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PLATEAU  
MINING  
CORPORATION

JUL 03 2000

DIVISION OF  
OIL, GAS AND MINING

Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0475  
Fax: (435) 472-4780

An affiliate of **RAG**

June 29, 2000

Ms. Pamela Grubaugh-Littig  
Utah Division of Oil, Gas and Mining  
1594 West North Temple, STE. 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

*Incoming*

Dear Ms. Littig:

Castle Gate Holding Company has completed Phase 1 of the approved reclamation plan for the Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based on the backfilling and grading and drainage control on the bonded area.

In accordance with the provisions of R645-301-880, Castle Gate Holding Company is hereby applying for release of 60% of the applicable performance bond. The original surety bond posted for the Castle Gate Mine is \$1,804,000 of which \$1,305,000 is designated for the Hardscrabble Canyon No. 3 and No. 4 Mine reclamation. Castle Gate Holding Company is seeking release of 60%, or \$783,000 of the Hardscrabble Canyon bond amount.

The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine (Main Canyon) commenced in 1996 and was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area. All structure removal and earthwork has been completed on site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

As-built conditions were submitted to the Division for review and subsequently approved for incorporation into the Castle Gate Mine Permit ACT/007/004 on May 11, 2000.

Copies of letters of notification to land owners, agencies and water companies in the area are enclosed. A copy of the newspaper advertisement to be placed is attached for your review, prior to placement into the newspaper. Once the Division has reviewed and approved the proposed

Ms. Pamela Grubaugh-Littig  
June 29, 2000  
Page 2

notification, Castle Gate Holding Company will run the advertisement for four consecutive weeks in the local area paper. Proof of publication will be sent to the Division upon completion.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosures

File: Hardscrabble Phase 1 Application  
Chrono: JP000606.ltr

# APPLICATION FOR PERMIT PROCESSING

<input type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input checked="" type="checkbox"/> Bond Release	Permit Number: ACT/007/004
Title of Proposal: Application for Phase 1 Bond Release, Hardscrabble Canyon No.3 and No. 4						Mine: Castle Gate Mine
Mines						Permittee: Castle Gate Holding Company

Description, include reason for application and timing required to implement: Application for Phase 1 Bond Release, Public Notice and Notice Letters

**Instructions:** If you answer yes to any of the first 8 questions (gray), this may be a Significant Revision and require Public Notice. Any questions, please call a Permit Supervisor.

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P?)
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 1 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

*John Pappas* - JOHN PAPPAS - Sr. Env. Engineer - June 29, 00  
 Signed Name - Position - Date

Subscribed and sworn to before me this 29 day of June, 2000.

*Jackie Boggs*  
 Notary Public  
 My Commission Expires: 3-15, 2001  
 STATE OF UT  
 COUNTY OF CARLEW

Received by Oil, Gas & Mining

ASSIGNED TRACKING NUMBER

**Public Notice**

**Application for Phase 1 Bond Release  
Hardscrabble Canyon No. 3 and No. 4 Mines  
Castle Gate Holding Company  
Castle Gate Mine  
Permit ACT/007/004, Approved 12/24/94  
Carbon County, Utah**

Castle Gate Holding Company, 999 Corporate Blvd., Linthicum Heights, MD 21090, has completed Phase 1 of the approved reclamation plan for Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based on the completion of the backfilling and grading and drainage control on the bonded area.

The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine - Main Canyon- was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area.

In accordance with the provisions of R645-301-880, of the State of Utah R645-Coal Mining Rules, notice is hereby given to the general public that Castle Gate Holding Company is applying for partial release of the performance bond posted for this operation.

