

August 19, 2003

Jim Fulton, Chief, DFD
Office of Surface Mining
1999 Broadway, Suite 3320
P.O. Box 46667
Denver, Colorado 80201-6667

Re: Request for OSM Concurrence, Phase III Bond Release at the Upper Crandall Canyon (Leach Field), Plateau Mining Corporation, Willow Creek Mine, C/007/038-BR03A Outgoing File

Dear Mr. Fulton:

Enclosed please find the Decision Document associated with the Phase III Bond Release for the upper Crandall Section (leach field) at the Willow Creek Mine. The Division recommends approval of this bond release. No reduction of the bond amount is associated with this bond release. The Division is awaiting the BLM concurrence.

If you have any questions, please feel free to call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
Enclosures
cc: Price Field Office
O:\007038.WIL\FINAL\Req_OSMbondrelease.doc

**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

**For
Phase III Bond Release
Upper Crandall Canyon
“Leach Field”**

**Plateau Mining Corporation
Willow Creek Mine
C/007/038
Carbon County, Utah**

August 19, 2003

CONTENTS

- * Administrative Overview
- * Chronology
- * Findings and Recommendation for Phase III Bond Release
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- * BLM Concurrence Letter (Pending)

ADMINISTRATIVE OVERVIEW

Plateau Mining Corporation
Willow Creek Mine
C/007/038
Carbon County, Utah

August 19, 2003

ACTION

Phase III bond release is requested for the upper portion of Crandall Canyon area that is north of the propane tank foundations known as the "leach field." The area consists of a reclaimed portion of the road and leach field, and contains approximately 7.51 acres. The Permittee (Plateau Mining Corporation [PMC]) is not seeking any reduction in the bond amount in conjunction with Phase III bond release in the upper section of Crandall Canyon.

BACKGROUND

Willow Creek Mine is located approximately 10 miles north of Price, Utah in Carbon County. The main mine facility is located north east of the intersection State Highway 191 and State Highway 6 and 50. In addition to the main mine facility there are other surface facilities in Crandall Canyon and Gravel Canyon. The Willow Creek Mine contains 14,670 acres within the permit boundary of which 161.55 acres are within the disturbed area boundary.

The Castle Gate Mine No. 1, 2, and 4 were located in or adjacent to the Willow Creek mine. As part of the Castle Gate Mine, the shafts in Crandall Canyon were developed along with the support facilities. The 7.51 acres site in Crandall Canyon area was originally used as an access road and leach field pad for the Crandall Canyon shaft facilities.

On April 23, 1996, the Division granted a permit for the Willow Creek Mine. The Willow Creek Mine contained several areas contained in the Castle Gate Mine including Crandall Canyon. PMC encountered difficult mining conditions and went into temporary cessation on December 11, 2000. On September 6, 2002, PMC informed the Division that the entire Willow Creek Mine site would be reclaimed. On September 11, 2002, the Division approved a change in the postmining land use from wildlife and grazing to recreational for the upper Crandall Canyon area. On March 7, 2003, the Permittee submitted a request for Phase III bond release on that area.

The bond release application included copies of letters to local government agencies and owners of adjacent lands about this bond release as well as the proof of publication for the newspaper advertisement. In addition to the approved change in postmining land use PMC also included maps and vegetation studies in the bond release package. This bond release was advertised in the Sun Advocate on March 27, April 3, 10, and 17 2003. The Division received no public comments about the bond release.

The bond release inspection was conducted on May 22, 2003. During the bond release inspection, no problems were found and none of the parties present had any objection to the bond release.

CHRONOLOGY FOR PHASE III BOND RELEASE

Plateau Mining Corporation
Willow Creek Mine
C/007/038
Carbon County, Utah

August 19, 2003

- December 24, 1984 The Division grants a permit to the Price River Coal Company. The permit area includes parts of Crandall Canyon.
- May 30, 1986 The permit is transferred to Castle Gate Coal Company.
- 1990 to 1991 Interim reclamation done on the 7.51 acres in Crandall Canyon.
- April 23, 1996 Parts of the Castle Gate Mine overlap the newly permitted Willow Creek Mine. Castle Gate Coal Company is still the permittee.
- July 2, 1996 The permit is transferred to Amax Coal Company, which transfers the company to different subsidiaries until the permit is transferred to Plateau Mining Corporation.
- June 1997 The overlapping areas of the Castle Gate and Willow Creek Mines are separated. The Crandall Canyon area is transferred to the Willow Creek Mine.
- December 11, 2000 The Willow Creek Mine goes in to temporary cessation.
- December 17, 2001 The Division gives conditional approval for a change in the postmining land use for 7.51 acres, consisting of the upper Crandall Canyon area, from grazing and wildlife to recreational use.
- September 6, 2002 The Permittee informed the Division that the Willow Creek Mine would go into permanent cessation.
- September 11, 2002 The Division approves a change in the postmining land use for the upper Crandall Canyon area from wildlife and grazing to recreation.
- March 7, 2003 The Division receives an application for phase III bond release on 7.51 acres located in Crandall Canyon.
- March 27 –
April 17, 2003 Advertisement for bond release in Crandall Canyon published in the Sun Advocate for four consecutive weeks.
- May 14, 2003 The Division finalized the technical analysis for the upper Crandall

Canyon area. The Division found that the Permittee had meet the minimum regulatory requirements needs to approve the bond release amendment.

