



IN REPLY REFER TO:

United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
P.O. Box 46667
Denver, Colorado 80201-6667

September 15, 2006

John R. Baza, P.E., Director
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple
Suite 1210, PO Box 145801
Salt Lake City, UT 84114-5801

**RE: Phase I and Phase III Bond Release, Plateau Mining Corporation,
Willow Creek Mine, Refuse Pile and Preparation Plant Areas,
Utah Permit No. C/007/038**

Dear Mr. Baza,

This letter acknowledges the Office of Surface Mining (OSM), Western Region (WR), Denver Field Division's (DFD) receipt and review of the above Phase I and Phase III Bond Release State Decision Document (decision) prepared by the Division of Oil, Gas, and Mining (OGM) dated July 20, 2006. DFD agrees with the findings in the decision and hereby provides OSM concurrence for this bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 944.30, Article IX, of the State-Federal Cooperative Agreement.

A thorough summary of the operational and reclamation history of the mine are accurately captured in the OGM decision. The required public, governmental agencies, and landowner notifications of the bond release application were provided by the permittee (Plateau Mining Corporation, or PMC, is the surface land owner of the areas proposed for release) and are documented in the bond release application.

The bond release inspection notifications provided by OGM are documented in the decision, the inspection report for the bond release inspection conducted by OGM on May 11, 2006, and related correspondence. OSM, the Bureau of Land Management (BLM), and adjacent landowners were notified of the bond release inspection. OSM and BLM participated in the inspection.

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Willow Creek Mine, pg.3

This Phase I bond release applies to the backfilling, grading and surface water runoff control of the former refuse pile and the Barn Canyon Shaft Facility which is approximately 49.1 acres. Phase I bond release criteria were met or exceeded by the permittee on this acreage, and \$ 632,000 (60% of the \$1,054,000 bond amount approved for this area) is approved for release.

The Phase III bond release applies to approximately 46.2 acres consisting of the reclaimed preparation plant area, and retained structures including the warehouse / bathhouse / office, lab building, substation, access roads, raw water pond, and pump house. Phase III bond release criteria have been met or exceeded by the permittee and \$1,503,000 is approved for release. That amount represents a 100% release of bond monies and liability for this area as described above.

Thank you and your staff for coordinating this federal lands bond release through the DFD. Please direct any questions concerning this action to Henry Austin, Senior Reclamation Specialist, at haustin@osmre.gov or to (303) 844-1440 x1446.

Sincerely,



James. F. Fulton, Chief
Denver Field Division

Enclosure

Cc: Plateau Mining Corp.
BLM, Salt Lake City, UT

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United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Price Field Office
125 South 600 West
Price, UT 84501

<http://www.blm.gov/utah/price/>

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MAY 19 2006

MAY 16 2006

Pamela Grubaugh-Littig
Permit Supervisor
Utah Division of Oil Gas and Mining
P. O. Box 145801
1594 West North Temple Street, Suite 1210
Salt Lake City, Utah 84114-5801

DIV. OF OIL, GAS & MINING

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4/27/0038

Subject: Phase I & III Bond Release, Willow Creek Mine, Plateau Mining Corporation

Dear Mrs. Grubaugh-Littig,

The Bureau of Land Management (BLM) has been asked to respond if our agency has any objections or concerns with regards to a Phase I & III bond release (reclamation bond) for the subject mine. Phase I bond release for the refuse pile in School House Canyon associated with the Willow Creek Mine. Phase III bond release (reclamation bond) for the Prep Plant which was connected to the Willow Creek Mine.

We have participated in the onsite inspections and have reviewed our files in regards to our response. All reclaimed surface disturbance in the two areas are located on private lands and outside of our jurisdiction. We therefore have no objections to the Phase I & Phase III bond release.

If you have and questions or comments, please contact Sue Burger of my staff at 435-636-3651.

Sincerely

Patrick Gubbins
Acting Field Office Manager

cc: UT-923, SD, Utah