon due to limited accessibility to these sites. The reclamation areas on the permit area which were visited included the No. 1 Mine area, the No. 2 Mine area, SPRD-30 and SPRD-31 diversions, and a reclaimed loadout site.

The Star Point mine is located in an area with steep slopes. There was a cutslope associated with a county road which runs through both the No. 1 and No.2 Mine areas which could not be backfilled due to the fact that access has to be maintained on this road. There is a similar situation with a section of highwall in the No. 2 Mine area which was retained due to both a lack of backfill material being available and to maintain access on the county road, as is highlighted in Figure 1. OSM conducted a special focus evaluation regarding highwall retention at the Star Point Mine and other mines in 2001. See OSM Special Focus Evaluation document, "Highwall Elimination and Retention as a Part of Approximate Original Contour (AOC) Restoration" for details.

The vegetation on the reclaimed areas was diverse, provided adequate coverage and sediment control, and was well established. In addition to grasses and shrubs that were planted in the initial augmented seeding, volunteer conifers were noted on both the No. 1 Mine and No. 2 Mine areas. They were thriving in the rocky, surface gouged topsoil-substitute material that had been spread on these areas. See Figure 2 for details.

It was noted that there was an area on the No. 2 Mine where it appeared that coal refuse had either been mixed with the topsoil substitute material or that the overlying material had eroded away and exposed some coal refuse. This area appeared to consist of less than a quarter acre and had minimal vegetative cover on it. This should have been addressed either in previous bond release phases or otherwise in DOGM's inspection and enforcement program. See Figure 3 for details.

The downdrains on the reclaimed areas all appeared to be in good shape and were preventing downcutting into the underlying spoil. Some minor channels were reclaimed using geotextile material and were also in good condition. There were no issues noted regarding rills and gullies on the reclaimed areas.

The SPRD-30 and SPRD-31 diversions, which receive runoff from the bulk of the reclaimed areas at the mine, were repaired in 2012 following a series of events which caused them to fail. Following wildfires which affected part of the watersheds for these diversions on land above the reclaimed area, a large storm event caused the diversions to fail. Immediately following the fire, the curve numbers for the applicable area likely increased significantly and resulted in larger peak runoff due to the lack of moisture holding capacity in the "baked" soils and a lack of vegetative cover. Fortunately, this problem appears to have been mitigated as the burned areas have become re-vegetated, as illustrated in Figure 4. The diversions were repaired using the original designs in the permit and no additional disturbance was created that would require revegetation or extend the vegetative responsibility period, given that the area repaired was a rip rap reinforced diversion which requires no vegetative cover, unless specifically permitted, and that the repair was necessitated by a natural disaster as outlined in R645-301-357.340 and could be construed to qualify as a normal husbandry practice due to such an event. See Figure 5 for details.

The final area inspected was a site which previously held a train loadout facility and associated conveyor belt which ran from the coal stockpile area. Other than the railroad track which is not owned by Plateau Mining Corporation, all the facilities associated with this area were removed and vegetation has been established, as is shown in Figure 6.

The areas included in this request for bond release were reviewed in the field and no items or issues were identified that would prevent OSM concurrence in the Phase III release.

CC: UDOGM, Salt Lake City, UT

FIGURES



Figure 1: Highwall retention in No. 2 Mine Area



Figure 2: Volunteer conifers in reclaimed area



Figure 3: Small area with coal refuse at the surface

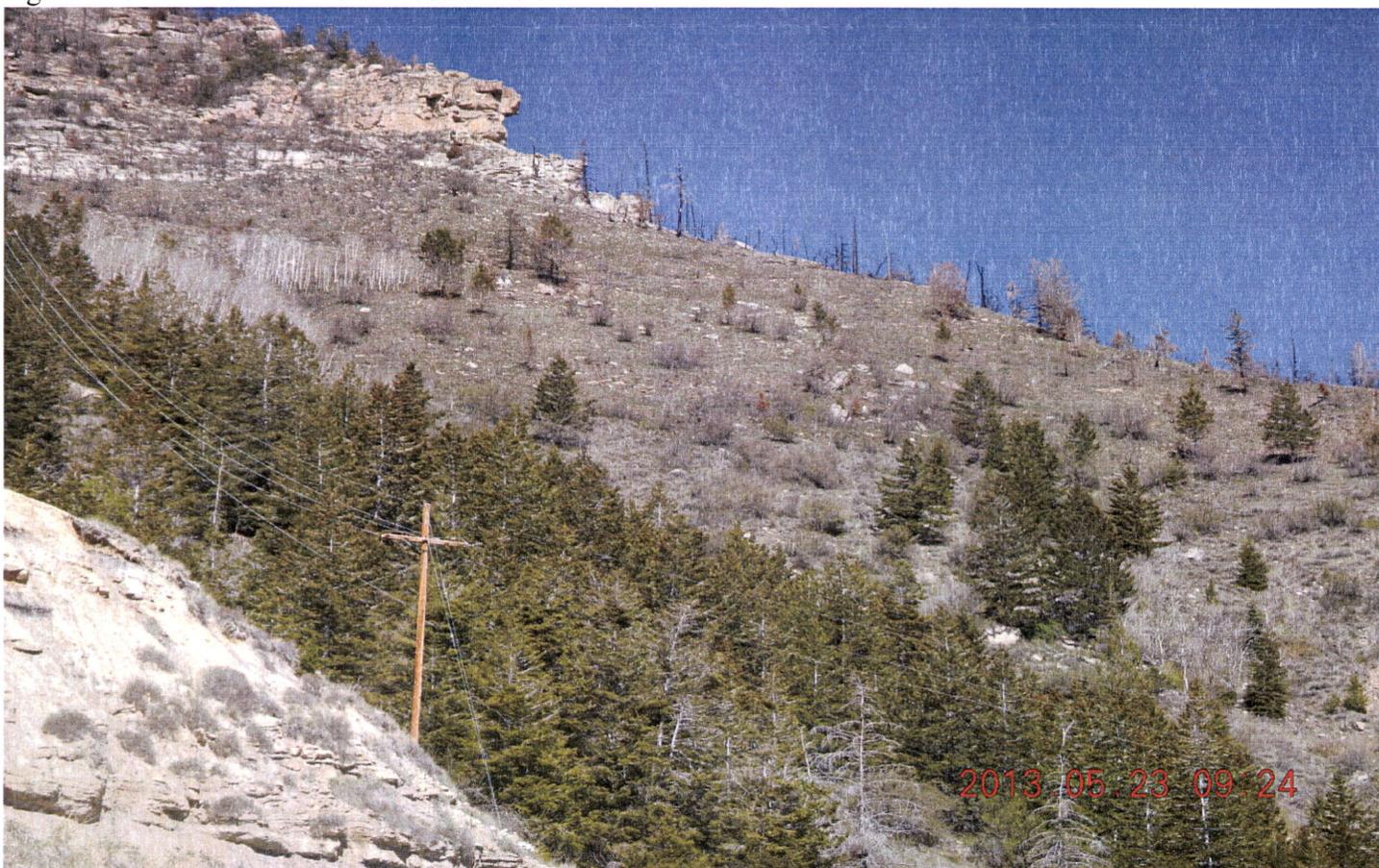


Figure 4: New growth on the burn area above the reclamation



Figure 5: Reclaimed SPRD-30 diversion



Figure 6: Reclaimed loadout facility