May 17, 2003 End of public comment period. No comments received by the Division.

May 22, 2003 Phase III bond release inspection. In attendance:
Mitch Rollings OSM
Steve Falk, BLM
Pamela Grubaugh-Littig DOGM
Dana Dean DOGM
Jerriann Ernsten DOGM
Priscilla Burton DOGM
Wayne Western DOGM
Johnny Pappas, Plateau Mining Corporation
Rex Saccho, Carbon County G.I.S. Office
Dave Levanger, Carbon County Planning and Zoning Commission

PHASE III BOND RELEASE FINDINGS

Plateau Mining Corporation
Willow Creek Mine
C/007/038
Carbon County, Utah

August 19, 2003

SUMMARY OF FINDINGS

The Phase III bond release findings for upper section of Crandall Canyon are attached Technical Analysis dated May 14, 2003. The Phase III bond release was advertised for four consecutive weeks in the Sun Advocate (March 27, April 3, 10, 17, 2003). No comments were received during the public comment period.

A bond release inspection was conducted on May 22, 2003. No problems were identified. The area is on private land, however, there was federal coal involved with this mine. Both federal and county offices were present at the bond release inspection and no objections were stated.

The area consists of a small pond located on 7.51 acres located in Crandall Canyon. The location of the parcel is as follows:

Township 12 South, Range 9 East:

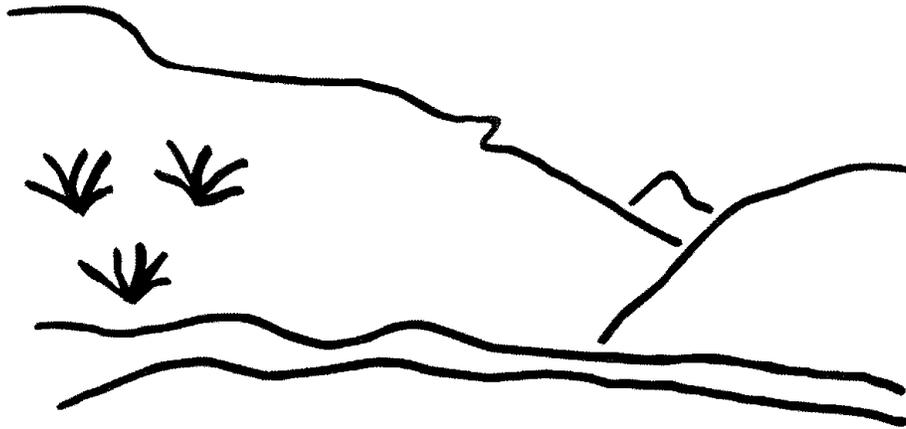
Section 28: Portions of N1/2SW1/4
Section 29: Portion of N1/2SE1/4

PMC is not seeking any reduction in the bond amount in conjunction with Phase III bond release in the upper section of Crandall Canyon, "leach field".

PHASE III BOND RELEASE RECOMMENDATION

The Permittee has demonstrated that the site is adequate to meet the requirements for the alternative postmining land use, which recreation. The Division recommends that the area be given Phase III bond release, with no reduction in the bond amount.

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Willow Creek Mine
Phase III Bond Release Application
C/007/038-BR03A
Technical Analysis
May 14, 2003

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TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

INTRODUCTION

INTRODUCTION

Plateau Mining Corporation, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of RAG American Coal Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, submitted an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for Phase III bond release. The Permittee is seeking Phase III bond release on the upper portion of Crandall Canyon. That area is identified on Exhibit 3.7-7A and 3.7-7B.

On December 17, 2001, the Division gave conditional approval for a change in the postmining land use from grazing and wildlife to recreational use. See approval of amendment 01A for details. On March 7, 2003, the Division received an application for bond release on 7.51 acres located in Crandall Canyon. The location of the parcel is as follows:

Township 12 South, Range 9 East:

Section 28: Portions of N1/2SW1/4
Section 29: Portion of N1/2SE1/4

The area is shown on the Kyune U.S. Geologic Survey 7.5 minute map. The area is also referred to as the upper Crandall Canyon area.

The upper portion of the Canyon (essentially a portion of ancillary road A-1) above the propane tank foundations was reclaimed in 1990 or 1991. Plateau Mining Corporation (PMC) will leave the reclaimed portion of the road and leachfield in its present configuration at the request of the landowner. The landowner, C-Canyon, L.C., has an understanding of and has accepted responsibility for the road maintenance in Crandall Canyon after bond release.

