



GARY R. HERBERT
Governor

GREGORY S. BELL
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
#4320
K

July 29, 2013

CERTIFIED MAIL RETURN RECEIPT
7004 2510 0004 1824 7050

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

Subject: Approval of Final Phase III Bond Release, Plateau Mining Corporation, Star Point Mine, C/007/0006, Task ID #4320

Dear Mr. Ware:

The Application for Final Phase III Bond Release for 87.3 acres of land is approved.

The Office of Surface Mining submitted a letter dated July 25, 2013 which agreed with the Division's findings and decision document and concurred with the bond release action. The BLM concurred in a letter received by the Division dated May 24, 2013. The Forest Service concurred in a letter received by the Division dated July 8, 2013.

The Division finds that Plateau Mining Corporation has met the regulatory requirements for Phase III bond release and hereby grants approval. A stamped incorporated copy of the approved bond release information is included for insertion into your copy of the Mining and Reclamation Plan.

Approval of the Phase III Bond Release includes authorization to release the remaining bond for the Star Point Mine. The current amount of surety posted is \$672,000. The surety documents in the amount of \$672,000 are enclosed for release with the Fidelity and Deposit Company of Maryland.

This completes the obligations of Plateau Mining Corporation at the Star Point Mine and the SMCRA regulatory requirements are hereby concluded. Thank you for your efforts in complying with the regulatory requirements.

File in:

- Confidential
- Shelf
- Expandable

Date Folder 072913 C/0070006

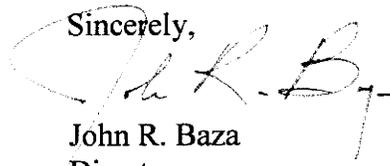
Outgoing



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July 29, 2013
Dennis Ware

If you have any questions, please feel free to call Suzanne Steab at (801) 538-5265 or Daron Haddock at (801) 538-5325.

Sincerely,



John R. Baza
Director

JRB/sqs
Enclosures

cc: Alan Boehms, OSM
Fidelity & Deposit Company of MD
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Plateau Mining Corporation
P.O. Box 30
Helper, UT 84526-0030

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<i>City, Stat</i>	

Phase III Bond Release
Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon and Emery Counties, Utah

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Phase III Bond Release Inspection Report

BLM Concurrence

USFS Concurrence

OSM Concurrence

Photos of Mudwater and Corner Canyon Areas

DECISION DOCUMENT

Phase III Bond Release
Plateau Mining Corporation
Star Point Mine
C/007/0006
Carbon & Emery Counties, Utah

ACTION

Phase III bond release is requested for the Star Point Mine. The Permittee has applied for full bond release to its only posted surety bond. The reduction would total \$672,000.

BACKGROUND

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 8780 acres. The permit includes 87.3 acres within the disturbed area boundary.

Mining operations began in 1916 when the Wattis Brothers 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 until 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 Mine 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) operated the Star Point Mine from July of 1980 until its closure in February of 2000.

RECLAMATION HISTORY

Following the permanent cessation of operations in 2000, PMC began reclamation activities. Reclamation in 2000 included: 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. Reclamation activities continued in 2001 with further demolition, backfilling and grading, and reseeding activities on approximately 45 acres, which include the No.1 Mine area, encompassing 35 acres and the Unit Train Lead-out and Silo area encompassing 10 acres. During 2002, demolition, backfilling and grading, and re-vegetation 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. Also in 2002, a post mining land use change was permitted and achieved to facilitate the installation of two coal bed methane wells and utility corridor by ConocoPhillips within PMC's permit area. By the end of 2002 the entire disturbed acreage within the permit area had been reclaimed and seeded. 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 DOGM permit C/007/0042 for use as a fuel source for their power generating facility.

In 2003, reclamation activities included the abandonment of water monitoring wells, boreholes, and minor backfilling and/or fencing of subsidence cracks and the repair of two small gullies on the slope north of the reclaimed Clean Coal Stacking Tube. During 2003, PMC demonstrated that subsidence had ceased. Phase I bond release for the Star Point Mine was approved on October 12, 2004. In February of 2006 the Bureau of Land Management issued coal lease relinquishments for the Star Point Mine Federal Coal Leases. Phase II bond release for the Star Point Mine was approved on January 14, 2009. In 2010, 40 acres were removed from the permit including 8 acres of disturbed and reclaimed land in order to facilitate the development of coal bed methane by ConocoPhillips. In 2011 and 2012 all subsidence monitoring stations and all disturbed area boundary markers were removed from the permit area.

In 2012 repairs were made to the main reclamation channel (SPRD-31) and a tributary channel (SPRD-30) following the Seeley fire and subsequent thunderstorms. The damage to the channels was repaired back to the original reclamation design (as required by OSM) in October and November of 2012. The repair of the channel and subsequent seeding is considered an accepted husbandry practice.

The entire disturbed area within the Star Point Permit had been reclaimed and seeded by the end of the year 2002. There has been no augmented seeding, fertilization, irrigation or other work, excluding accepted husbandry practices since the initial seeding was completed in 2002. The Extended Responsibility Period began in 2003 and reached the 10 year mark at the end of 2012. On April 3, 2013, PMC applied for Phase III bond release based on completion of reclamation for the entire acreage at the Star Point Mine.

BONDING HISTORY

Reclamation Agreement Signed 01/04/91; Ridered "termination" language 9/91; Increased to \$5,180,000 (1996) on 4/27/94. Increased to \$10,581,000 on 9/24/98. Three replacement bonds submitted and accepted on 7/1/99, (\$3,527,000 each, \$10,581,000 total). Temporary cessation eff. on 2/11/00. Permanent cessation on 6/5/00. Reclamation Agreement resigned on 6/5/03. Star Point Waste Fuel permitted on 11/14/03. Bond reduced to \$7,796,000 (\$2,875,000 reduction) on 12/4/03, ridered on 1/12/04. The three bonds with St. Paul Fire & Insurance, Travelers and Insurance Company of the State of PA were released, eff. 7/30/04; replaced with one Travelers bond in amount of \$7,796,000. Phase I bond release was approved eff. 10/21/04. The bond was reduced from \$7,796,000 to \$3,118,400 on 11/10/04. Phase II Bond Release approved on 2/12/09 – bond release in the amount of \$2,384,000 – leaving \$734,000 remaining. Phase III Bond Release approved on 7/20/10. Bond reduction authorized in the

amount of \$62,000, leaving \$672,000 in bond. Changed Surety Company from Travelers to Fidelity & Deposit in November 2010.

CHRONOLOGY FOR PHASE III BOND RELEASE

March 25, 2013	Plateau Mining Corporation sends letters to local governments, planning agencies, surface owners, and subsurface owners, and stake holders notifying them of the proposed bond release: Jeff McKenzie and Steve Rigby – BLM; J Potter, C Hopes, J Jones – Carbon County Commissioners; Bill Bates – DWR; Kevin Carter – SITLA; J Horrocks, G Kofford, E Migliori- Emery County Commissioners; Jeff Fleishman and Howard Strand – OSM; Tom Lloyd and Allen Rowley – USFS; Bill Taylor – MSHA; Company Representative – Conoco Phillips; J Kingston – ANR Company Inc.; Cathy Shiner – Petitti LLC; Marion & Gloria Hamaker
April 03, 2013	Plateau Mining Corporation submits the Phase III bond release application for the Star Point Mine to The Division
March 26, 2013 April 2, 9, 16, 2013	Phase III Bond Release Published in the Sun Advocate and Emery County Progress
May 2, 2013	The Division sends letters of invitation for the bond release inspection to be held May 23, 2013
May 16, 2013	Public comment period closes, The Division receives no comments
May 23, 2013	Phase III bond release inspection. In attendance: Dennis Ware – Plateau Mining Corporation Richard White – EarthFax Engineering Patrick Collins – Mt. Nebo Scientific Daron Haddock, James Owen, Joe Helfrich, Priscilla Burton, Amanda Daniels – UDOGM Sue Wiler, Vaughn Hughes – BLM Flynn Dickinson – OSM Tom Lloyd, Kyle Beagley, Ethan Mangum - USFS
June 21, 2013	Field Verification Inspection of Mudwater & Corner Canyons

SUMMARY OF FINDINGS

The Phase III bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted on May 23, 2013. No problems were identified. The technical analysis for Phase III the bond release is attached.

PHASE III BOND RELEASE RECOMMENDATION

The Permittee has demonstrated the establishment of vegetation at the Star Point Mine. The Permittee has applied for a full bond reduction in the amount of \$672,000. The recommendation is that the Division approve Phase III bond release for the area.

State of Utah



Coal Regulatory Program

Star Point Mine
Plateau Mining Corporation
Technical Analysis
Phase III Bond Release, Task ID #4320
May 30, 2013

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RECLAMATION PLAN

RECLAMATION PLAN

Plateau Mining Corporation, The Permittee, has met the minimum requirements of the Utah Coal Mining Rules for Phase III bond release. The Division should approve a full Phase III bond release.

GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The Division can approve Phase III bond release after the Permittee successfully completes all surface coal mining and reclamation operations and after expiration of the period specified in R645-301.357, which is ten years permitted Star Point Mine area.

UDOGM Bond Release Directive Tech-006 and Utah Rules R645-301-880.100-800 provided guidance for the bond release review.

Findings:

The information provided is adequate to meet the minimum regulatory requirements for this section.

TOPSOIL AND SUBSOIL

Regulatory Reference: 30 CFR Sec. 817.22; R645-301-240.

Analysis:

Bond release is being sought for 87 acres of the Star Point Mine, including the Lions Deck, Mine #1, Unit Train Loadout, associated roads, ponds and facilities and the reconstructed channel of Serviceberry Creek, and remote breakout portals in Mudwater and Corner Canyons. Exhibit 800.200 provides the history of the site.

RECLAMATION PLAN

May 30, 2013

This site received Phase I bond release in 2004 and Phase II bond release in 2008. As-built Reclamation Topography and Treatment Maps (five sheets: Maps 542.200 a, a1, a2, a3, b, and c and Maps 542.200g (Mudwater Canyon) & h (Corner Canyon), As Built Reclamation Cross-sections (six sheets: Maps 542.200d1, d2, d3, e1, e2, & f), and As-Built cut and fill balance for the site (Table 542.200a).

The Seeley fire that raged in the Manti La Sal National Forest in June and July 2012 caused flash flooding and erosion that required repair and augmented seeding in Serviceberry Creek, SPRD-31, and a tributary SPRD-30. A site visit was conducted on May 23, 2013. There were no soils or erosion issues noted on the reclaimed site or in the recently repaired section of SPRD-31 or SPRD-30. The vegetation on Mine #1, Mine #2 sites provide good coverage for wildlife use. The sediment yield analysis in Appendix 2 of Exhibit 800.200 demonstrate through the use of the Revised Universal Soil Loss Equation (RUSLE 2), that soil loss from this site is less than the reference area. The enhanced soil protection is due to increased cover over that of the reference area and shorter slopes created by surface roughening.

The County road remains through the Lion's Deck to access communications towers above the site. The application included 2011 photographs and complimentary comments on the reclamation of Mudwater canyon by the NRCS.

The following is a review of the reclamation information for the site. As-built Table 542.200a indicates that 419,764 yd³ of coal mine waste was cut from the main channel and lower facilities area and placed in the fill at the Lion's Deck or on the refuse pile. Final logistics of the waste placement is indicated on as-built Maps 542.200 a, b, and c, received April 8, 2004. These maps also indicate the dates that the work was accomplished.

Sidecast soils and pad soils were used in the reclamation of Mine #1. Soil was harvested from the Lion Deck out slope and the areas surrounding the Main Channel for use as in the rooting zone (footnote to Table 233.100) and from pond embankments (page 200-18). The Mudwater Canyon Fan Portal site was reclaimed in the fall 2000 with existing fill as growth media (page 200-22). The Corner Canyon Fan Portal site was reclaimed using the stockpiled topsoil and subsoil (page 200-22). Soils were salvaged and replaced to a depth of six inches during reclamation of the Unit Train Loadout conveyor (page 200-21 and 200-22). Characteristics of these soils are found in the MRP Tables 230.200a, c, d, e, & f and Exhibit 241a.

The Soil Redistribution Plan (MRP, Section 241, pp 200-21 through 200-25) indicates:

- Four feet of cover was placed on top of acid/toxic material.
- All coal waste at the site was used as backfill.

RECLAMATION PLAN

- Seventeen inches of substitute soils was placed over all other areas.
- In-place fill materials were used as substitute soils.
- Re-exposed, buried topsoil was used wherever possible.

As laid out in Table 233.100 Reclamation Soil Balance for Coal Waste Cover (MRP, Section 233, page 200-19), UEI placed approximately 135,305 cy³ of material at the Lion Deck and the Main Channel in order to meet the four foot cover requirement.

The Lion Deck was backfilled with 113,532 cy³ of coal mine waste from the Main Channel and covered with four feet of material. Plate 542.200a indicates that all of the cover for the coal refuse placed on the Lion's Deck (69,202 cy³) came from the out slope of the Lion Deck pad. The "Introduction" to the Phase I bond release application verifies that Table 233.100 and page 200-24 of the MRP contain outdated information concerning the cover for the Lion Deck.

Coal mine waste was used as fill in the Main Channel side slopes (MRP, Section 240, page 200-25). This MRP information is confirmed by the as-built Map 542.200c. The coal mine waste was covered with four feet of soil. To accomplish reclamation of the Main Channel and Lower Facilities area, the volume of cover required was approximately 116,468 cy³. This material came from the adjacent operations pad areas, the borrow area was not disturbed.

The plan indicates that a fertilizer was applied (page 200-26), however the "Introduction" that accompanies the Phase I bond release application indicates that this did not occur.

The MRP, page 200-26 and 200-27, indicates that the regraded soils were ripped or otherwise scarified prior to topsoil placement. MRP, page 200-27 and page 500-78, reports that after topsoil placement 2 Tons per acre of hay and/or straw mulch was incorporated into the soil with plowing or gouging. Both pages add that another 1.5 to 2 Tons per acre of straw mulch were spread over the area after seeding and crimped in or sprayed on with a tackifier. Maps 542.200a, b, and c confirm this scarification and addition of hay and straw by outlining areas receiving the treatments. In addition, the "Introduction" accompanying the Phase I bond release application indicates that the straw was bound to the soil with an application of 500 lbs/acre of [wood fiber] hydromulch and tackifier.

Technical Directive 006 requires in item II B 3 that the postmining contour topographic maps show detail including important topographic features such as: dates of backfilling and grading activities, dates of topsoil replacement and topsoil replacement depths. The maps received with this application indicate that the Lion Deck and Main Channel areas were deep gouged with hay and straw mulch in the fall of 2002. A note on the map details the dates of earlier reclamation. The maps outline burial sites for coal mine waste, and indicate a four-foot cover depth over coal mine waste.

RECLAMATION PLAN

The "Introduction" that accompanied the Phase I bond release application indicated that suitable growth media was identified and placed concurrently with the backfilling and grading to an "appropriate depth," which is further defined in the MRP as seventeen inches (MRP, Section 241, pp 200-21 through 200-25).

Findings:

The information provided in the MRP and the Phase III bond release application meets the requirements of Tech Directive 006 for soils and overburden chemical analyses results, erosion control and the requirements of this section of the regulations.

POSTMINING LAND USES

Regulatory Reference: 30 CFR Sec. 784.15, 784.200, 785.16, 817.133; R645-301-412, -301-413, -301-414, -302-270, -302-271, -302-272, -302-273, -302-274, -302-275.

Analysis:

The postmining land uses for the Star Point Mine are the same as the premining which include livestock grazing, wildlife habitat, recreation, and forestry. Some areas were previously converted to industrial land uses for oil and gas drilling. These postmining land uses were achieved by meeting ground cover, production, and woody species density standards explained in the below sections.

Findings:

The information provided is considered adequate to meet the regulatory requirements for this section.

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Revegetation: Standards For Success

RECLAMATION PLAN

Year 9 vegetation monitoring was conducted in 2011 by Mt. Nebo Scientific. Cover, Frequency and composition were documented as well as density, biomass production, sample size and adequacy. Three plant communities were disturbed by the construction of the mine. These communities include Sagebrush, Mountain Grassland and Saltbush. Each of these communities has a corresponding reference area that was selected previously. The reclaimed areas were divided into pre-SMCRA and post-SMCRA disturbed areas due to the different success standard requirements.

In the post and Pre-SMCRA area, total living cover was at least 90% of the reference area estimates. Woody species density was predetermined for all areas at 2,000 stems per acre. All areas had at least 90% of the success standard density. Biomass was only calculated at post-SMCRA sites. The biomass for all sites was greater than the reference area measurements.

Year 10 vegetation monitoring for bond release was conducted by Mt. Nebo Scientific in 2012. The same indicies were calculated in year 10 as year 9. However, diversity and similarity between the reclaimed areas and their associated reference areas were also calculated. The total living cover for both the pre-SMCRA and post-SMCRA areas was higher than that of the reference areas. Woody species density for all areas was greater than the approved standard of 2,000 stems per acre. The annual biomass production in the post-SMCRA area was greater than that of the reference area. Biomass was not calculated on pre-SMCRA areas.

Jeff Fenton, Rangeland Management Specialist with the NRCS monitored the reclaimed areas within the Star Point Mine for vegetation establishment and soil stability. Plant production, health and vigor were reported as very good, good seed production was recorded and good soil stability at all sites.

The Division biologist, Joe Helfrich, visited the reclaimed areas on May 23, 2013. His observations are located in inspection report #3488.

Findings:

The information provided is considered adequate to meet the regulatory requirements for this section.

HYDROLOGIC INFORMATION

Regulatory Reference: 30 CFR Sec. 784.14, 784.29, 817.41, 817.42, 817.43, 817.45, 817.49, 817.56, 817.57; R645-301-512, -301-513, -301-514, -301-515, -301-532, -301-533, -301-542, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-733, -301-742, -301-743, -301-750, -301-751, -301-760, -301-761.

