



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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OK

September 18, 2002

Johnny Pappas, Sr. Environmental Engineer
Plateau Mining Corporation.
P.O. Box 30
Helper, Utah 84526-0030

Re: Clarification of Division Order (Crandall Canyon Shafts), Plateau Mining Corporation, Willow Creek Mine, C/007/038-DO02A, Outgoing File

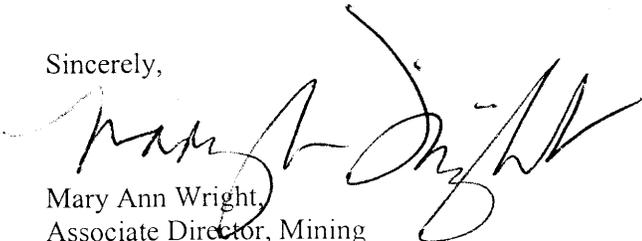
Dear Mr. Pappas:

This letter is being written to provide clarification on the bonding requirements outlined in the Division Order issued on September 9th. The Division recognizes that a more detailed cost estimate is needed in order to accurately calculate a bond for the shaft sealing, however, without a detailed plan that outlines the methods and procedures for sealing the shafts, a detailed estimate is impossible. Thus the \$2,000,000 is a very broad and general estimate that is felt to be appropriate given the lack of detail in the plan. Certainly the estimate can be adjusted upon the receipt of more complete information and reclamation plans.

There has been some confusion with regard to the time frames associated with the bond requirements. The Order allows you 90 days from the date of its receipt to address the deficiencies. The lack of an adequate bond cost estimate is considered to be a deficiency and should be addressed within the 90-day timeframe. At the end of the 90-day time period the bond should be posted; either the \$2,000,000 amount or another agreed upon amount based on the plans and calculations provided under part 1 of the Division Order.

I hope this gives you a clearer picture of what was being asked for in the Division Order. Should you still have questions, please call me (801) 538-5306 or Daron Haddock at (801) 538-5325.

Sincerely,


Mary Ann Wright,
Associate Director, Mining

an/sm

cc: James Kohler, BLM, State Office
Price Field Office

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Utah!
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