Background

Willow Creek Mine is located approximately 10 miles north of Price, Utah in Carbon County. The Willow Creek Mine is in the Book Cliff region.

The Book Cliff area is characterized by high plateaus to the north; steep, narrow ridgelines cut by erosional drainages in the permit and adjacent areas to the east, west and south; and the relatively flat, dry, semi-desert areas of the Colorado Plateau to the south. Within the permit area, topographic relief ranges from 6,200 feet, near the confluence of Willow Creek with the Price River to over 8,600 feet along the ridgeline to the southeast.

The main mine facility is located north east of the intersection State Highway 191 and State Highway 6 and 50. In addition to the main mine facility there are other surface facilities in

INTRODUCTION

Crandall Canyon and Gravel Canyon. The Willow Creek Mine is located in 23 sections and contains 14,670 acres within the permit boundary of which 161.55 acres are within the disturbed area boundary.

Semi-nomadic Native Americans used the area sporadically. The first permanent settlement occurred in 1877. Following initial settlement development of the area occurred rapidly when coal was discovered in the late 1870's and establishment of rail line in the late 1870's and early 1880. Active underground operations continued from the 1870's. Production peaked in the 1940's and declined due to the shift from coal to other fuels.

The Castle Gate Mine No. 1, 2, and 4 were located in or adjacent to the Willow Creek mine. As part of the Castle Gate mine, the shaft in Crandall Canyon were developed along with the support facilities. The 7.51 acres site in Crandall Canyon area was originally used as an access road and leach field pad for the Crandall Canyon shaft facilities.

The initial permit was issued to the Price River Coal Company on December 24, 1984. Castle Gate Coal Company acquired the right to mine the western reserves and obtained a permit transfer on May 30, 1986. In 1990 and 1991 interim reclamation was done on 7.51 acres of disturbance is on land owned by C-Canyon. On May 25, 1991, the Division approved the permit transfer from Castle Gate Coal Company to Amax Coal Company. On July 2, 1996, the Castle Gate permit was transferred from Amax Coal Company to Amax Coal Holding Company, which changed its name to Amax Coal Company on August 5, 1996. The permit was transferred to Castle Gate Holding Company, on September 11, 1998.

In May 1995, the Division received an application from Cyprus Plateau Mining Corporation to permit the eastern coal reserves and a portion of the Castle Gate Mine as the new Willow Creek Mine. In April 23, 1996, the Willow Creek Mine was permitted, and its permit area overlapped with that of the Castle Gate Mine. In June of 1997, the Castle Gate and Willow Creek Mines were split apart. The Crandall Canyon area was part of the Willow Creek Mine.

On April 23, 1996, the Division granted a permit for the Willow Creek Mine. The Willow Creek Mine contained several areas contained in the Castle Gate Mine including Crandall Canyon. The Permittee encountered difficult mining condition and went into temporary cessation on December 11, 2000. On September 6, 2002, the Permittee informed the Division that the entire Willow Creek Mine site would be reclaimed. On September 11, 2002, the Division approved a change in the postmining land use from wildlife and grazing to recreational. On March 7, 2003, the Permittee submitted a request for Phase III bond release on the 7.51 acres of disturbance is on land owned by C-Canyon.

On September 11, 2002, the Division approved a change in the postmining land use from wildlife and grazing to recreational:

INTRODUCTION

- The existing topography of gentle slopes will support the area as a recreational site. The landowner wants to develop the area for a cabin site.
- The existing vegetation of sod-forming grasses will support recreational activities and prevent erosion.
- The land does not present a hazard to the public health or safety.
- The site does not contribute to water pollution or diminution.

On March 7, 2003, the Division received a form request for bond release at the Crandall Canyon site. The bond release application consists of a detailed cover letter, a copy of the proposed newspaper advertisement, and copies of letters to local government agencies and owners of adjacent lands. The proof of publication for the newspaper advertisement was sent in a letter date April 25, 2003. In addition to the information in the change in postmining land use amendment the Permittee also include maps, vegetation studies in the bond release package.

The Division received no public comments about the bond release. The bond release inspection is scheduled for May 22, 2003

GENERAL CONTENTS

GENERAL CONTENTS

IDENTIFICATION OF INTERESTS

Regulatory Reference: 30 CFR 773.22; 30 CFR 778.13; R645-301-112

Analysis:

The Identification of Interest information is contained in the currently approved mining and reclamation plan in Chapter 1, Page 1.0-3, section **1.3, OWNERSHIP AND INTERESTS**. The last paragraph of section **1.3** references information relative to Plateau Mining Corporation in Exhibit 1. Exhibit 1 contains information relative to the Castle Gate Mine, (page 4 of 16), and the Willow Creek Mine, (page 9 of 16). Although the Crandall Canyon facilities were initially developed as part of the Castle Gate #3 and #5 Mines, the facilities were transferred to the Willow Creek Mine in the late 1990's. The information included in section **1.3** was last revised in April 1999. The information included in Exhibit 1 of the currently approved mining and reclamation plan is not correct and needs to be updated.

