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United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



JUL 31 2012

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

RE: Phase II Bond Release, Plateau Mining Corporation, Willow Creek Mine, C/007/0038, Task #4094, DOGM Proposed Decision and Findings of Compliance, June 25, 2012

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining (OSM), Denver Field Division's (DFD) receipt and review of the above Phase II Bond Release Decision Document prepared by the Division of Oil, Gas, and Mining (DOGM) dated July 16, 2012. DFD agrees with the findings and Decision Document and hereby provides OSM concurrence for the above bond release action in accordance with 30 CFR 740.15 (d) (3), and 30 CFR 906.30, Article IX, Section 24, of the State-Federal Cooperative Agreement.

DOGM's Proposed Decision documents the applicant's compliance with the Utah approved regulatory program at Rule R645-301-880.

This Phase II bond release request applies to 95.4 acres, broken down as follows:

- 18.35 acres – Surface Facilities/Conveyor Corridor
- 38.34 acres – Schoolhouse Canyon Preparation Plant, Loadout, and Refuse Pile
- 5.75 acres – Gravel Canyon (the former topsoil pile)
- 32.96 acres – Crandall Canyon area (mine shafts to No. 3 and No. 5 mines)

OSM finds that Plateau Mining Corporation (PMC) has met or exceeded the requirements for Phase II bond release on the 95.4 acres of land described above. DOGM currently holds a performance bond in the amount of \$1,424,514. PMC is requesting a \$935,348 reduction in this bond. DOGM has determined that the remaining bond amount of \$489,166 is sufficient to complete all remaining reclamation obligations at this site if the work had to be completed by a third party contractor. The Bureau of Land Management has concurred with this finding in a letter dated July 26, 2012. OSM also concurs with DOGM's decision.



Thank you and your staff for coordinating this Federal mine bond release action through the DFD. Please direct any questions concerning this action to Daniel MacKinnon, Natural Resources Specialist, at dmackinnon@osmre.gov or (303) 293-5011.

Sincerely,



Kenneth Walker, Chief
Denver Field Division

cc: Daron Haddock, DOGM
Plateau Mining Corporation

