



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

March 4, 2016

Dennis Ware, Controller
Plateau Mining Corporation
130 East 400 South
P.O. Box 592
Orangeville, Utah 84537

Subject: Five-Year Permit Renewal, Willow Creek Mine, Plateau Mining Corporation, C/007/0038, Task ID #5061

Dear Mr. Ware:

The permit renewal for the Willow Creek Mine is approved effective April 24, 2016. Enclosed are two (2) copies of the renewed permanent program reclamation permit for the Willow Creek Mine.

Please read the permit to be sure you understand the requirements, then have both copies signed by the appropriate representative and return one to the Division.

If you have any questions, please call Daron Haddock at (801) 538-5325 or myself at (801) 538-5334.

Sincerely,

John R. Baza
Director

JRB/DRH/sqs
Enclosure
O:\007038.WIL\PERMIT\2016 Renewal\BazaLetter.doc



**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT**

**For
PERMIT RENEWAL**

**Willow Creek Mine
Plateau Mining Corporation
C/007/0038
Permit Renewal
Carbon County, Utah**

March 4, 2016

- * Administrative Overview
- * Permitting Chronology
- * Permit Renewal Findings
- * Permit
- * Publication Notice
- * AVS Compliance Memo

ADMINISTRATIVE OVERVIEW

PacifiCorp
Willow Creek Mine
C/007/0038

March 4, 2016

Background

The Willow Creek Mine area is located approximately 10 miles north of the town of Price, Utah in Carbon County, with the mine surface facilities located adjacent to and north of Willow Creek and State Highway 191 in Willow Creek Canyon approximately one mile northeast of the junction of Highway 191 with U.S. Highway 6 and 50. The Willow Creek Mine permit area covers an area of approximately 23 sections extending north and south approximately 2.5 miles from the junction of the two highways and six miles to the east for a total of 14,662 acres.

This area is part of the Book Cliffs of Central Utah and is characterized by high plateaus to the north; steep narrow ridgelines cut by deep erosional drainages in the permit and adjacent areas to the east, west, and south; and the relatively flat, dry semi-desert areas of the Colorado Plateau to the south of the town of Price. Within the permit area, topographic relief ranges from 6200 feet, near the confluence of Willow Creek with the Price River, to over 8,600 feet along the ridgelines to the southeast.

There has been mining in this area since the late 1800's. Following initial settlement of this area, further settlement and development of the area occurred fairly rapidly with the discovery of extensive coal reserves in the late 1870's and construction of the railroad in the late 1870's and early 1880's. Active underground mining operations continued from the 1870's through the 1940's, when coal demand and production began to decline due to reduced postwar industrial production and the shift to diesel railroad engines. The Castle Gate Mines Nos. 1, 2, and 4, which were encompassed by the Willow Creek Mine permit boundary, were developed and operated from 1888 through 1972, when the last of the mines closed.

The initial permit was issued to the Price River Coal Company on December 24, 1984. Castle Gate Coal Company acquired the right to mine the western reserves and obtained a permit transfer on May 30, 1986. On May 25, 1991, the Division approved the permit transfer from Castle Gate Coal Company to Amax Coal Company. Cyprus Plateau Mining Corporation (CPMC) acquired the right to the coal in the eastern reserves in 1991.

In May 1995, the Division received an application from Cyprus Plateau Mining Corporation to permit the eastern coal reserves and a portion of the Castle Gate Mine as the new Willow Creek Mine. On April 23, 1996, the Willow Creek Mine was permitted, and its permit

area overlapped with that of the Castle Gate Mine. On July 2, 1996, the Castle Gate permit was transferred from Amax Coal Company to Amax Coal Holding Company, which became Amax Coal Company again on August 5, 1996.