C-Canyon L.C., is the surface owner of the land associated with this BR03B proposal. The coals associated beneath the Crandall Canyon facilities are owned by the United States of America and regulated by the U.S. Department of the Interior, Bureau of Land Management.

The officers of Plateau Mining Corporation were updated in a submittal received on May 5, 2003.

The following landowners are adjacent to the 7.51 acres that are being proposed for Phase III release via this application; they are the United States of America, Bureau of Land Management, and C-Canyon, L.C. The leach field actually lies on C-Canyon, L.C. property and is the property owner who has made the requests through Plateau Mining Corporation relative to leaving the vegetation as it currently exists intact, as well as the road and its associated drain culverts. The items will be used as part of the post-mining land use.

The Phase III application, as submitted March 7, 2003, contains letters of notification to the following individuals/agencies relative to this Phase III application. Those notified include:

- 1) Mr. Mark Mackiewicz, U.S. Department of the Interior, Bureau of Land Management, Price Field Office, Price, Utah.
- 2) Mr. William D. Krompel, Commissioner, Carbon County, Utah
- 3) Mr. Gary Harwood, Water Supervisor, Helper City, Utah
- 4) Mr. Dave Levanger, Carbon County Planning and Zoning Commission

- 5) Mr. Roger Wheeler, Director, Land Management, RAG American Coal Company
- 6) Mr. Reed Martineau, Snow Christensen, & Martineau, Attorneys at Law, (C-Canyon, L.C.)

The Crandall Canyon area utilizes the same MSHA identification number (42-02113) as the Willow Creek Mine. This information is in Volume 1, section 2.1 Legal/Financial, page 2.1-8, **TABLE 2.1-2, OPERATING PERMIT SUMMARY.**

Findings:

The information has met the minimum requirements of this section.

VIOLATION INFORMATION

Regulatory Reference: 30 CFR 773.15(b); 30 CFR 773.23; 30 CFR 778.14; R645-300-132; R645-301-113

Analysis:

This information is in the current Mining and Reclamation Plan. This information was last updated in October 1999, and indicates that (See section **2.1.4.2, Summary of Notices of Violation, Unabated Cessation Orders, and Unabated Air and Water Quality Violation Notices**) that no violations exist due to the status of the Willow Creek Mine being new. This is not correct because some violation have been written. However, all violations have been abated and there are no outstanding violations.

Findings:

The permittee has met the minimum requirements of the violation information section of the regulations.

RIGHT OF ENTRY

Regulatory Reference: 30 CFR 778.15; R645-301-114

Analysis:

This information is included in Volume 1, section **2.1.5, Right of Entry** (page 2.1-7). **Right of Entry Documentation** (section **2.1.5.1.**, page **2.1-7**) includes information specific to the Crandall Canyon facilities area (See page **2.1-12**). This information was last revised in December of 2001.

GENERAL CONTENTS

Findings:

The permittee has met the requirements of this section.

LEGAL DESCRIPTION AND STATUS OF UNSUITABILITY CLAIMS

Regulatory Reference: 30 CFR 778.16; 30 CFR 779.12(a); 30 CFR 779.24(a)(b)(c); R645-300-121.120; R645-301-112.800; R645-300-141; R645-301-115.

Analysis:

The permittee has submitted *EXHIBITS 3.7-7A* and *3.7-7B* depicting the area (7.51 acres) under analysis of this Phase III bond release application. The 7.51 acres include approximately 2900 feet of access road and the area that formerly served as a leach field. Several diversions will remain to drain the roadway. A gate (depicted on *EXHIBIT 3.7-7A*) has been installed by the landowner (C-Canyon, L.C.) to bar access to the 7.51 acres.

The permittee has advertised the required information in a newspaper of local distribution (*Sun Advocate*, Price, Utah) in the following publications; March 27, April 3, 10, and 17, 2003. The closing date for comments, objections, and/or requests for public hearing or an information conference on this proposal must be received by May 17, 2003.

Findings:

The permittee has met the minimum requirements of this section.

PERMIT TERM

Regulatory References: 30 CFR 778.17; R645-301-116.

Analysis:

The current mining and reclamation permit issued by the State of Utah, Division of Oil, Gas, and Mining is a five year permit which remains in affect until April 24, 2006 (See page 3, **Section 4, PERMIT TERM** of C/007/038).

Findings:

The permittee has met the minimum requirements of this section.

PUBLIC NOTICE AND COMMENT

Regulatory References: 30 CFR 778.21; 30 CFR 773.13; R645-300-120; R645-301-117.200.

Analysis:

This area is within the current permit area. As noted above, the permittee has advertised the required information in a newspaper of local distribution (*Sun Advocate*, Price, Utah) in the following publications; March 27, April 3, 10, and 17, 2003. The closing date for comments, objections, and/or requests for public hearing or an information conference on this proposal must be received by May 17, 2003.