The original surety bond posted for the Castle Gate Mine is \$1,804,000 of which \$1,305,000 is designated for the Hardscrabble Canyon No. 3 and No. 4 Mine reclamation. Castle Gate Holding Company is seeking release of 60% of the Hardscrabble Canyon portion of the bond, or \$783,000. All earthwork has been completed on site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

The Hardscrabble Canyon No. 3 and No. 4 Mine areas are included in the Castle Gate Mine Permit Area. The following are legal descriptions of the Castle Gate Permit Area:

**Township 12 South, Range 9 East, SLB&M, Utah**

- Section 22: Portions of SE1/4 SW1/4 and S1/2 SE 1/4
- Section 26: Portions of W1/2
- Section 27: All except portions of NW1/4 and NW1/4 NW1/4 SW1/4
- Section 28: All except portions of SE1/4 SE1/4 NE1/4, SE1/4, and SW1/4
- Section 29: All except N1/2 NW1/4, NW1/4 NE1/4 and portions of S1/2 NE1/4, and N1/2 SE1/4

Section 30: All except N1/2 N1/2  
Section 31: All  
Section 32: All  
Section 33: All  
Section 34: All  
Section 35: Portions of N1/2, W1/2 SW1/4, and SE1/4

Township 13 South, Range 9 East, SLB&M, Utah

Section 1: Portions of NW1/4 NW1/4  
Section 2: Portions of NE1/4 and NW1/4  
Section 3: NW1/4 and portions of NE1/4, SE1/4 and SW1/4  
Section 4: N1/2 and portions of SE1/4 and SW1/4  
Section 5: NE1/4 and portions of NW1/4, SE1/4 and SW1/4  
Section 6: N1/2 and portions of SW1/4 and SE1/4  
Section 8: Portion of NE1/4  
Section 9: Portions of NE1/4, NW1/4 and SW1/4  
Section 10: Portions of NE1/4 and NW1/4

Federal Coal Leases were

SL-029093  
U-058184  
U-25484  
SL-071737  
U-25485  
U-019524

State Coal Leases were

ML-18148  
ML-11940  
ML-13681

The Hardscrabble Canyon area is located on the Standardville, Utah, U.S. Geological Survey 7.5 minute quadrangle map. The minesites are located in Hardscrabble Canyon, approximately 4 miles northwest of Helper, Utah. Reclamation work was performed on approximately 27.68 acres of disturbed and affected area located on the following described lands:

Township 13 South, Range 9 East, SLB&M, Utah

Section 3: SE1/4 SW1/4  
Section 10: NW1/4 NW1/4, NE1/4 NW1/4, SE1/4 NW1/4, NW1/4 NE1/4,  
SW1/4 NE1/4, SE1/4 NE1/4

The Utah Division of Oil, Gas and Mining will now evaluate the proposal to determine whether it meets all the criteria of the Permanent Program Performance Standards according to the requirements of the Utah Coal Mining Rules.

Upon completion of the evaluation, a decision will be made as to approval or disapproval of the application. The reclamation plan is available for public review at: Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801, and at the Price Field Office, 451 East 400 North, Price, Utah 84501.

Written comments, objections and requests for public hearing or information conference on this proposal may be addressed to:

Mr. Lowell P. Braxton, Director  
Utah Division of Oil, Gas and Mining  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

Published in the Sun Advocate - Month day, day, day, and day, 2000

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Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
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Fax: (435) 472-4780

An affiliate of **RAG**

June 29, 2000

Mr. Kenneth E. McDonough  
Real Estate Counsel  
American Electric Power Service Corporation  
One Riverside Plaza  
Columbus, Ohio 54215

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

Dear Mr. McDonough:

Castle Gate Holding Company has completed Phase 1 of the approved reclamation plan for the Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based upon the completion of the backfilling and grading and drainage control on the bonded area.

In accordance with the provisions of R645-301-880 of the State of Utah R645 - Coal Mining Rules, this letter will serve as notification that Castle Gate Holding Company intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond.

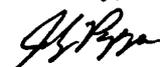
The original surety bond posted for the Castle Gate Mine is \$1,804,000 of which \$1,305,000 is designated for the Hardscrabble Canyon No. 3 and No. 4 Mine reclamation. Castle Gate Holding Company is seeking release of 60%, or \$783,000 of the Hardscrabble Canyon bond amount.