RAG American Coal Holding Inc. purchased the property in 1999. Reserves were extensive in the Willow Creek Mine and the annual production was expected to be about 5 million tons. Most of the initial mine development work was done by continuous miners and electric shuttle cars beginning in 1997. High productivity longwall mining systems for coal production began in 1998. Coal was hauled from the mine using a high speed main conveyor system fed by several face conveyors located at each of the active development areas, both continuous miner sections and longwall panels. A fire in November 1998 in the D Seam stopped production for about a year.

In June of 1997, the Castle Gate and Willow Creek Mines were split apart which left the Castle Gate Mine with the Sowbelly Gulch, Hardscrabble Canyon, and Adit No.1 areas. The Schoolhouse Canyon refuse area, the Castle Gate preparation plant, Crandall Canyon, the Gravel Canyon topsoil storage area, and a refuse storage area (a site previously reclaimed by the Abandoned Mine Lands Reclamation program) were all transferred to the Willow Creek Mine.

An integrated program of geotechnical monitoring and a gob vent borehole network of surface holes was used to monitor ground conditions and remove methane gas in advance of mining. Another fire in July 2000 idled the mine. The mine went into temporary cessation on December 11, 2000. The mine went into permanent cessation on September 6, 2002. Reclamation commenced in the fall of 2002 and reclamation at the entire site was completed (except for removal of the rail by the loadout) in December 2005.

Foundation Coal Company purchased RAG American on July 30, 2004.

A change in the postmining land use was approved from wildlife and grazing to industrial for the surface facilities (building site) and near the water improvement site in 2004. A Phase III bond release application for the water improvement site was made in 2006 as well as a phase I bond release application for the refuse pile. The surface facilities were deeded to the College of Eastern Utah in July 2006. A phase III bond release application for the surface facilities area was approved on July 7, 2006. There was also a phase III bond release approved on the prep plant area on September 20, 2006. This left only a few areas that would need to be monitored through the bond liability period. These areas include the School House Canyon refuse pile, the Crandall Canyon shaft area, the Gravel Canyon area and part of the surface facilities and conveyor area. The reclamation of the site has been completed.

An application for Phase III Bond Release was approved on October 15, 2015 for 94.21 acres leaving 1.19 acres remaining in the permit. Monitoring and maintenance of the remaining 1.19 acres continues until the bond liability ends.

Public Notice

The renewal application was determined administratively complete January 4, 2016. Public notice for this permit renewal was published in the Sun Advocate on January 12, 19, 26, and February 2, 2016. The comment period ended on March 3, 2016 with no comments received.

Recommendation for Approval

The Division made the decision on March 3, 2016 to approve the permit renewal for five years based on the fact that:

1. The terms and conditions of the existing permit are being satisfactorily met.
2. The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program.
3. The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas. The operator has reclaimed the mine site.
4. The operator has provided evidence of having liability insurance and a performance bond that will be in effect for the operation and will continue in full force and effect.
5. The permit is conditioned with the requirement:
Plateau Mining Corporation will submit water quality data for the Willow Creek Mine in an electronic format through the Electronic Data Input web site, <http://linux3.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

Recommendation

Approval for this permit renewal is recommended.

PERMITTING CHRONOLOGY

Plateau Mining Corporation
Willow Creek Mine
C/007/0038

March 4, 2016

December 28, 2015	Plateau Mining Corporation submits permit renewal application for the Willow Creek Mine.
January 4, 2016	Division issues Determination of Completeness for permit renewal.
January 7, 2016	Permit renewal completeness determination sent to applicable state, federal, and county agencies.
January 12, 19, 26 and February 2, 2016	Public notice for permit renewal for the Willow Creek Mine published in the Sun Advocate for four consecutive weeks.
March 3, 2016	End of public comment period. No comments received.
March 4, 2016	Permit is renewed effective April 24, 2016.