Analysis:

RECLAMATION PLAN

During the site visit on May 23, 2013 drainage channels were inspected throughout the reclaimed mine area. All temporary drainage structures had been removed and the permanent channels looked stable without any significant damage. Channels SPRD-30 and SPRD-31 were repaired in the fall of 2012 and were inspected closely during the site visit. The channels were returned to their original design which included rip-rap, topsoil, and seeding. No problems were found during the inspection of these channels.

Findings:

The application is considered adequate to meet the requirements of phase III bond release.

BACKFILLING, GRADING, AND APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 785.15, 785.16, 817.102, 817.107, 817.133; R645-301-234, -301-412, -301-413, -301-512, -301-531, -301-533, -301-553, -301-536, 301-537, -301-542, 301-552, -301-553, -301-731, -301-732, -301-733, -301-764.

Analysis:

The reclaimed sites have adequately achieved approximate original contour (AOC). Some road cuts were left in place due to the fact that they were cut too steep to be fully covered, however, the cuts are minimal and achieve the stability requirements of R645-301-553.530, and meet the approximate original contour criteria of R645-301-553.520.

All backfilling, soil stabilization, compacting and grading, are as expected according to the MRP's anticipated final surface configuration of the permit area.

Reclamation in 2000 included: 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. Reclamation activities continued in 2001 with further demolition, backfilling and grading, and reseeding activities on approximately 45 acres, which include the No.1 Mine area, encompassing 35 acres and the Unit Train Lead-out and Silo area encompassing 10 acres. During 2002, demolition, backfilling and grading, and re-vegetation 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. Also in 2002, a post mining land use change was permitted and achieved to facilitate the installation of two coal bed methane wells and utility corridor by ConocoPhillips within PMC's permit area. By

RECLAMATION PLAN

the end of 2002 the entire disturbed acreage within the permit area had been reclaimed and seeded. 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.

In 2003, reclamation activities included the abandonment of water monitoring wells, boreholes, and minor backfilling and/or fencing of subsidence cracks and the repair of two small gullies on the slope north of the reclaimed Clean Coal Stacking Tube. During 2003, PMC demonstrated that subsidence had ceased

Phase I bond release for the Star Point Mine was approved on October 12, 2004. In February of 2006 the Bureau of Land Management issued coal lease relinquishments for the Star Point Mine Federal Coal Leases.

Phase II bond release for the Star Point Mine was approved on January 14, 2009. In 2010, 40 acres were removed from the permit including 8 acres of disturbed and reclaimed land in order to facilitate the development of coal bed methane by ConocoPhillips. In 2011 and 2012 all subsidence monitoring stations and all disturbed area boundary markers were removed from the permit area.

The entire disturbed area within the Star Point Permit had been reclaimed and seeded by the end of the year 2002. There has been no augmented seeding, fertilization, irrigation or other work, excluding accepted husbandry practices since the initial seeding was completed in 2002. The Extended Responsibility Period began in 2003 and reached the 10 year mark at the end of 2012.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. No deficiencies were identified.

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules. No deficiencies were identified.

MINE OPENINGS

Regulatory Reference: 30 CFR Sec. 817.13, 817.14, 817.15; R645-301-513, -301-529, -301-551, -301-631, -301-748, -301-765, -301-748.

Analysis:

RECLAMATION PLAN

All mine openings have been appropriately sealed in accordance with MSHA, 30CFR 75.1711. Closures are considered permanent

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

The Permittee currently has a Surety Bond posted in the amount of \$672,000. The Principal Holder is Fidelity & Deposit Company of MD. Plateau Mining Corporation is requesting full Phase III Bond Release, leaving the bond amount at \$0.

Findings:

Contents and information provided are sufficient enough to meet the minimum requirements of this section of the Utah Coal Mining Rules.

**PLATEAU MINING CORPORATION
STAR POINT MINE
PERMIT C/007/0006, RENEWED 01/28/2012
PHASE III BOND RELEASE**

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 of Utah, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah Regals.com website, the first publication was on the 26th day of March, 2013, and that the last publication of such notice was in the issue of such newspaper dated the 16th day of April 2013.



Richard Shaw - Publisher

subscribed and sworn to before me this

16th day of April, 2013.



Notary Public. My commission expires January 10, 2015. Residing at Price, Utah

Publication fee, \$ 873.60



Notice is hereby given that Plateau Mining Corporation, P.O. Box 30, Helper, Utah 84526, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining pursuant to RC45-301-800 for Phase III bond release for the Star Point Mine, Permit C/007/0006. The Phase III bond release applies to the entire permit which includes 87 acres of disturbed and reclaimed land. This bond release application is based on meeting the vegetation and water quality requirements for Phase III 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 was approved in 2004 and Phase II bond release was approved in 2009.

In accordance with the provision of RC45-301-800, of the State of Utah RC45 Coal Mining Rules, notice is hereby given that Plateau Mining Corporation is applying for full release of the performance bond posted for this property which is \$872,300.

The permit area is located in Carbon and Emery counties, Utah as follows:

Township 14 South, Range 7 East, SLB&M
Section 34: Lots 3, 4, N1/2SE1/4

Township 15 South, Range 7 East, SLB&M
Section 1: S1/2
Section 2: Lots 2 through 7, 10 through 12, SW1/4, W1/2SE1/4, SE1/4SE1/4
Section 3: Lots 1, 2, 7 through 10, E1/2SE1/4, E1/2W1/2SE1/4
Section 10: E1/2E1/2, E1/2, E1/2NW1/4NE1/4
Section 11: All
Section 12: All
Section 13: N1/2
Section 14: All
Section 15: E1/2E1/2NE1/4, E1/2E1/2SE1/4
Section 22: E1/2E1/2NE1/4NE1/4, Parts of E1/2SE1/4SE1/4, Parts of E1/2NE1/4SE1/4, Parts of E1/2E1/2SE1/4E1/4
Section 23: All

Section 25: W1/2NW1/4

Section 26 N1/2
Section 27: E1/2E1/2NE1/4NE1/4

Township 15 South, Range 8 East SLB&M
Section 5: Lots 4, 5, 12, NW1/4SW1/4
Section 6: Lots 2, 3, 6, 7, 8, 10, 11, 14, E1/2SW1/4, SE1/4
Section 7: All
Section 8: W1/2NW1/4, SW1/4, SE1/4SE1/4, S1/4SW1/4SE1/4
Section 9: SW1/4SW1/4, E1/2SW1/4
Section 10: SW1/4, W1/2SE1/4, SE1/4SE1/4
Section 15: N1/2N1/2
Section 16: All
Section 17: E1/2, NW1/4, NW1/4SW1/4 North of the Right Fork Miller Creek
Section 18: N1/2, N1/2SE1/4, NE1/4SW1/4, N1/2NW1/4SW1/4
Section 20: NE1/4
Section 21: E1/2NW1/4

The permit area is shown on the following U.S. Geological Survey 7.5-minute maps: Wadlis and Higuaita.

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 informal conferences on this proposal may be addressed 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 informal conference on the proposal must be submitted by May 16, 2013.

Published in the Sun Advocate March 26, April 2, 9 and 16, 2013.

**PLATEAU MINING CORPORATION
STAR POINT MINE
PERMIT C/007/0006, RENEWED 01/20/2012
PHASE III BOND RELEASE**

AFFIDAVIT OF PUBLICATION

STATE OF UTAH

ss.

County of Emery

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State of Utah and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the 1st issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website; the first publication was on the 26th day of March, 2013, and that the last publication of such notice was in the 15th issue of such newspaper dated the 16th day of April, 2013.



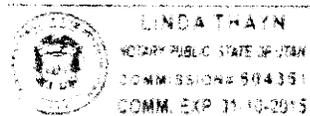
Richard Shaw - Publisher

Subscribed and sworn to before me this 16th day of April, 2013.



Notary Public My commission expires January 19, 2015 Residing at Price, Utah

Publication fee: \$ 624.00



Notice is hereby given that Plateau Mining Corporation, P.O. Box 30, Helper, Utah 84526, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining pursuant to R645-301-880 for Phase III bond release for the Star Point Mine, Permit C/007/0006. The Phase III bond release applies to the entire permit which includes 87 acres of disturbed and reclaimed land. This bond release application is based on meeting the vegetation and water quality requirements for Phase III 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 was approved in 2004 and Phase II bond release was approved in 2008.

In accordance with the provision of R645-301-880, of the State of Utah R645 Coal Mining Rules, notice is hereby given that Plateau Mining Corporation is applying for full release of the performance bond posted for this property which is \$672,000.

