

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

December 30, 2008

TO: Internal File

THRU: April Abate, Team Lead *aaa 1-7-09*
Jim Smith, Permit Subervisor

FROM: Peter Hess, ENSCI III / Bonding Determination *PH by SOS*

RE: Midterm Permit Review, Cyprus Plateau Mining Corporation, Willow Creek Mine, C/007/038, Task ID # 3044

BONDING AND INSURANCE REQUIREMENTS

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

Analysis:

General

A reclamation bond amount of \$ 2,275,114.00 was determined as adequate to reclaim the remaining disturbed areas of the Willow Creek Mine on September 20, 2006. Two areas have been given Phase III bond release (the prep plant area and the mine facilities area).

Only one area has seen construction activity in the last two years, that being the Crandall Canyon shaft area. The lower shaft has recently been backfilled, and monitoring of that mine opening for settling is ongoing at this time.

To date, only a small acreage has been granted a bond release (Phase III) in the Crandall Canyon area (7.2 acres comprising a leach field (located at the upper Canyon end of the disturbance)).

Disturbed areas of the site which have received a Phase I bond release include the following;

- 1) Barn Canyon
- 2) Gravel Canyon
- 3) School House Canyon refuse pile
- 4) overland conveyor corridor from Mine portal to Castle Gate side.

TECHNICAL MEMO

At present, there are no bond release applications pending for the Willow Creek site.

Form of Bond

The current bond held by the Division for the Willow Creek site is a surety bond held by the Travelers Casualty and Surety Insurance Company.

Determination of Bond Amount

The bond amount was last adjusted on September 20, 2006. There has not been a need to re-evaluate this amount since that date.

Findings:

The Permittee continues to meet the requirements of R645-301-800 by maintaining the bond amount required by the Division.

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