

**PLATEAU
MINING
CORPORATION**An affiliate of **RAG**

March 6, 2003

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DIV. OF OIL, GAS & MINING

Mr. Daron R. Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Re: Phase III Bond Release, Permit Area Reduction, Post Mining Land Use Change, Plateau Mining Corporation, Willow Creek Mine, C/007/06, Carbon County, Utah

Dear Mr. Haddock:

Plateau Mining Corporation (PMC) is herewith submitting its application for phase III bond release on those disturbed lands approved for a recreational land use. These lands are owned by C-Canyon, L.C. and discussed in the approved Plan (Exhibit 20, Section 3.7).

Phase III bond release can only be considered after the Division is satisfied that all the reclamation requirements for phase I and phase II reclamation are complete, the period specified for permittee responsibility in R645-301-357 is met, and all requirements of the Act and the permit are fully met for phase III. PMC believes that it has met the requirements of the Act and permit for phase III.

PMC will use the Division's Tech-006 document to identify and list the information that must be included in the bond release package or referenced in the MRP.

1. *All information required in the above Bond Release Request (All Phases).*

At the request of the landowner, C-Canyon, L.C., the interim reclamation (undertaken in 1990) of the leachfield and leachfield access road at the head of the canyon is not to be disturbed. The landowner has accepted responsibility for the road maintenance in Crandall Canyon after bond release.

Exhibits 3.7-7A and 3.7-7B have been revised to show the disturbed area acreage (7.51 acres) within the post mining land use change boundary receiving phase III bond release.

2. *A demonstration that the period specified for Permittee's responsibility in R645-301-357 is met.*

There is no revegetation extended responsibility period as set forth in R645-301-357. In accordance with R645-301-357.200, the vegetation parameters identified in R645-301-356.200 will equal or exceed the approved success standard during the growing seasons for the last two years of the responsibility period.

The landowner greatly prefers to leave the existing contour and ground cover in the leach field area as it exists rather than disturb the surface which is now stable and well protected. Much of the vegetation there now is a sod-forming grass that will be good for the landowner's intended uses. Phase III bond release for the leach field area is based on the vegetation monitoring conducted in 2001 and 2002.

3. *A surface and ground water quality and quantity impact analysis assessing hydrology data relative to the impact projections contained within the Probable Hydrologic Consequences (PHC) and Cumulative Hydrologic Impact Assessment (CHIA). The analysis must show a) That onsite impacts have been minimized and that offsite impacts have been prevented, b) Water quality demonstrated to be adequate for the post mining land use, and c) Trends.*

Not applicable. The lands to receive phase III bond release are being left in a condition requested by the landowner. The landowner prefers the sod-forming grasses within the leachfield area for the recreational land use because of its ability to decrease erosion. Moreover, the landowner accepts maintenance of the roadway upon bond release.

During the technical analysis, the Division determined that the post mining land use does not present any hazard to the public health and safety or contribute to water pollution or diminution. Also, state and local land use plans and programs have been considered when making this determination.

4. *Detailed vegetation information, for the last two years of operator responsibility, including sampling data on woody plant densities, productivity and cover, species composition, and sampling methodology. A detailed demonstration of how all the requirements of R645-301-357 have been met in accordance with the approved reclamation plan and as required by state regulation and policy.*

The vegetation monitoring conducted in 2001 and 2002 is presented herewith. As discussed above and within the vegetation reports, the landowner requested the leachfield area be left in its present condition and an application for final bond release be sought. The data gathered during the last two years of monitoring show the leachfield vegetation to meet or exceed the approved vegetation success standard.

5. *A detailed demonstration that the approved post mining land use is achieved. This may include, but not be limited to, lease agreements, zoning information, contracts, and letters of commitment for industrial/commercial or residential uses; information on water availability and suitability for developed water resources; vegetation productivity; livestock use; wildlife counts; and recreational use.*

All documentation in the form of an agreement, quit claim deed, and letters of commitment for the approved post mining land use change is presented in Exhibit 20, Section 3.7. The permittee understands that upon final bond release, the landowner will be able to utilize the leachfield area for recreational purposes as intended by the post mining land use change.

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6. *Provide any contracts, agreements, or summaries of agreements demonstrating the likelihood of achieving and alternate post mining land use where a change in the post mining land use from the premining land use is approved by the Division.*

The information is presented in Exhibit 20, Section 3.7. C-Canyon L.C. is eager to use their land for its intended purpose.

7. *Analysis of observed versus projected subsidence impacts and a discussion of how any subsidence-caused material damage was prevented or mitigated. Also, Information demonstrating that subsidence monuments have been removed.*

Not applicable. No mining took place in this area.

8. *Information demonstrating the requirements for all contracts and obligations has been met. This may include, as appropriate, transfer of water rights, well ownership, grazing rights, and coal lease provisions. Information demonstrating that all wells have been capped, cased, sealed or backfilled if not transferred.*

The information is presented in Exhibit 20, Section 3.7.

Phase III bond release is being sought for the 7.51 acres of disturbed lands within the Crandall Canyon leachfield area approved by permit for a recreational postmining land use.

PMC is providing copies of the letters sent to adjoining property owners and local governmental body notifying them of PMC's intention to seek phase III bond release on those disturbed lands within the leachfield area. PMC is also providing a copy of the newspaper public notice scheduled for posting as soon as possible, but no later than March 20, 2003. Proof of publication will be submitted following posting and receipt of signed affidavit of publication.

Exhibits 3.7-7A and 3.7-7B have been revised to show the leachfield area removed from the Willow Creek Mine permit area. PMC is not proposing any bond reduction for this small area at this time, but is very eager to receive bond release on the 7.51 acres associated with the approved and achieved post mining land use.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

Enclosures

File: Crandall Canyon - Phase III Bond Release
Chron.: JP030301.ltr

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Plateau Mining Corporation

Mine: Willow Creek Mine

Permit Number: C/007/038

Title: Phase III Bond Release - Leachfield Area

Description, Include reason for application and timing required to implement:

Approved and achieved postmining land use and C-Canyon L.C. request

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: 7.51 Disturbed Area: 7.51 increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

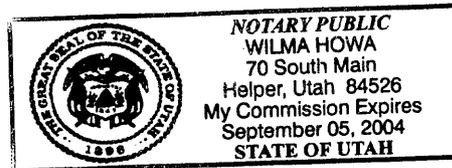
JOHNNY PAPPAS
Print Name

[Signature] - Sr. Env. Engineer - 3/5/03
Sign Name, Position, Date

Subscribed and sworn to before me this 20th day of March, 2003

Wilma Howa
Notary Public

My commission Expires: 9/5, 2004
Attest: State of Utah) ss:
County of Carbon



For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="text-align: center; font-size: 1.2em; font-weight: bold;">RECEIVED</div> <div style="text-align: center; font-size: 1.2em; font-weight: bold;">MAR 07 2003</div> <div style="text-align: center; font-weight: bold;">DIV. OF OIL, GAS & MINING</div>
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