The permit area is located in Carbon and Emery counties, Utah as follows:

Township 14 South, Range 7 East, SLB&M
Section 34: Lots 3, 4, N1/2SE1/4

Township 15 South, Range 7 East, SLB&M
Section 1: S1/2
Section 2: Lots 2 through 7, 10 through 12, SW1/4, W1/2SE1/4, SE1/4SE1/4
Section 3: Lots 1, 2, 7 through 10, E1/2SE1/4, E1/2W1/2SE1/4
Section 10: E1/2E1/2, E1/2, E1/2NW1/4NE1/4
Section 11: All
Section 12: All
Section 13: N1/2
Section 14: All
Section 15: E1/2E1/2NE1/4, E1/2E1/2SE1/4
Section 22: E1/2E1/2NE1/4NE1/4, Parts of E1/2SE1/4SE1/4, Parts of E1/2NE1/4SE1/4, Parts of E1/2E1/2SE1/4E1/4
Section 23: All
Section 25: W1/2NW1/4
Section 26: N1/2
Section 27: E1/2E1/2NE1/4NE1/4

Township 15 South, Range 8 East SLB&M
Section 5: Lots 4, 5, 12, NW1/4SW1/4
Section 6: Lots 2, 3, 6, 7, 8, 10, 11, 14, E1/2SW1/4, SE1/4
Section 7: All
Section 8: W1/2NW1/4, SW1/4, SE1/4SE1/4, S1/4SW1/4SE1/4
Section 9: SW1/4SW1/4, E1/2SW1/4
Section 10: SW1/4, W1/2SE1/4, SE1/4SE1/4
Section 15: N1/2N1/2
Section 16: All
Section 17: E1/2, NW1/4, NW1/4SW1/4 North of the Right Fork Miller Creek
Section 18: N1/2, N1/2SE1/4, NE1/4SW1/4, N1/2NW1/4SW1/4
Section 20: NE1/4
Section 21: E1/2NW1/4

The permit area is shown on the following U.S. Geological Survey 7.5-minute maps: Wallis and Hlavatha.

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 informal conferences on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1984 West North Temple, Suite 1219
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or informal conference on the proposal must be submitted by May 16, 2013.

Published in the Emery County Progress March 26, April 2, 9 and 16, 2013.



GARY R. HERBERT
Governor

GREG BELL
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

Inspection Report

Permit Number:	C0070006
Inspection Type:	BOND RELEASE
Inspection Date:	Thursday, May 23, 2013
Start Date/Time:	5/23/2013 9:30:00 AM
End Date/Time:	5/22/2013 3:00:00 PM
Last Inspection:	Wednesday, November 21, 2012

Inspector: James Owen

Weather: Sunny, warm, windy, clear

InspectionID Report Number: 3488

Accepted by: Jhefric

6/8/2013

Representatives Present During the Inspection:

OGM Amanda Daniels
OGM Daron Haddock
OGM James Owen
OGM Joe Helfrich
OGM Priscilla Burton
Company Dennis Ware
Company Patrick Collins
Company Richard White
USFS Tom Lloyd
OGM Priscilla Burton

Permitee: **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

8,885.00	Total Permitted
87.30	Total Disturbed
100.76	Phase I
100.76	Phase II
13.46	Phase III

Mineral Ownership

Federal
 State
 County
 Fee
 Other

Types of Operations

Underground
 Surface
 Loadout
 Processing
 Reprocessing

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

This was the Phase III Bond Release Inspection for the Star Point Mine. A total of 87.3 acres has been reclaimed by Plateau Mining Corporation at the Star Point Mine Site. Additional attendees included: Kyle Beagley USFS, Tom Lloyd USFS, Ethan Mangum USFS, Flynn Dickinson OSM, Vaughn Hughes BLM, Sue Wiler BLM. Refer to As Built Maps 542.200a for Lions Deck, 542.200b for Mines 1 and 2; Map 542.200c for Serviceberry Creek and silo loadout.

Inspector's Signature:

James Owen

Date

Wednesday, May 29, 2013

James Owen,

Inspector ID Number: 62



Permit Number: C0070006
Inspection Type: BOND RELEASE
Inspection Date: Thursday, May 23, 2013

Inspection Continuation Sheet

Page 2 of 5

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

Permit Number: C0070006
 Inspection Type: BOND RELEASE
 Inspection Date: Thursday, May 23, 2013

Inspection Continuation Sheet

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	✓		✓	
2. Signs and Markers	✓		✓	
3. Topsoil	✓		✓	
4.a Hydrologic Balance: Diversions	✓		✓	
4.b Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c Hydrologic Balance: Other Sediment Control Measures	✓		✓	
4.d Hydrologic Balance: Water Monitoring		✓		
4.e Hydrologic Balance: Effluent Limitations		✓		
5. Explosives		✓		
6. Disposal of Excess Spoil, Fills, Benches		✓		
7. Coal Mine Waste, Refuse Piles, Impoundments		✓		
8. Noncoal Waste		✓		
9. Protection of Fish, Wildlife and Related Environmental Issues		✓		
10. Slides and Other Damage		✓		
11. Contemporaneous Reclamation		✓		
12. Backfilling And Grading	✓		✓	
13. Revegetation	✓		✓	
14. Subsidence Control	✓		✓	
15. Cessation of Operations		✓		
16.a Roads: Construction, Maintenance, Surfacing	✓		✓	
16.b Roads: Drainage Controls		✓		
17. Other Transportation Facilities		✓		
18. Support Facilities, Utility Installations		✓		
19. AVS Check		✓		
20. Air Quality Permit		✓		
21. Bonding and Insurance	✓		✓	
22. Other				

1. Permits, Change, Transfer, Renewal, Sale

Approval for Phase III Bond Release would allow the permittee to full remove the bond for the C/007/0006 permit.

2. Signs and Markers

All signs and markers for the permit and disturbed areas were removed at the completion of the phase III release inspection.

3. Topsoil

There were no soils or erosion issues noted on the reclaimed Mine#1, Mine #2 sites or the Lion's Deck or in the recently repaired section of SPRD-31 or SPRD-30. Coal mine waste remains buried beneath four feet of cover.

4.a Hydrologic Balance: Diversions

The site was walked from the top of the originally disturbed area down the reclamation area. Channels were inspected and were not found to have any significant damage or erosion. The drainage channels appeared stable. Channels SPRD-30 and SPRD-31 were inspected closely. The repairs performed on the channels last fall were done according to the approved design and no problems were found during the inspection. Seedlings have emerged on the retreated area.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

All sediment ponds and impoundments for the Star Mine have been adequately reclaimed.

4.c Hydrologic Balance: Other Sediment Control Measures

Surface roughening and vegetation control sediment and prevent erosion.

12. Backfilling And Grading

The reclaimed sites have adequately achieved approximate original contour (AOC). Some road cuts were left in place due to the fact that they were cut too steep to be fully covered, however, the cuts are minimal and achieve the stability requirements of R645-301-553.530, and meet the approximate original contour criteria of R645-301-553.520. All backfilling, soil stabilization, compacting and grading, are as expected according to the MRP's anticipated final surface configuration of the permit area. .

13. Revegetation

The visit to the reclaimed Star Point mine included a walk through of the three vegetative communities (Mountain Grassland, Sagebrush and Saltbush) as classified in the reclamation of the site, beginning at the upper portals and ending at the lower rail loadout area. Reference areas coinciding with the vegetative communities were also observed. Species observed were representative of those listed in the two years of back to back monitoring data provided in the application. The grass, forb and shrub communities were well represented and well established. Douglas fir trees ranging in size from 6"- 8" to several feet not listed in the seed mix were observed in the Mountain grassland community indicating a sign of a healthy reclamation site. The plant vigor was robust and the site has remained stable. Based on these observations the Star Point mine is recommended for phase III bond release.

14. Subsidence Control

Subsidence has been adequately mitigated. Subsided areas have been adequately reclaimed. Subsidence monitoring markers were removed from the permit area.

16.a Roads: Construction, Maintenance, Surfacing

All road areas have been backfilled and stabilized as expected according to the MRP's anticipated final surface configuration of the roads in the permit area.

21. Bonding and Insurance

Approval of phase III bond release would allow the permittee to remove the full bond posted. This was a phase III bond release inspection, for comments on revegetation success see item # 13.

Clifford Training
cc: James

#4320 OK



United States Department of the Interior

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>

MAY 24 2013



RECEIVED

MAY 28 2013

DIV. OF OIL, GAS & MINING

IN REPLY REFER TO:
347411 TG023

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

Subject: Phase III Bond Release Inspection for Reclaimed Areas for the Plateau Mining Corporation, Star Point Mine., Task ID #4320

Dear Mr. Haddock,

Phase III Bond Release Inspection took place on May 23, 2013; Plateau Mining Corporation, Star Point Mine has completed Phase III of the approved reclamation plan for the of Star Point Mine area. A total of 87.3 acres has been reclaimed. The Bureau of Land Management concurs with the reclamation and recommends Phase III bond release.

