



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340 telephone
801-359-3940 fax
801-538-7223 TDD/TTY
www.ogm.utah.gov

October 9, 2003

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

Re: Upper Crandall Canyon Leach Field of Willow Creek Mine - Phase III Bond Release, Willow Creek Mine, Plateau Mining Company, C/007/0038-BR03A, Task ID #1274, Outgoing File

Dear Mr. Pappas:

Phase III bond release for the Upper Crandall Canyon Leach Field of the Willow Creek Mine is approved. This bond release is for 7.51 acres but represents no reduction in the bond amount. The Willow Creek Mine bond amount will remain \$7,866,000 for 154.04 acres. OSM concurred with this decision on October 6, 2003 (attached.)

If you have any questions, please call Pamela Grubaugh-Littig.

Sincerely,

Lowell P. Braxton
Director

an

Enclosure

cc: Mitch Rollings - OSM, WRCC
Price Field Office

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IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING

Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, Colorado 80202-5733

Mary Ann P. Van
W. S. ...
Bonds release

RECEIVED

October 6, 2003

OCT 08 2003

Mr. Lowell P. Braxton
Division Director
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Decision Document to Approve Phase III Bond Release at the Upper Crandall Canyon Leach Field, Plateau Mining Corp., Willow Creek Mine, C/007/038-BR03A

Dear Mr. Braxton,

This letter acknowledges the Office of Surface Mining's (OSM) receipt and review of the subject decision document dated August 19, 2003, which was prepared by the Utah Division of Oil, Gas and Mining (DOG M). The Willow Creek Mine permit area that includes the Upper Crandall Canyon Leach Field contains Federal lands. OSM is in agreement with the decision document and hereby provides OSM concurrence to release Phase III bond on the Upper Crandall Canyon Leach Field as documented below and in accordance with the Federal regulations at 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, section B, of the Federal-State, Federal lands cooperative agreement.

The decision document thoroughly recounts the permitting, operational, and regulatory history of the Willow Creek Mine Upper Crandall Canyon Leach Field. The DOGM decision dated August 19 documents the notifications required by the permittee to affected surface land owners, surface land owners adjacent to the permit area, government land management agencies, local governmental and planning agencies, and utilities. These notifications are required to process and approve the Phase III bond release application in accordance with Utah Rule R645-301-880, Requirement to Release Performance Bonds.

The bond release application is for 7.51 acres in the Upper Crandall Canyon area. The bonded area for the entire Willow Creek Mine 161.55 acres. There will be no bond reduction as a result of this bond release. The total amount of the bond for the Willow Creek Mine will not change. OSM concurs with the above bond amounts proposed for release and retention.

DOG M has received no public comments concerning the bond release request. DOGM conducted the bond release inspection required at Utah Rule R645-301-880.210 on

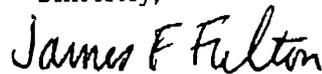
May 22, 2003. OSM was a participant in the bond release inspection. OSM has reviewed DOGM's bond release inspection findings and has no comments or concerns.

The Bureau of Land Management (BLM) participated in the bond release inspection of the mine on May 22, 2003. BLM concurred with the proposed Phase III bond release via letter dated September 8, 2003 (copy attached). The DOGM May 14, 2003, Technical Analysis document at pages 9 and 10 document that all required public notices and surface landowner notifications were made in a timely manner prior to the bond release inspection.

OSM understands that DOGM has retained adequate bond to ensure final reclamation and environmental monitoring requirements. The permittee has met the requirements of the approved Utah Coal Regulatory Program at R645-301-880 for release of performance bonds. The permittee has met reclamation requirements on the Upper Crandall Canyon Leach Field. OSM concurs with DOGM's findings and BLM's bond release decisions.

Thank you and your staff for coordinating this Federal lands bond release with OSM's Denver Field Division. Please address any questions concerning this letter to Mitch Rollings at mrolling@osmre.gov or to (303) 844-1400 x1445.

Sincerely,



James F. Fulton, Chief
Denver Field Division

cc: Plateau Mining Corporation
BLM, Salt Lake City, UT; Price, UT