Findings:

The permittee has met the minimum requirements of this section.

RECLAMATION PLAN

RECLAMATION PLAN

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:

On December 17, 2001, the Division gave conditional approval for a change in the postmining land use from grazing and wildlife to recreational use. See approval of amendment 01A for details.

Findings:

The Permittee has met the minimum requirements for the postmining land use.

APPROXIMATE ORIGINAL CONTOUR RESTORATION

Regulatory Reference: 30 CFR Sec. 784.15, 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, -301-542, -301-731, -301-732, -301-733, -301-764.

Analysis:

The requirements for achieving the approximate original contour requirements are couched in the backfilling and grading regulations. To better understand those requirements the Division wrote Technical Directive-002. The requirements for achieving the approximate original contour requirements can be changed or modified if the Permittee has been granted an alternative postmining land use change.

A permittee may be granted a variance from the AOC requirements if all of the following requirements are satisfied:

1. The Division grants, in writing, a variance from approximate original contour restoration requirements.

The Division granted a change in the postmining land use as part of amendment AM01A, which was conditionally approved on December 17, 2001.

2. The alternative postmining land use requirements are met.

The area has been reclaimed to support the alternative postmining land use that is recreation. The Division approved plans to allow the leach field area to remain as a flat area and the road to remain.

3. All applicable requirements of the Act and the Regulatory Program, other than the requirement to restore disturbed areas to their approximate original contour, are met.

The area was reclaimed in 1990 and 1991. At that time the Division found no problems with the reclamation activities. As part of the bond release process the Division will review the entire requirements for bond release. Should a deficiency be found the Division would have the Permittee correct the problem before bond release.

4. After consultation with the appropriate land use planning agencies, if any, the potential use is shown to constitute an equal or better economic or public use

This was done as part of the change in the postmining land use change. See Amendment AM01A for details.

5. The proposed use is designed and certified by a qualified registered professional engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

The designs were certified as part of the change in the postmining land use change. In addition to those designs, the Permittee also included Exhibit 3.7-7A and 3.7-7B. Those designs were certified by a professional engineer and show the design of the postmining land use.

6. After approval, where required, of the appropriate State environmental agencies, the watershed of the permit and adjacent areas is shown to be improved.

Those issues were discussed in Amendment AM01A and shown to be adequate.

7. The highwall is completely backfilled with spoil material, in a manner which results in a static factor of safety of at least 1.3, using standard geotechnical analysis

No highwall or spoil existed at the site.

8. Only the amount of spoil as is necessary to achieve the postmining land use, ensure the stability of spoil retained on the bench, and meet the other requirements of the Act and regulations may be placed on the mine bench. All spoil not retained on the bench will be placed in accordance with all other applicable regulatory requirements.

No spoil is present at the site.

RECLAMATION PLAN

9. The surface landowner of the permit area has knowingly requested, in writing, that a variance be granted, so as to render the land after reclamation suitable for an industrial, commercial, residential, or public use (including recreational facilities.)

This was done as part of the change in the postmining land use. See Amendment AM01A for details.

10. Federal, State, and local government agencies with an interest in the proposed land use have an adequate period in which to review and comment on the proposed use.

All Federal, State, and local government agencies were given a change to review and comment on the change in postmining land use as part of the approval of amendment AM01A. Those agencies will be notified of Phase III bond release and given a change to review, comment and participate in an on site inspection of the property.

Findings:

The Permittee has met the minimum requirements for restoring the site to the approximate original contours.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

Because the backfilling and grading requirements for an alternative postmining land use were discussed in the Approximate Original Contour section of the TA. The Division analyzed information and found that the Permittee meet the minimum requirements for backfilling and grading. In addition to the findings in this TA the Division also found that the site meet the minimum backfilling and grading requirements when they processed amendment AM01A.

Findings:

The Division found that the Permittee met the minimum requirement for backfilling and grading.

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:

No mine openings are located on the site.

Findings:

The Permittee has met the minimum requirements for the mine openings section of the regulations.

ROAD SYSTEMS AND OTHER TRANSPORTATION FACILITIES

Regulatory Reference: 30 CFR Sec. 701.5, 784.24, 817.150, 817.151; R645-100-200, -301-513, -301-521, -301-527, -301-534, -301-537, -301-732.

Analysis:

Reclamation

The Permittee did not reclaim any roads at the site.

Retention

Retention of the road was approved as part of Amendment AM01A, which involved a change in the postmining land use. The reclamation work for the area was done in 1990 and 1991. To date the Division has not found problems with the road.

Findings:

The Permittee met the minimum requirements for Road Systems and Other Transportation Facilities.

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.

RECLAMATION PLAN

Analysis:

Groundwater Monitoring

There are no groundwater-monitoring sites located within or near the area in question.