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

Sincerely,

Patricia A. Clabaugh

Patricia A. Clabaugh
Field Manager

cc: Roger Bankert
Utah State Office (UT923)

C/007/006 Mining
cc James



United States
Department of
Agriculture

Forest
Service

Manti-La Sal
National Forest

Ferron/Price Ranger District
Ferron Work Center
115 West Canyon Road
P.O. Box 310
Ferron, UT 84523
Phone # (435) 384-2372
Fax # (435) 384-3296

File Code: 2820

Date: July 8, 2013

Darron Haddock
Coal Program Manager
Utah Division of Oil, Gas and Mining
PO Box 145801
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED

JUL 11 2013

DIV OF OIL GAS & MINING

Dear Mr. Haddock,

Plateau Mining Corporation, Star Point Mine has completed Phase III of the approved reclamation plan for the Star Point Mine area. Phase III Bond release inspections took place on May 23, June 20, and June 21, 2013. The majority of the 87.3 acres of reclaimed lands fall within private or BLM managed surface. Approximately .25 acres of the reclaimed lands fall within Forest Service managed surface.

Reclaimed areas within Forest Service lands are contoured to grades that blend in with the surrounding terrain and support sufficient vegetation to maintain soil retention and continued vegetative growth. No surface related issues that would preclude Phase III bond release were noted; therefore, the Forest Service concurs with the reclamation and recommends Phase III bond release.

If you have any questions concerning this matter, please contact Kyle Beagley, Minerals Specialist, in the Ferron Ranger District office at (435) 636-3577.

Sincerely,

ALLEN ROWLEY
Acting Forest Supervisor

cc: Roger Bankert, Steve Rigby, Darren G Olsen, Thomas W Lloyd



*For Bob Invering
CC: James*

#4320
R



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

RECEIVED

JUL 29 2013

OFFICE OF SURFACE 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 (DOGMI) 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.

DOGMI'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 DOGMI are attached in the Decision Document as is evidence of public notification and permit condition requirements that the applicant must meet.

DOGMI'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 DOGMI'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. DOGMI currently holds a performance bond in the amount of \$672,000 of which PMC has requested full release. OSM concurs with DOGMI'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 cursive script that reads "Alan Robinson, acting for". The signature is written in black ink and is positioned above the typed name.