PERMIT RENEWAL FINDINGS

Plateau Mining Corporation
Willow Creek Mine
C/007/0038

March 4, 2016

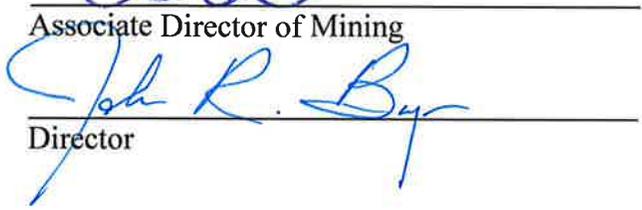
1. The permit renewal term will not exceed the original permit term of five years. (R645-303-234).
2. The terms and conditions of the existing permit are being met. (R645-303-233.110).
3. The present reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program. (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program. There are no permit conditions or regulatory requirements that would affect Plateau Mining Corporation's ability to continue to conduct reclamation on the existing permit area. (R645-303-233.130).
5. The operator has provided evidence of maintaining liability insurance in full effect (Issued by National Union Fire Ins Co Pittsburgh PA GL6576413) (R645-303-233.140).
6. The operator has a reclamation surety on file with the Division and has provided evidence that the surety will remain in full effect. (Fidelity & Deposit Company of Maryland in the amount of \$10,452.) (R645-303-233.150).
7. The operator has submitted all updated information as required by the Division through this permit term. (R645-303-233.160).



Permit Supervisor



Associate Director of Mining



Director

**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:
- Township 12 South, Range 9 East
Section 28: Portions of NE1/4 S1/2 Containing 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 expires on April 24, 2021.

- 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: John R. Bay

Date: 3/7/16

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://linux3.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Carbon,)

I, Jenni Fasselin, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 12th day of January, 2016, and that the last publication of such notice was in the issue of such newspaper dated the 2nd day of February 2016

Jenni Fasselin

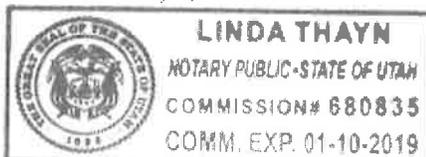
Jenni Fasselin – Publisher

Subscribed and sworn to before me this 2nd day of February, 2016.

Linda Thayne

Notary Public My commission expires January 10, 2019 Residing at Price, Utah

Publication fee, \$ 403.20



**PLATEAU MINING CORPORATION
WILLOW CREEK MINE
C/007/0038
PERMIT RENEWAL APPLICATION**

Plateau Mining Corporation, P.O. Box 30, Helper, Utah, 84526 hereby submits an application for a permit renewal for the Willow Creek Mine for the purpose of conducting reclamation activities. The disturbed/bonded area encompasses approximately 1.19 acres for which the legal description is provided below.

The Disturbed/Bonded area encompasses portions of the following described lands:

Township 12 South, Range 9 East, Section 28: Portions of NE 1/4 S1/2 Containing 1.19 acres.

The permit area is shown on the following U.S. Geological Survey 7.5-minute maps: Kyune.

A surety bond is filed with the Division of Oil, Gas and Mining in the amount of \$10,452 and payable to the State of Utah, Division of Oil, Gas and Mining (DOGM), and the Office of Surface Mining Reclamation and Enforcement (OSM).

A copy of the permit renewal application may be examined at the office of the Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801, and also at the Recorders Office located in the Carbon County Courthouse in Price, Utah. Written comments, objections and requests for an informal conference may be submitted to the Utah Division of Oil Gas and Mining at the above address. Such comments must be submitted thirty (30) days from the date of last publication of this notice. This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, and State and Federal regulations promulgated pursuant to said Act.

Published in the Sun Advocate January 12, 19, 26 and February 2, 2016.



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

March 4, 2016

TO: Internal File

FROM: Daron R. Haddock, Permit Supervisor 

RE: Compliance Review for Section 510 (c) Findings

As of the writing of this memo, there are no NOV'S or CO's which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Plateau Mining Corporation. Plateau Mining Corporation does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).