Surface Water Monitoring

Site B25 monitors Crandall Canyon Creek, an ephemeral drainage. It is located just outside the disturbed area at the southeastern extreme of the area to be released. The Permittee monitored site B25 sixty-six times from April 1981 to August 2002. The creek only flowed 12 of the 66 times the Permittee observed it for monitoring purposes. There are no significant data trends or changes in quality/quantity during the monitoring period. Site B25 is included in the current approved monitoring plan, which calls for the Permittee to monitor it quarterly. That requirement will remain until/unless the Permittee submits an amendment to modify the monitoring requirements.

Diversions: General

The Permittee will leave diversions associated with the road in place. They are: culverts CCC-1, CCC-2, CCC-3, and CCC-4; and diversion ditches CCD-1, CCD-2, CCD-3, CCD-4, and CCD-5.

Sediment Control Measures

Division representatives made a field visit to this area of Crandall Canyon on April 23, 2003. Vegetation is growing on the site and the pocking continues to retain moisture and prevent runoff. The reclaimed area is performing as well as, or better than the surrounding area in preventing sediment loss. Division representatives did not note any significant rills or gullies.

Findings:

Information found in the application is adequate to meet the minimum requirements of this section of the regulations.

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:

Plateau Mining Corporation submitted an application for phase III bond release on an area that served as a leach field for Crandall Canyon. The leach field was used for wastewater that was piped ¾ mile further up the canyon.

Review of the Willow Creek Mining and Reclamation Plan (Volume 15; Exhibit 20) provides the following reclamation history of the leach field and access road. Preparation for the building of the leach field included: site excavation, 6" soil removal and storage, sand bedding and pipe installation, soil replacement, and seeding. Straw dikes controlled runoff from the area. The Permittee seeded the leach field with the following interim seed mix:

- Great basin wildrye 1 pound of PLS/acre
- Indian rice grass 1
- Western wheatgrass 10
- Mountain brome 5
- Cicer milkvetch 5
- Strawberry clover 5.

The Permittee did not include woody species because root morphology would have interfered with leach field function. Straw mulch spread over the seeded area helped control erosion. The Permittee seeded the berms of the access road with barley (5#/acre) that was added to the seed mix listed above. The reclamation project also included planting Douglas fir (200 seedlings/acre) and Ponderosa trees (100 seedlings/acre). The Division assisted in selection of the reference area, which is located on the prep-plant side near the Willow Creek coal yard.

The new landowners, C-Canyon, L.C., plan to use the leach field area for recreation. They request to not implement final reclamation and leave the site in its present condition. The Division adjusted the final reclamation standards to include a no woody species requirement to fit the change in post-land use.

The Permittee monitored the site for revegetation success in July of 2001 and 2002. The sampling adequacy was calculated using the formula described in the Division's vegetation information guidelines. The 2001 sample sizes were 50 and 40 for the reference area and leach field site, respectively. The 2002 sample size was 40 for both the reference area and leach field site. The surveyor considered the change in post-land use while addressing the revegetation standards and statistical comparisons. The following table provides a summary of the results:

RECLAMATION PLAN

Figure 1: Vegetative cover survey data for 2001 and 2002

Veg Cover	Reference area 2001	Reference area 2002	Change in %	Leach field 2001	Leach field 2002	Change in %
Total (%)	48	37	-11	66	61	-5
Grass (%)	79	65	-14	72	92	20
Forb (%)	10	12	2	27	8	-19
Shrub (%)	10	23	13	0.42	0.42	0

The results show that there was a decrease in vegetative cover between survey years for both the reference and leach field areas. Decreases in cover may be due to low precipitation rates in the area for those years.

The primary species contributing to vegetative cover for the leach field, during 2001 and 2002, included alfalfa (16% cover) and mountain brome (13% cover). Other species representing over 5% cover included: Crested wheatgrass, Great Basin wildrye, Blue bunch wheatgrass, and Western wheatgrass. No single forb species measured over 5% cover in the leach field for 2002.

The primary species for the reference site differed from the leach field. The lack of correlation between the leach field and reference area should be expected given that the leach field was never seeded with the final seed mix.

The Willow Creek mine plan, dated September 1995, states there are no “high value” wildlife habitat within the access road or leach field area. The plan also states that the area has the potential of supporting wildlife. On a field visit, April 23, 2003, there were signs of grazing and significant amounts of elk droppings on the road and in the leach field.

Figure 2: Diversity and similarity data for 2001 and 2002

	Reference area 2001	Leach field 2001	Reference area 2002	Leach field 2002
Diversity Index*	5	10	5	7
Similarity (%)*	65		49	

The MacArthur index compared vegetation diversity between reference and leach field areas for years 2001 and 2002. The Motyka index compared the similarity between reference and leach field areas for years 2001 and 2002. In both analyses, the Division must consider that comparisons between the reference area and leach field are confounded because the reference area had been selected before the change in the post-mine land use and the leach field was never seeded with the final seed mix. The similarity values, therefore, are unreasonable comparisons. Although the diversity comparisons are also irrelevant, it is interesting to note that plant diversity was higher for the leach field than the reference site.

