



GARY R. HERBERT  
*Governor*

SPENCER J. COX  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

October 15, 2015

Dennis Ware, Controller  
Plateau Mining Corporation  
P.O. Box 30  
Helper, Utah 84526-0030

Subject: Phase III Bond Release Approval and Updated Willow Creek Mine Permit, Plateau Mining Corporation, Willow Creek Mine, C/007/0038, Task ID #4901

Dear Mr. Ware:

The Application for bond release in the amount of \$478,714 for the Phase III Bond Release of the Willow Creek Mine is hereby approved. Plateau Mining Corporation's Phase III bond release request is for 94.21 acres leaving 1.19 acres remaining in the permit. A bond release inspection was conducted on August 3, 2015, which included representatives from the U.S. Bureau of Land Management (BLM), Plateau Mining Corporation, the Office of Surface Mining, the Division of Wildlife Resources and the Division of Oil, Gas and Mining. A Phase III Bond Release decision document was prepared by the Division of Oil, Gas & Mining and distributed to OSM on September 15, 2015 with recommendation for approval.

The OSM, Denver Field Division, submitted a letter dated October 14, 2015 which agreed with the Division's findings and decision document and concurred with the bond release action. The BLM concurred in a letter received by the Division on September 14, 2015. The Division of Wildlife Resources concurred in a letter received by the Division on August 28, 2015.

Two copies of the revised permit reflecting the Phase III Release are enclosed. Please sign both copies and return one copy to the Division. The other copy is for your records. Please note the attached permit conditions and recognize that they are still applicable.

Plateau Mining Corporation currently has a surety bond posted with Fidelity & Deposit of Maryland (#09009367) in the amount of \$489,166. You are hereby authorized to reduce the posted bond by \$478,714 leaving a balance of \$10,452. Please complete and return the enclosed Exhibit "D" and Affidavits along with a surety rider to decrease the posted bond in the amount of



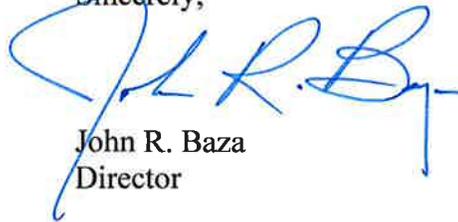
Page 2  
Dennis Ware  
October 15, 2015

\$478,714. Also included is an Exhibit "A" to be completed by the surety company. The replacement Exhibit "A" will update and provide the legal description of the remaining 1.19 of disturbed or bonded acres.

Also enclosed is a stamped incorporated copy of the Phase III Bond Release for inclusion in your copy of the Mining Reclamation Plan.

If you have any comments or concerns, please contact Daron Haddock at 801 538-5325 or me at 801 538-5340.

Sincerely,

A handwritten signature in blue ink, appearing to read "J.R. Baza", with a long horizontal stroke extending to the right.

John R. Baza  
Director

JRB/DRH/sqs  
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**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**  
**1594 West North Temple, Suite 1210**  
**Salt Lake City, Utah 84114-5801**  
**(801) 538-5340**

This permit, C/007/0038, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (Division) to:

**Plateau Mining Corporation**  
**P.O. Box 30**  
**Helper, Utah 84526-0030**  
**(435)472-0475**

for the Willow Creek Mine. A Surety Bond is filed with the Division in the amount of \$10,452 payable to the State of Utah, Division of Oil, Gas and Mining and the United States Department of Interior, Office of Surface Mining Reclamation and Enforcement (OSM). The Division must receive a copy of this permit signed and dated by the permittee.

- Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.
- Sec. 2 PERMIT AREA** - The permittee is authorized to conduct reclamation activities including monitoring and maintenance on the following described lands within the permit area at the Willow Creek Mine, situated in the state of Utah, Carbon County and located:
- T 12 S, R 9 E, Sec 28, NE 1/4 SE 1/4
- Remaining 1.19 acres.
- This legal description is for the permit area of the Willow Creek Mine. The permittee is authorized to conduct reclamation activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.
- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This permit is effective on October 5, 2015 and expires on April 24, 2016.

**Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Division Director. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13{e} and R645-303-300.

**Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the Division, including but not limited to inspectors, and representatives of the Office of Surface Mining Reclamation and Enforcement (OSM), without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-220, 30 CFR 842.13 and R645-400-110;
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100 and R645-400-200 when the inspection is in response to an alleged violation reported to the Division by the private person.

**Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:

- (a) Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

**Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and

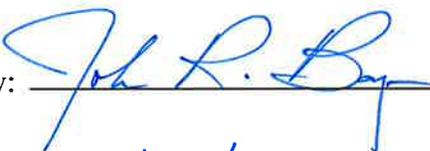
- (b) utilizing methods specified as conditions of the permit by the Division in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

- Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.
- Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR Part 870 for coal produced under the permit, for sale, transfer or use.
- Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.
- Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.
- Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of coal mining and reclamation operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify the Division. The Division, after coordination with OSM, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by Division within the time frame specified by Division.
- Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300-200.
- Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting action as described in attachment A.

The above conditions (Secs. 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them.

These conditions may be revised or amended, in writing, by the mutual consent of the Division and the permittee at any time to adjust to changed conditions or to correct an oversight. The Division may amend these conditions at any time without the consent of the permittee in order to make them consistent with any federal or state statutes and any regulations.

**THE STATE OF UTAH**

By: 

Date: 10/19/15

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

\_\_\_\_\_  
**Authorized Representative**

Date: \_\_\_\_\_

## **Attachment A**

### **SPECIAL CONDITIONS**

1. Plateau Mining Corporation will submit the required water quality data for the Willow Creek Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

**EXHIBIT "D"**

**Stipulation to Revise  
Reclamation Agreement  
(Federal)**

Mine Name: \_\_\_\_\_  
Permit Number: \_\_\_\_\_  
Effective Date: \_\_\_\_\_  
Bond Number: \_\_\_\_\_

**COAL**  
**STIPULATION TO REVISE RECLAMATION AGREEMENT**  
--ooOOoo--

This **STIPULATION TO REVISE RECLAMATION AGREEMENT** entered into by and between the **PERMITTEE** and **DIVISION** incorporates the following revisions or changes to the **RECLAMATION AGREEMENT**: (Identify and Describe Revisions below)

Phase III Bond Release approved on October 5, 2015 releasing 94.21 of the remaining 95.4 disturbed acres. The Bond Release reduces the posted bond (\$489,166) in the amount of \$478,714 leaving a bond in the amount \$10,452 required to complete reclamation.

In accordance with this **STIPULATION TO REVISE RECLAMATION AGREEMENT**, the following Exhibits have been replaced by the **PERMITTEE** and are approved by the **DIVISION**.

- Replace the Reclamation Agreement in its entirety.
- Replace Exhibit "A"- bonded area.
- Rider added to existing Exhibit "B"- bonding agreement
- Replace Exhibit "C"- liability insurance

The bonding amount is revised from \$ 489,166 to \$ 10,452

The bonding type is changed from \_\_\_\_\_ to \_\_\_\_\_.

The surface disturbance is revised from 95.4 acres to 1.19 acres.

The expiration date is revised from \_\_\_\_\_ to \_\_\_\_\_.

The liability insurance carrier is changed from \_\_\_\_\_ to \_\_\_\_\_.

The amount of insurance coverage for bodily injury and property damage is changed from  
from \$ \_\_\_\_\_ to \$ \_\_\_\_\_.

IN WITNESS WHEREOF, \_\_\_\_\_ the **PERMITTEE** has hereunto set  
its signature and seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**PERMITTEE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED BY THE STATE OF UTAH** this \_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**Director,**  
Division of Oil, Gas and Mining

**NOTE:** An **Affidavit of Qualification** must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power or Attorney of a company, such Power of Attorney must be filed with this Agreement. If the **PERMITTEE** is a corporation, the Agreement shall be executed by its duly authorized officer.



# **EXHIBIT “A”**

## **Bonded Area Legal Description**

(Federal Coal)

Exhibit "A"  
Legal Description  
Federal  
Bond Number \_\_\_\_\_

**EXHIBIT "A"**

Pursuant to R645-301- 820.110, the surety bond covers an identified increment of land within the permit area upon which the operator will initiate and conduct coal mining and reclamation operations during the initial term of the permit. This area is identified as:

Map(s) showing the BONDED AREA within the approved PERMIT AREA :

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Legal description of BONDED AREA:

T 12 S, R 9 E, Sec 28, NE ¼ SE ¼

Remaining 1.19 acres.

The above described area shall be modified as necessary to correspond to an increase in the area disturbed as a result of an expansion of coal mining and reclamation operations. The described area may also be decreased as a result of partial reclamation.

**IN WITNESS WHEREOF** the **SURETY** has hereunto set its signature and seal this

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
**SURETY**

\_\_\_\_\_  
By:

\_\_\_\_\_  
Title:

