

October 5, 1999

Castle Gate Holding Company
847 NW Hwy 191
Helper, Utah 84526

Castle Gate Mine
Complete, oversight inspection
September 28, 1999

Participants:

Johnny Pappas, Plateau Mining Corp.
Paul Baker, Utah Division of Oil, Gas and Mining (DOGGM)
Henry Austin, Office of Surface Mining (OSM)

I participated in a complete, oversight inspection of the Castle Gate Mine as indicated above. The mine was selected for inspection during the 1999 evaluation year by the joint DOGGM/OSM evaluation team. The primary focus of the inspection was to evaluate reclamation success at the site. Weather conditions were sunny and mild and ground conditions were dry throughout the areas inspected.

Mr. Baker began the inspection by conducting a review of required environmental monitoring records and permitting information. The review included: sediment pond (pond 10) inspection reports current through June 99; liability insurance current through 6/30/00; the current bond of \$1.8 million dollars is being reviewed by DOGGM for transfer to RAG who recently purchased Castle Gate Holding Co.; UPDES Permit UTG040012, outfall 020A, is in the renewal process and the DMR's are current; and required surface and ground water monitoring is current through the second quarter of 1999. Records I reviewed in the DOGGM Salt Lake City office on Sept. 29 included: August 23, 1999, permittee letter to DOGGM initiating permit renewal; Sept. 9, 1999, letter from DOGGM to the permittee requesting additional bonding information; May 14, 1999, permittee submittal of 1998 Annual Report including subsidence monitoring info., Sowbelly Gulch slump monitoring, and 1998 reclamation activities summary; and the annual sediment pond certification for pond 10. Records reviewed were current and in compliance.

We began the inspection at the adit no. 1 surface facility. The former adit is sealed, backfilled, and fenced. The permittee should schedule reclamation of this facility by revising the reclamation schedule in the approved permit during the current permit renewal, if it will not be used to facilitate mining at the Willow Creek Mine complex. The area is stable and we discussed possibly leaving the access road upon reclamation to facilitate power company access and /or Utah DOT access for loose rock control adjacent to the highway. We next inspected the Hardscrabble Canyon area. A reclamation contractor was working on a slope stabilization project just inside the gated entrance. This work was identified as necessary by DOGGM and the permittee this summer. We walked the reclaimed areas up the canyon.

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All areas inspected were stable with respect to erosion and enjoying very successful and diverse vegetation reestablishment. Mr. Pappas has supervised successful reclamation enhancement on most areas of Hardscrabble, and the remaining areas were reclaimed in 1998. The Goose Island area is the only area in Hardscrabble with a Phase I bond release, and Mr. Pappas, in conjunction with Mr. Baker/DOGM recommendations has also conducted minor remedial work where necessary on Goose Island. The main surface water runoff channel will also be retrofitted to better define the channel at the discharge outlet and provide stabilization for minor erosion on southeast facing slopes adjacent to the discharge outlet. The roadway will remain in Hardscrabble Canyon to facilitate the post mining land use. A locked gate currently restricts access to the reclaimed areas. Castle Gate Holding Co. is the surface owner of the reclaimed areas.

We continued the inspection by walking the reclaimed areas up Sowbelly Gulch. There is a locked gate restricting access to the reclaimed areas. The gate has been recently vandalized but was functional. The reclaimed areas are well stabilized and also enjoying very successful and diverse vegetation reestablishment. There was a small AML project completed in this area and the permittee reclaimed a small concrete pad adjacent to the AML site during 1998. This area is stable. All drainage ways were well defined and stable. A small slump has developed in the reclamation area and is being monitored by the permittee. Mr. Pappas inspected his rain gauge on the area and recorded approx. 1.06 inches of rain since it was last inspected. Castle Gate Holding Co. is the surface owner of the reclaimed areas at Sowbelly, and the areas have received Phase I bond release. This concluded the inspection.

In summary, all reclamation areas inspected were stable and well vegetated. These reclaimed areas were all pre-law disturbance and Mr. Pappas/the permittee should be commended for an outstanding job of utilizing scarce resources to accomplish the backfilling and grading of this site. Rehandling and burial of extensive coal waste materials also complicated the reclamation of these areas. Even with only scarce native topsoil resources, the site is enjoying outstanding revegetation success and diversity as noted above. It's obvious Mr. Pappas/the permittee have spent considerable amounts of both time and money on this property, and have exceeded reclamation requirements.

Please address any questions concerning this report to Henry Austin at haustin@osmre.gov or to (303) 844-1400 X1466.

cc: Scott Langley, Technical Services