Even though the survey data is confounded, the primary consideration is that the current landowner wants the land left with the existing contour and cover. The leach field was seeded over 12 years ago. The site appears stable at this time and suitable for the landowner's post-land use.

Findings:

Information provided in the application is considered adequate to meet the minimum Revegetation section of the Reclamation regulations.

MAPS, PLANS, AND CROSS SECTIONS OF RECLAMATION OPERATIONS

Regulatory Reference: 30 CFR Sec. 784.23; R645-301-323, -301-512, -301-521, -301-542, -301-632, -301-731.

Analysis:

Affected Area Boundary Maps

The Permittee is not seeking a reduction in the permit or affected area at this time. A permit area reduction will take place after Phase III bond release has been approved.

Bonded Area Map

The Permittee shows the area for which Phase III bond release will occur on Exhibit 3.7-7A and 3.7-7B.

Reclamation Backfilling And Grading Maps

The Permittee reclaimed the area in 1990 and 1991. In 2001 the Division approved an change in the postmining land use to allow the Permittee to retain the leachfield area and the road. Exhibit 3.7-7A and 3.7-7B show the reclaimed area.

RECLAMATION PLAN

Reclamation Facilities Maps

Exhibit 3.7-7A and 3.7-7B shows that the area has been reclaimed to accommodate recreational use. The facilities that were left to accomplish that use include the road and the leachfield. The leachfield was left in place for a level area for recreational activities.

Final Surface Configuration Maps

Exhibit 3.7-7A and 3.7-7B show the reclaimed area and the final surface configuration. Note: the final surface configuration was approved in Amendment AM01A.

Reclamation Monitoring And Sampling Location Maps

No reclamation monitoring or sampling locations are within the area proposed for Phase III bond release.

Reclamation Surface And Subsurface Manmade Features Maps

The surface and subsurface manmade features are minimal and include the road and leachfield. Those features are shown on Exhibit 3.7-7A and 3.7-7B.

Reclamation Treatments Maps

No reclamation treatments facilities are present at the site.

Certification Requirements.

A registered professional engineer has certified exhibits 3.7-7A and 3.7-7B.

Findings:

The Permittee has met the minimum requirements for the maps and cross section requirements of the regulations.

BONDING AND INSURANCE REQUIREMENTS

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

On December 17, 2001, the Division gave conditional approval for a change in the postmining land use from grazing and wildlife to recreational use. See approval of amendment 01A for

details. On March 7, 2003, the Division received an application for Phase III bond release on the abovementioned area.

Notification

The requirements of R645-301-880.120 are that within 30 days after the application for bond release has been filed; the Permittee will submit a copy of an advertisement. The notice of advertisement will:

- Be placed in a local paper for four successive weeks.
- Contain:
 - The Permittee's name, given as Plateau Mining Company.
 - Permit number, given as C/007/038.
 - Approval date for the permit. The date was not included but the Division believes that there is enough information for the public to be informed of the mining activities.
 - Precise location, location given in Township, Range and Section.
 - Number of acres, 7.51 will be granted bond release.
 - Type and amount of bond and portion sought for release. The Permittee did not mention this but no bond reduction is being sought.
 - Dates of reclamation work, this is not applicable because of the change to recreation.
 - Describe the type of reclamation work, postmining land use changed to recreational.
 - How to contact the Division, the Division's address and other information is given.

Letters

The permittee send letters to each of the following:

- Adjacent landowners,
- Planning agencies,
- Sewage and water treatment authority,.
- Water Companies,.

Notarized Statement

The Permittee submit a notarized statement stating that all the reclamation work has been done.

RECLAMATION PLAN

Inspection and Notification

The requirements of R645-301-880.200 are for an inspection and notification of interested parties.

- The Division needs to conduct an inspection.
- Within 60 days, the Division must notify the Permittee, the surety and other interested parties of the Division's decision.

Phase III Bond Release Requirements

- The general requirement for Phase III bond release is that Phase I and Phase II have been completed. However, since the reclamation plan calls for the implementation of an alternative postmining land use, the general requirements do not always apply. Instead of completing Phase I and Phase II, the Permittee has implemented the alternative postmining land use that is industrial. The postmining land use for recreation was achieved by the backfilling and grading plan which allowed a flat area to be left.
- Because the postmining land use is recreational, the Permittee does not have to meet the vegetation requirements of R645-301-357.
- The alternative postmining land use is for recreation and the landowner has agreed to maintain the area.
- Because the postmining land use is recreation, the Permittee does not have to meet the requirements of R645-301.
- A detailed demonstration that the approved postmining land use is achieved. The landowner has stated in a letter to the Division that the area will be used for recreation and the Division has approved the postmining land use change.
- No subsidence features have been noticed in the area since mine stopped.