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

UDOGM, Price Field Office, Price, UT
Plateau Mining Corporation

FIGURES



Figure 1: Highwall retention in No. 2 Mine Area



Figure 2: Volunteer conifers in reclaimed area

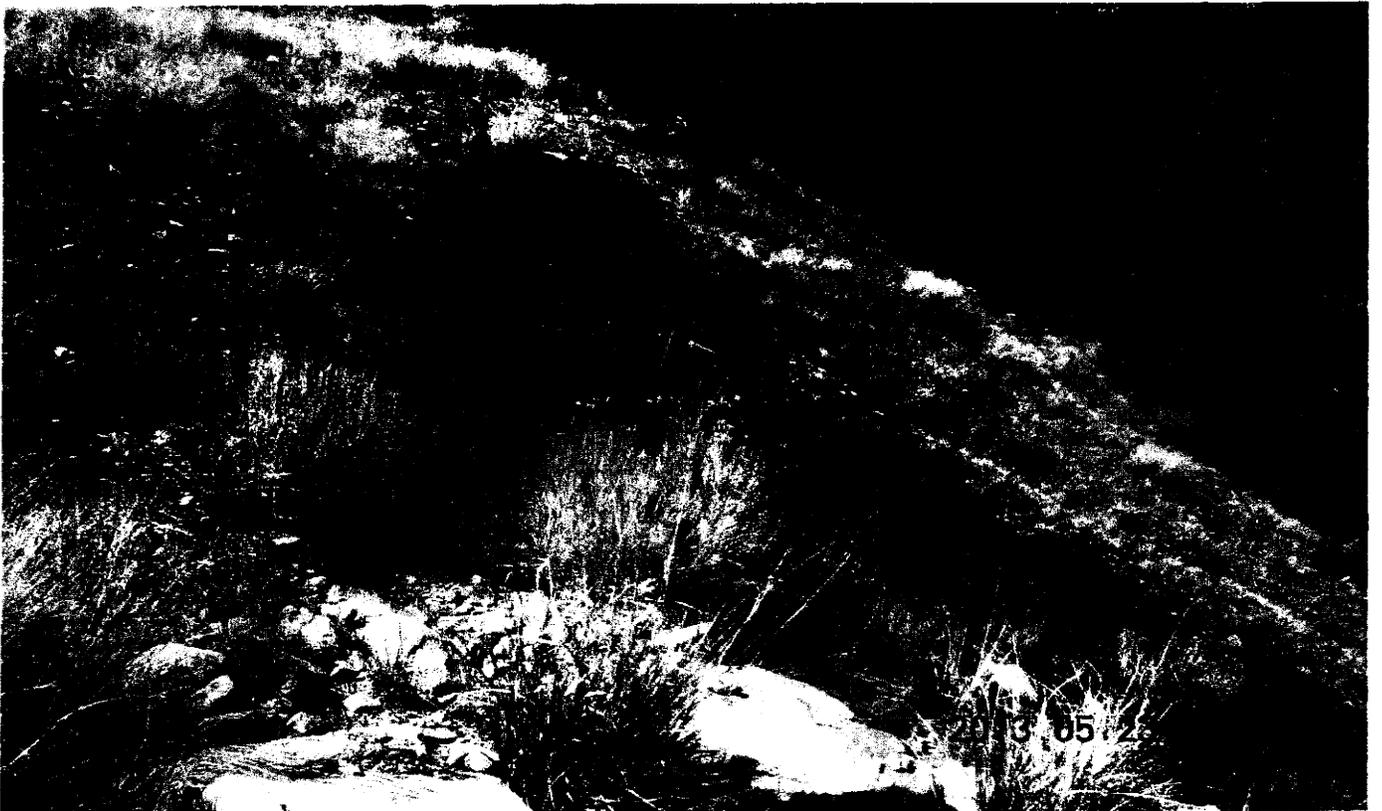


Figure 3: Small area with coal refuse at the surface

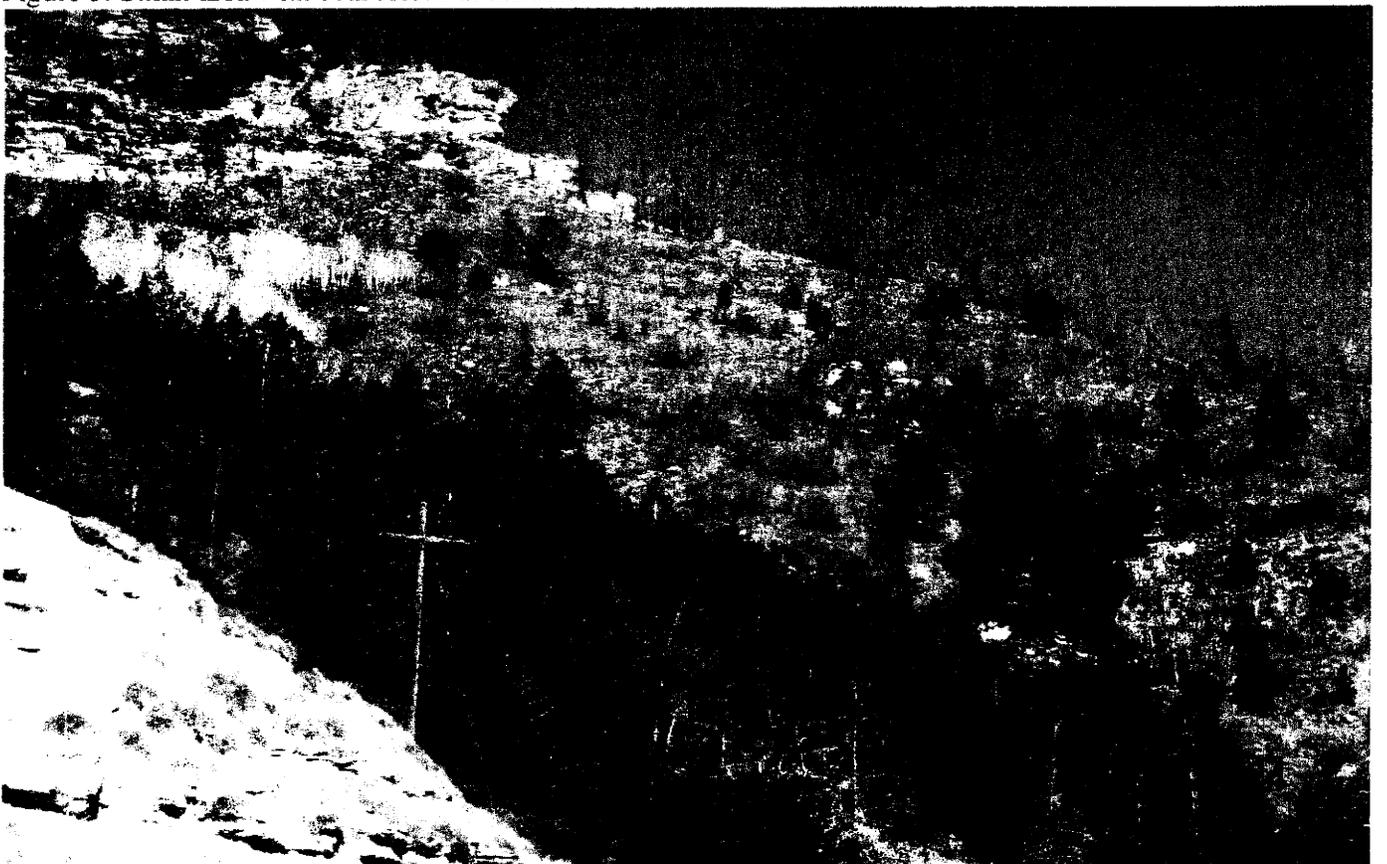


Figure 4: New growth on the burn area above the reclamation



Figure 5: Reclaimed SPRD-30 diversion

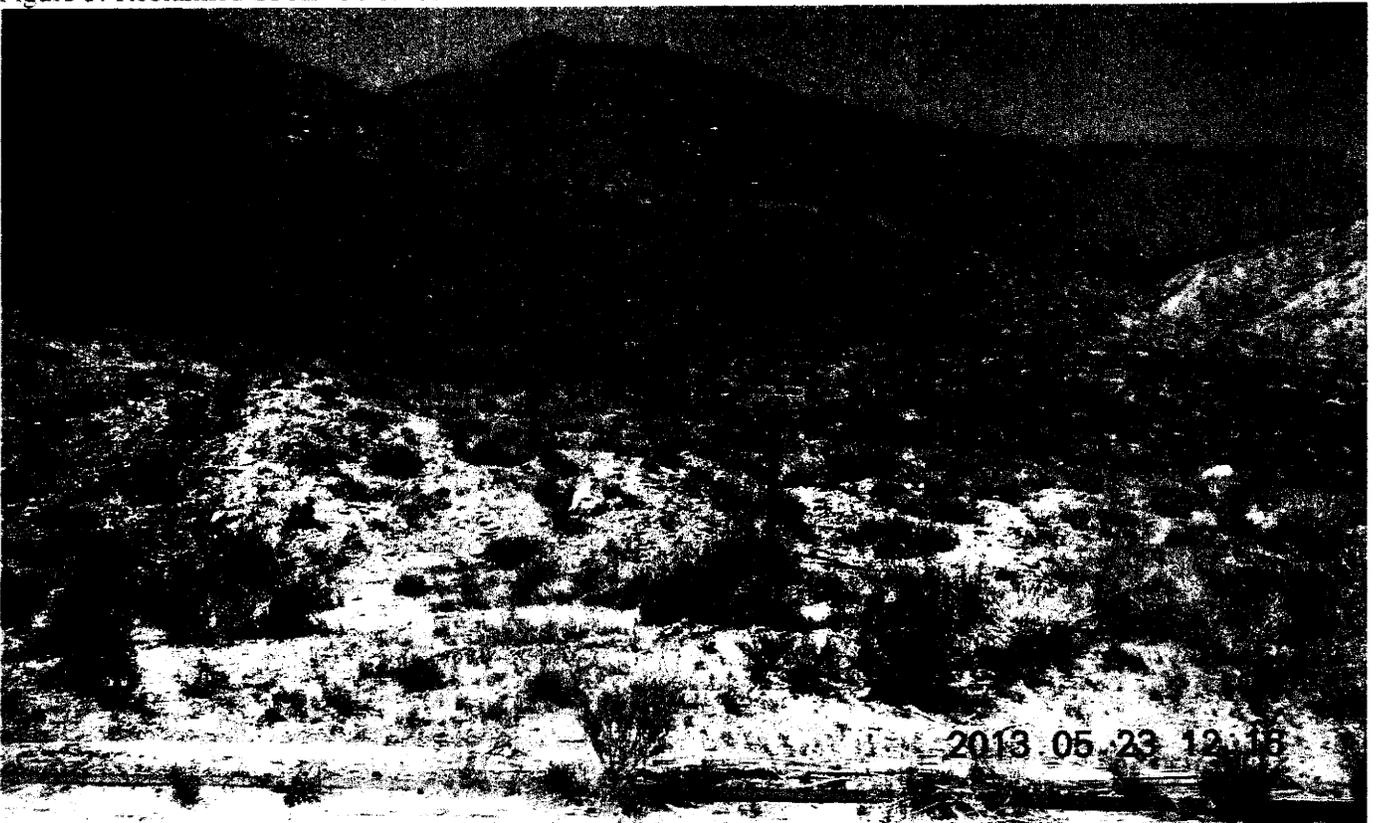
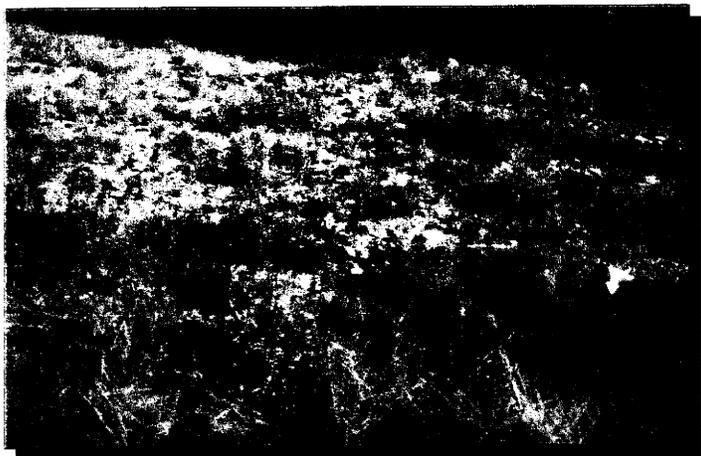
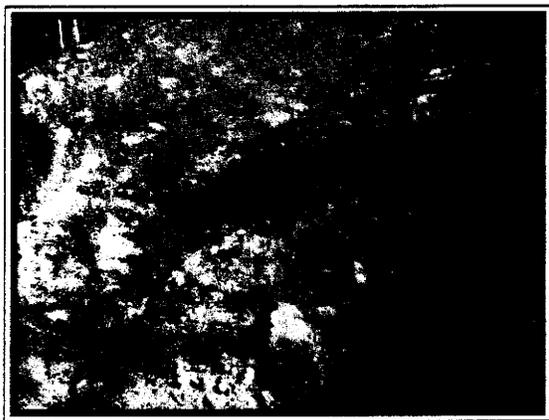


Figure 6: Reclaimed loadout facility

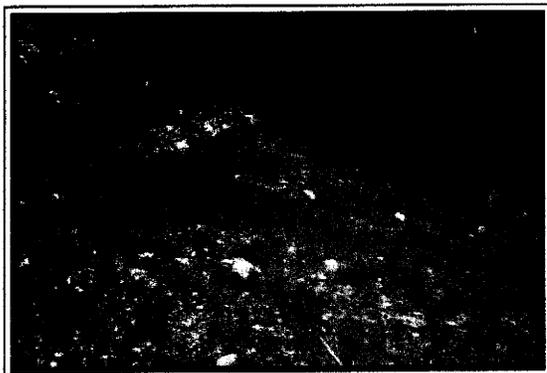
MUDWATER CANYON AREA



CORNER CANYON AREA



MUDWATER CANYON AREA





The United States Fish and Wildlife Service provides a variety of services and efforts to help people conserve, maintain, and improve our natural resources and the land.