The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine (Main Canyon) commenced in 1996 and was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area. All structure removal and earthwork has been completed at this site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

As-built conditions were submitted to the Division for review and subsequently approval for incorporation into the Castle Gate Mine Permit ACT/007/004 on May 11, 2000.

If you have any questions or need additional information, please do not hesitate to contact me at (435) 472-4741 or Ms. Pamela Grubaugh-Littig at the Utah Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, Utah, 84114-5801.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

**PLATEAU  
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Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0475  
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An affiliate of **RAG**

June 29, 2000

Mr. Richard L. Manus  
Field Manager  
Bureau of Land Management  
Price Field Office  
125 South 600 West  
Price, Utah 84501

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

Dear Mr. Manus:

Castle Gate Holding Company has completed Phase 1 of the approved reclamation plan for the Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based upon the completion of the backfilling and grading and drainage control on the bonded area.

In accordance with the provisions of R645-301-880 of the State of Utah R645 - Coal Mining Rules, this letter will serve as notification that Castle Gate Holding Company intends to file an application with the Utah Division of Oil, Gas and Mining for partial release of the performance bond.

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The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine (Main Canyon) commenced in 1996 and was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area. All structure removal and earthwork has been completed at this site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

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Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

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Helper, Utah 84526  
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June 29, 2000

Mr. Gary Harwood  
Helper City  
P.O. Box 221  
Helper, Utah 84526

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

Dear Mr. Harwood:

Castle Gate Holding Company has completed Phase 1 of the approved reclamation plan for the Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based upon the completion of the backfilling and grading and drainage control on the bonded area.

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The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine (Main Canyon) commenced in 1996 and was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area. All structure removal and earthwork has been completed at this site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

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Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

**PLATEAU  
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Willow Creek Mine  
847 NW Hwy 191  
Helper, Utah 84526  
(435) 472-0475  
Fax: (435) 472-4780

An affiliate of **RAG**

June 29, 2000

Mr. Ray Hanson  
Carbon County Road Department  
120 East Main Street  
Price, Utah 84501

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

Dear Mr. Hanson:

Castle Gate Holding Company has completed Phase 1 of the approved reclamation plan for the Hardscrabble Canyon No. 3 and No. 4 Mine areas of the Castle Gate Mine. This is based upon the completion of the backfilling and grading and drainage control on the bonded area.

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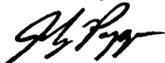
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The reclamation of the Castle Gate No. 4 Mine area was completed in 1995. The reclamation of the Castle Gate No. 3 Mine (Main Canyon) commenced in 1996 and was completed in 1999. The No. 4 Mine reclamation area was approximately 7.25 acres. The No. 3 Mine reclamation area was approximately 20.43 acres. Resulting in a total of 27.68 acres of reclaimed area. All structure removal and earthwork has been completed at this site, except for the removal of an electrical substation. Reclamation of this area will be completed when transmission of power from the substation is no longer necessary. A permanent access road has been constructed through the site as per the approved reclamation plan.

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If you have any questions or need additional information, please do not hesitate to contact me at (435) 472-4741 or Ms. Pamela Grubaugh-Littig at the Utah Division of Oil, Gas and Mining, P.O. Box 145801, Salt Lake City, Utah, 84114-5801.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

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(435) 472-0475  
Fax: (435) 472-4780

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June 29, 2000

Mr. Dave Levanger  
Carbon County Planner and Zoning Commission  
120 East Main Street  
Price, Utah 84501

**RE: Notification of Application for Phase 1 Bond Release, Hardscrabble Canyon No. 3 and No. 4 Mines, Castle Gate Holding Company, Castle Gate Mine, ACT/007/004, Carbon County, Utah**

Dear Mr. Levanger:

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Sincerely,



Johnny Pappas  
Sr. Environmental Engineer