Form of Bond

The form of the bond will not change.

Determination of Bond Amount

The amount of the bond will not change.

Terms and Conditions for Liability Insurance

The liability insurance will not change.

Findings:

The Permittee has met the minimum requirements for bond and insurance as required by the regulations.

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AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 27th day of March, 2003, and that the last publication of such notice was in the issue of such newspaper dated the 17th day of April, 2003.

Ken G. Larson

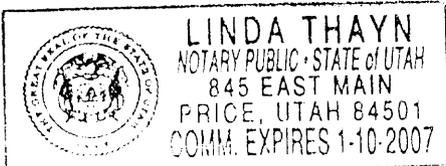
Ken G Larson - Publisher

Subscribed and sworn to before me this 17th day of April, 2003.

Linda Thayne

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 355.52



PUBLIC NOTICE

**APPLICATION FOR PHASE III BOND RELEASE
WILLOW CREEK MINE
PLATEAU MINING CORPORATION
PERMIT C/007/038, APPROVED 04/24/96
CARBON COUNTY, UTAH**

Notice is hereby given that Plateau Mining Corporation, P.O. Box 30, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of RAG American Coal Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for a Phase III bond release to Permit C/007/038. The Phase III bond release is on land owned by C-Canyon, L.C. and approved for recreational use under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-301-880 and R645-301-413.300 of the Utah Coal Program Regulations. The portion of the permit area that is affected is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East
Section 28: Portions of N/2SW/4;
Section 29: Portions of N/2SE/4;
A tract or parcel of land comprising 7.51 acres more or less

The permit area is shown on the Kyune U.S. Geological Survey 7.5-minute map.

Written comments, objections and requests for information 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 information conference on this proposal must be submitted by May 17, 2003.

Published in the Sun Advocate March 27, April 3, 10 and 17, 2003.

July 22, 2003

TO: Internal File

THRU: Pamela Grubaugh-Littig, Permit Supervisor

FROM: Wayne H. Western, Environmental Scientist III, Engineering
Priscilla W. Burton, Environmental Scientist III, Soils
Dana Dean, P.E., Environmental Scientist III, Hydrology

RE: Technical Field Visit For Phase III Bond Release for Leach Field Area at
Crandall Canyon, Plateau Mining Corporation, Willow Creek Mine, C/007/038

Other Attendees: Mitch Rollings OSM
Steve Falk, BLM
Pam Grubaugh-Littig DOGM
Dana Dean DOGM
Jerriann Ernsten DOGM
Priscilla Burton DOGM
Wayne Western DOGM
Johnny Pappas, Plateau Mining Corporation
Rex Sacco, Carbon County G.I.S. Office
Dave Levanger, Carbon County Planning and Zoning Commission

Date & Time: May 22, 2003
Arrive 1:15 PM departed 2:30 PM

PURPOSE:

To conduct a Phase III bond release inspection for the leach field area at Crandall Canyon, which is within the Willow Creek permit boundary. The landowner, Mr. Reed Martineau, was invited to the inspection, but did not attend. The area is fee surface with a Federal bond. The surrounding area has been grazed since before the Taylor Grazing Act of 1934, according to Mr. Sacco.

TECHNICAL FIELD VISIT

OBSERVATIONS:

The group hiked to the top of the leach field area. The Division's staff and Johnny Pappas gave a history of the area. The Division had approved a change in the post-mining land use for recreation. The landowner had requested the change so that he could build a cabin on the site and for other recreation uses. The officials from Carbon County were interested in the postmining land use because the construction of multiple cabins would require a zoning change.

Mr. Dave Levanger indicated that the County had recently revised the zoning classification for all Critical Environmental 1 and 2 (CE-1 and CE-2) sites to either Mountainland or Watershed. Watershed would now be the classification for lands with greater than or equal to 30% slopes. Mountainland classification would be reserved for slopes less than 30 % (17 degrees or 3.5h:1v). No development is allowable in the Watershed zoning. Within the Mountainland zone, a private landowner may build a single dwelling on 40 acres if there is a drain field and water source. A larger development might be allowed in the Mountainland zone if a presentation is made to the County Commission. Requirements are placed on the larger development for open space, sewage disposal, and acreage per dwelling.

The area had been vegetated and met the minimum requirements for bond release. The leach field remained intact for possible use by the landowner. A small stone structure was on the site. Mr. Martineau will maintain drainage structures on the road. The attendees did not see any noticeable erosion, or problems with the drainage structures.

The group then walked down to the vehicles. At the parking area, each member was asked to comment on the site conditions. Everyone agreed that the site met the minimum requirements for Phase III bond release in light of the postmining land use change. The County representatives indicated that they would like to have the pines on the north facing slopes logged and would put the County Forester in touch with Mr. Martineau.

RECOMMENDATIONS/CONCLUSIONS:

The Division should proceed with Phase III bond release for leach field area of Crandall Canyon at the Willow Creek Mine.