An Equal Opportunity Provider of Services

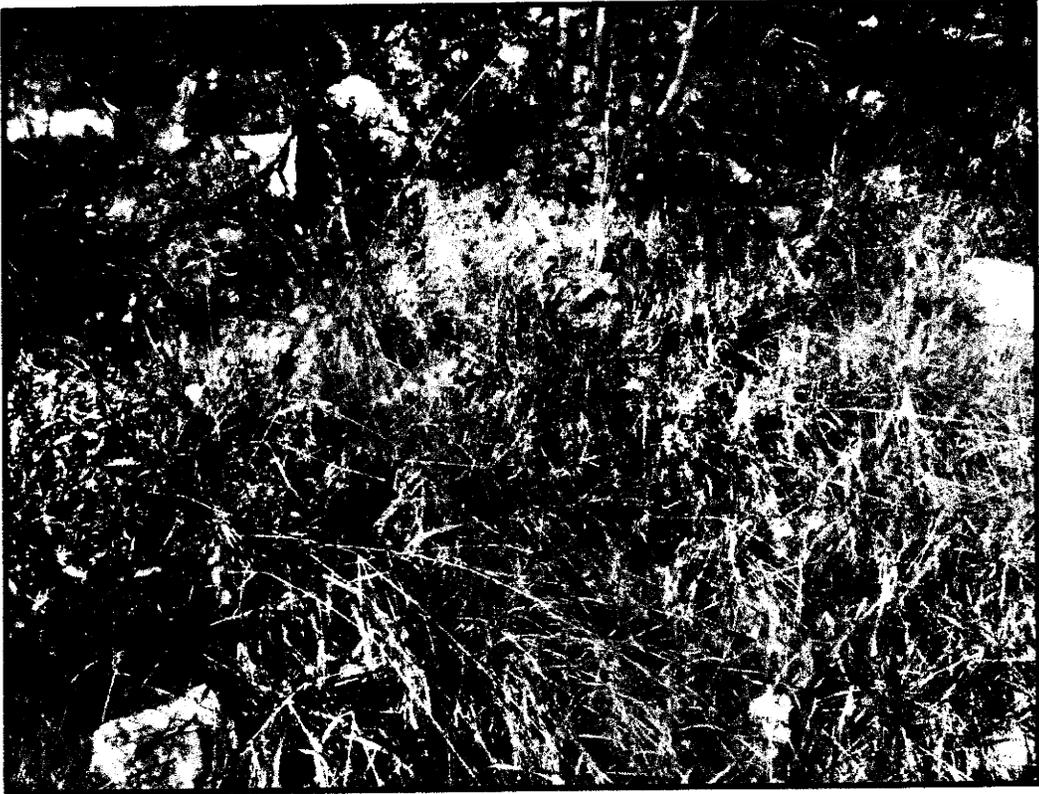
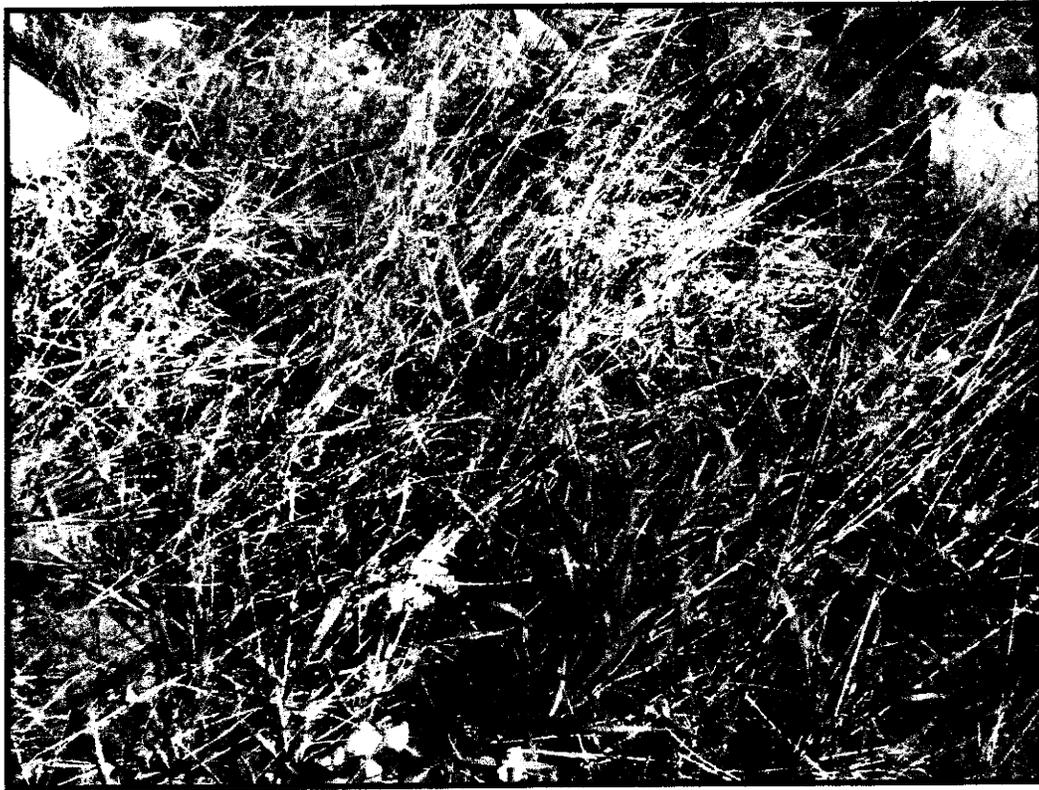
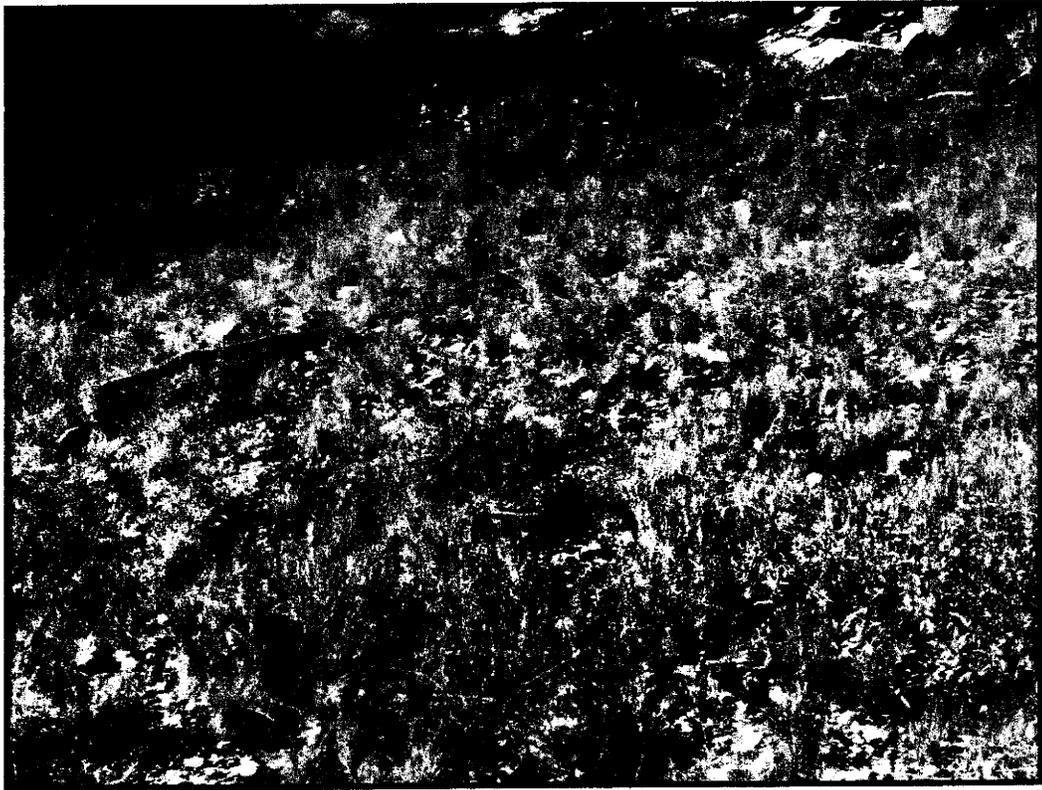
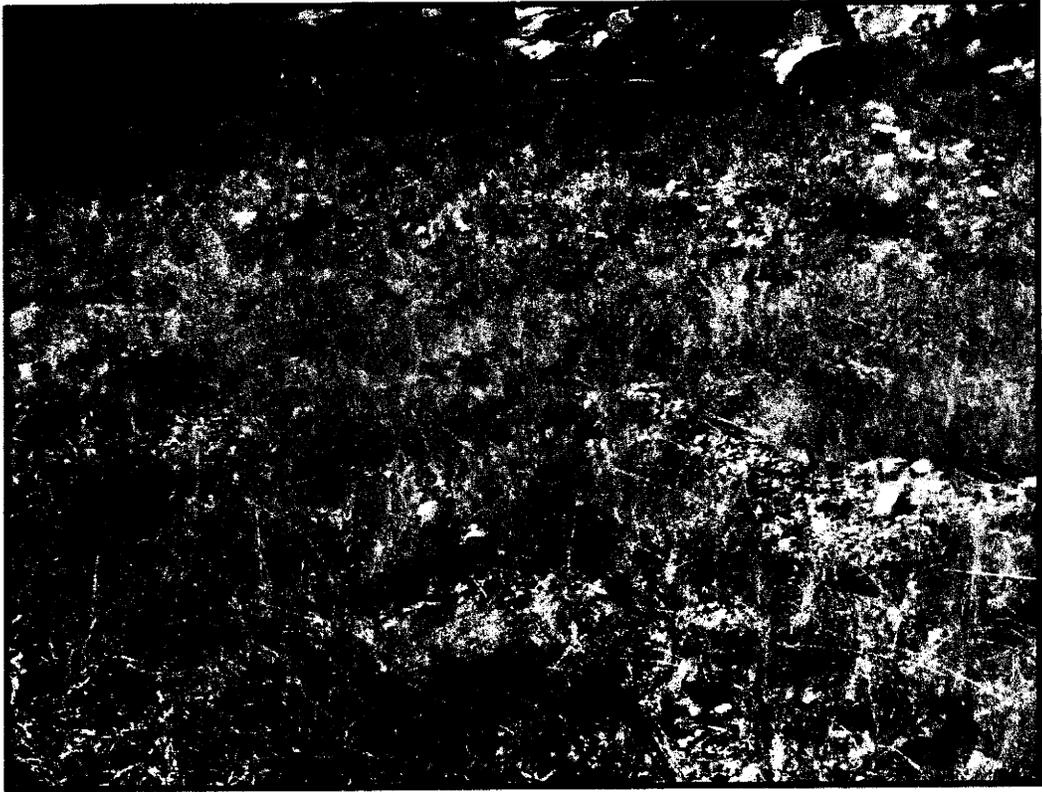


Figure 1. Rice paddy observation. See the text for explanation of the different parts of the paddy. The people in the background are the farmers who are working in the paddy.