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Application Evaluation

Application Number	C0070038 SEQ:4
Applicant Name	147847 Plateau Mining Corp
Date Of Narrative	3/4/2016 11:01:37 AM
Requestor	suzanne.steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

3 Violations Found.

1: State Notice Of Violation	<u>153081</u>	PA	Permit:11040701	Conditional	7/22/2015
Violator 1:	153516 AMFIRE Mining Company LLC				
2: State Notice Of Violation	<u>151030</u>	PA	Permit:30753712	Conditional	7/9/2015
Violator 1:	155226 Emerald Coal Resources Lp				
3: State Notice Of Violation	<u>156002</u>	PA	Permit:30841307	Conditional	9/17/2015
Violator 1:	155226 Emerald Coal Resources Lp				

Evaluation OFT

Entities: 23

249455 Alpha Natural Resources Inc (New Alpha) - ()
 ---110318 Joel Richards III - (Director)
 ---125703 E Linn Draper Jr - (Director)
 ---131354 L Patrick Hassey - (Director)
 ---133477 Kevin S Crutchfield - (Chairman of the Board)
 ---133477 Kevin S Crutchfield - (Chief Executive Officer)
 ---133477 Kevin S Crutchfield - (Director)
 ---140061 Deborah M Fretz - (Director)
 ---155646 William J Crowley Jr - (Director)
 ---157755 P Michael Giftos - (Director)
 ---247055 Gary W Banbury - (Executive Vice President)
 ---249094 Phillip J Cavatoni - (Corporate Officer)
 ---249094 Phillip J Cavatoni - (Executive Vice President)
 ---249094 Phillip J Cavatoni - (Treasurer)
 ---249352 Alan W Jones Jr - (Controller)
 ---249352 Alan W Jones Jr - (Corporate Officer)
 ---249352 Alan W Jones Jr - (Senior Vice President)
 ---249466 Alpha American Coal Holding LLC - (Subsidiary Company)
 -----133477 Kevin S Crutchfield - (Manager)
 -----133477 Kevin S Crutchfield - (President)
 -----249094 Phillip J Cavatoni - (Treasurer)
 -----249094 Phillip J Cavatoni - (Vice President)
 -----249467 Alpha American Coal Company LLC - (Subsidiary Company)
 -----133477 Kevin S Crutchfield - (Manager)
 -----133477 Kevin S Crutchfield - (President)
 -----147847 Plateau Mining Corp - (Subsidiary Company)
 -----042556 Oren Eugene Kitts - (Director)
 -----158071 Richard H Verheij - (Secretary)
 -----158071 Richard H Verheij - (Vice President)
 -----249094 Phillip J Cavatoni - (Treasurer)
 -----249094 Phillip J Cavatoni - (Vice President)
 -----253215 William L Phillips III - (Assistant Secretary)
 -----253215 William L Phillips III - (Vice President)
 -----253746 J Todd Munsey - (Assistant Treasurer)
 -----254591 J Scott Kreutzer - (Director)
 -----254591 J Scott Kreutzer - (President)
 -----255618 David N Shockley - (Assistant Treasurer)
 -----249094 Phillip J Cavatoni - (Treasurer)
 -----249094 Phillip J Cavatoni - (Vice President)
 -----256494 Mark M Manno - (Secretary)

-----256494 Mark M Manno - (Vice President)
-----256494 Mark M Manno - (Secretary)
-----256494 Mark M Manno - (Vice President)
---252169 Bruce A Hartshorn - (Senior Vice President)
---253215 William L Phillips III - (Assistant Secretary)
---253528 Victor K Hainer - (Executive Vice President)
---256494 Mark M Manno - (Corporate Officer)
---256494 Mark M Manno - (Executive Vice President)
---256494 Mark M Manno - (General Counsel)
---256494 Mark M Manno - (Secretary)

Narrative 3/4/2016 All violations are coded "Conditional," indicating a Settlement, Payment Plan, or Pending Challenge. Linking entities are Richard H. Verheij, etc. DLH