... of the ... Service ...

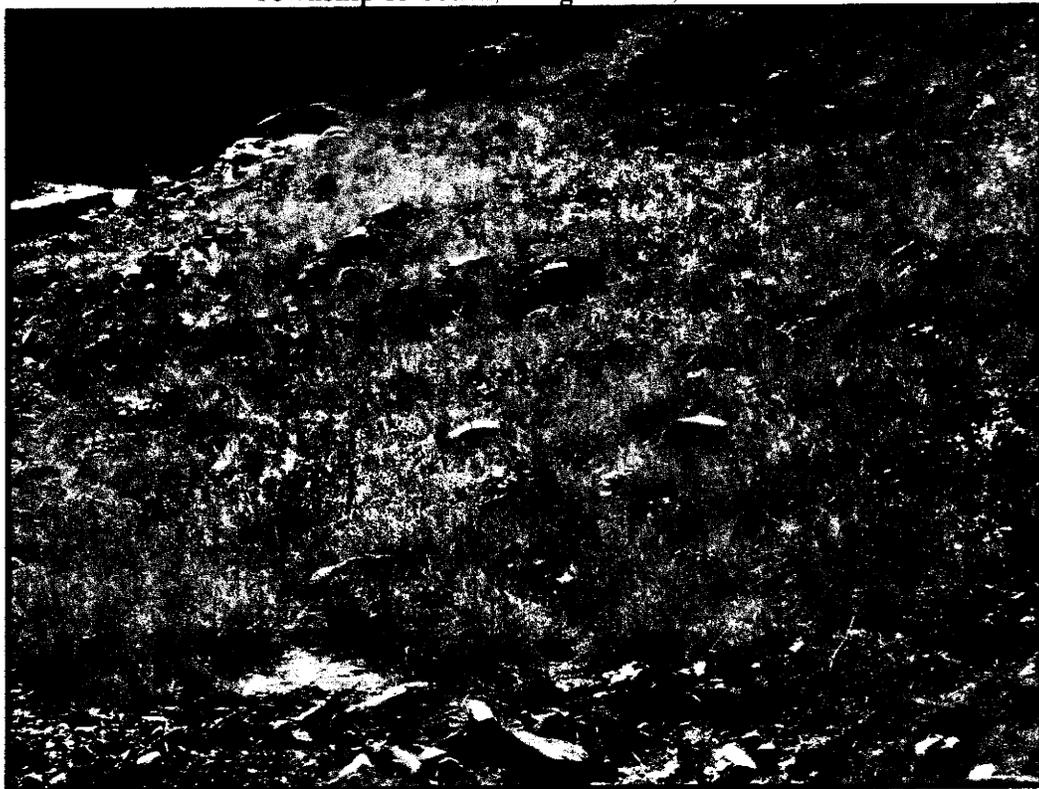


The National Resources Conservation Service provides leadership in a partnership effort to help people sustain, maintain, and improve our natural resources and environment.

At Equal Opportunity, President John F. Kennedy



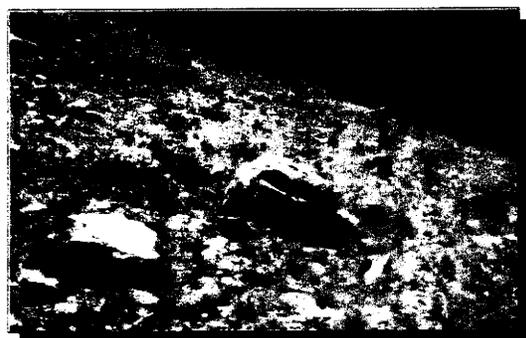
**Mudwater Canyon
Township 15 South, Range 8 East, Section 8**



The United States Conservation Service provides educational materials, information, and people to help you conserve and improve your natural resources.

At Indian Springs, in Paradise, Nevada.

CORNER CANYON AREA



This bond replaces Travelers Bond No.104329368 effective 11/1/2010.

**Exhibit "B"- BONDING AGREEMENT
SURETY BOND**

Bond No.
Permit Number: C/007/006

**SURETY BOND
(FEDERAL COAL)
--ooOoo--**

THIS SURETY BOND entered into and by and between the undersigned **PERMITTEE**, and **SURETY COMPANY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns unto the State of Utah, Division of Oil, Gas & Mining (**DIVISION**), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (**OSM**) in the penal sum of \$ 672,000.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this **RECLAMATION AGREEMENT**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE's** reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirement of the Act, the applicable rules and regulations, SMCRA, the approved permit, and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** and **OSM** may sustain as a result of the **PERMITTEE's** failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** and **OSM** of any notice received or action alleging to insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirement which could result in suspension or revocation of the **SURETY's** license.

Terms for release or adjustment of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

Exhibit "B"- BONDING AGREEMENT
SURETY BOND

Permit Number: C/007/006

IN WITNESS WHEREOF, the PERMITTEE has hereunto set it's signature and seal
this 16th day of November, 2010.

PLATEAU MINING CORPORATION

Frank J. Wood
PERMITTEE

By: Frank J. Wood
Title: Vice President

IN WITNESS WHEREOF, the SURETY has hereto set it's signature and seal this
1st day of November, 2010.

FIDELITY AND DEPOSIT COMPANY OF
MARYLAND

SURETY

By: Cynthia Farrell
Title: Cynthia Farrell Attorney in Fact

ACCEPTED BY THE STATE OF UTAH:

John R. Baza
JOHN R. BAZA, Director
Division of Oil, Gas & Mining

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Agreement. If the PERMITTEE is a corporation, the Agreement shall be executed by it's duly authorized officer.

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by DAVID S. HEWETT, Vice President, and GREGORY E. MURRAY, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof does hereby nominate, constitute and appoint Vivian CARTI, Debra A. DEMING, Cynthia FARRELL, Thomas RHATIGAN and Evangelina L. DOMINICK, all of New York, New York, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its agent and deed any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md. in their own proper persons. This power of attorney revokes that issued on behalf of Betty CALDERON, Vivian CALEI, Debra A. DEMING, Cynthia FARRELL, Thomas RHATIGAN, Evangelina L. DOMINICK, dated January 16, 2009.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 26th day of March, A.D. 2009.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Gregory E. Murray

By:

David S. Hewett

Gregory E. Murray Assistant Secretary

David S. Hewett

Vice President

State of Maryland }
City of Baltimore } ss:

On this 26th day of March, A.D. 2009, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came DAVID S. HEWETT, Vice President, and GREGORY E. MURRAY, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Maria D. Adamski

Maria D. Adamski

Notary Public

My Commission Expires: July 8, 2011

FIDELITY AND DEPOSIT COMPANY

OF MARYLAND

3910 KESWICK ROAD, BALTIMORE, MD 21211-2226

Statement of Financial Condition As Of December 31, 2009

ASSETS

Bonds	\$ 156,584,995
Stocks	22,537,672
Cash and Short Term Investments	9,719,598
Reinsurance Recoverable	9,347,241
Other Accounts Receivable	51,052,264
TOTAL ADMITTED ASSETS	\$ 249,241,769

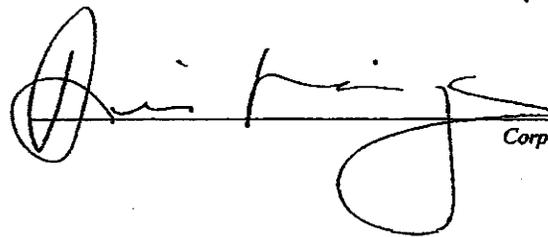
LIABILITIES, SURPLUS AND OTHER FUNDS

Reserve for Taxes and Expenses	\$ 76,835
Ceded Reinsurance Premiums Payable	58,237,612
Securities Lending Collateral Liability	5,511,875
TOTAL LIABILITIES	\$ 63,826,322
Capital Stock, Paid Up	\$ 5,000,000
Surplus	180,415,448
Surplus as regards Policyholders	185,415,447
TOTAL	\$ 249,241,769

Securities carried at \$38,385,957 in the above statement are deposited as required by law.

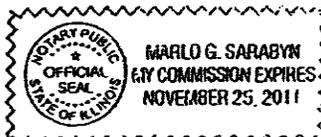
Securities carried on the basis prescribed by the National Association of Insurance Commissioners. On the basis of December 31, 2009 market quotations for all bonds and stocks owned, the Company's total admitted assets would be \$247,657,513 and surplus as regards policyholders \$186,999,703.

I, DENNIS F. KERRIGAN, Corporate Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing statement is a correct exhibit of the assets and liabilities of the said Company on the 31st day of December, 2009.


Corporate Secretary

State of Illinois }
City of Schaumburg } SS:

Subscribed and sworn to, before me, a Notary Public of the State of Illinois, in the City of Schaumburg, this 15th day of March, 2010.




Notary Public

