



1999 ANNUAL REPORT

CASTLE GATE MINE

PERMIT NO. ACT/007/004

CASTLE GATE HOLDING COMPANY



File in:

Confidential

Shelf

Expandable

Refer to Record No 0026 Date 3/2/2000
In CEC 7004, 2000, Incoming
For additional information

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GENERAL INFORMATION							
1. Permit Number	ACT/007/004						
2. Mine Name	CASTLE GATE MINE						
3. Permittee Name	CASTLE GATE HOLDING COMPANY						
4. Operator Name (if other than Permittee)							
5. Permit Expiration Date	DECEMBER 24, 2004						
6. Company Representative, Title	JOHNNY PAPPAS, SR. ENVIRONMENTAL ENGINEER						
7. Phone Number	(435) 472-4741						
8. Fax Number	(435) 472-4782						
9. Mailing Address	CASTLE GATE HOLDING COMPANY						
	847 NORTHWEST HIGHWAY 191						
	HELPER, UTAH 84526						
10. Resident Agent, Title	C.T. CORPORATION			RECEIVED APR 04 2000 DIVISION OF OIL, GAS AND MINING			
Mailing Address	50 WEST BROADWAY						
	SALT LAKE CITY, UTAH 84101						
IDENTIFICATION OF OTHER PERMITS							
Identify other permits which are required in conjunction with mining and reclamation activities.							
Permit Type	ID Number	Description	Expires on				
1. MSHA Mine ID(s)	4200165	LEGAL IDENTITY					
	4201202	LEGAL IDENTITY					
2. MSHA Impoundment(s)	N/A						
3. NPDES/UPDES Permit(s) (water)	UTG040012	UPDES PERMIT	4/30/03				
4. PSD (Air) Permit(s)	N/A						
5.							
6.							

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX A to this Annual Report or currently ON FILE with the Division.

Certified Reports:	Reports Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Excess Spoil Piles		X				
2. Refuse Piles		X				
3. Impoundments	X		X			
4.						
5.						

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan which must be periodically submitted to the Division. Specify whether the information is included as APPENDIX B to this Annual Report or currently ON FILE with the Division.

Technical Data:	Reports Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Climatological Data		X				
2. Subsidence Monitoring Data	X		X			
3. Vegetation Monitoring Data		X				
4. Raptor Data		X				
5. Soils Monitoring Data		X				
6. Water Monitoring Data	X					
First Quarter Report	X				X	
Second Quarter Report	X				X	
Third Quarter Report	X				X	
Fourth Quarter Report	X				X	
7. Geological/Geophysical Data		X				
8. Engineering Data		X				
9. Other Data						
10. SOWBELLY SLUMP MONITORING	X		X			
						RECEIVED
						APR 04 2000
						DIVISION OF OIL, GAS AND MINING

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Changes in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is requesting that each permittee review and update the legal, financial, compliance and related information in the plan as part of the Annual Report. Provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other changes as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include any certified financial statements, audits or worksheets which may be required to meet bonding requirements. Specify whether the information is currently ON FILE with the Division or included as APPENDIX C to this Annual Report.

Legal/Financial Data:	Report Required?		INCLUDED or ON FILE w/DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Department of Commerce, Annual Report of Officers	X			X		UPDATE NOT DUE UNTIL END OF APRIL
2. Other						
LIST OF OFFICERS AND DIRECTORS	X		X			WILL NEED TO AMEND MRP ACCORDINGLY

MINE MAPS

Copies of mine maps, current and up-to-date through at least December 31, 1998, are to be provided to the Division as APPENDIX D to this Annual Report in accordance with the requirements of R645-301-525.270. These map copies shall be made in accordance with 30 CFR 75.1200, as required by MSHA. Upon request, mine maps shall be kept confidential by the Division.

Map Number(s)	Map Title / Description	Confidential?
NO MINING CONDUCTED		

OTHER INFORMATION

Please provide any comments or further information to be included as part of the Annual Report. Any other attachments are to be provided as APPENDIX E to this Annual Report.

Additional attachments to this report? No Yes

UPDATE ON HARDCRABBLE RECLAMATION AND SMALL PORTION OF GOOSE ISLAND REWORK

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

as required under R645-301-514


CONTENTS

ANNUAL SEDIMENT POND CERTIFICATION

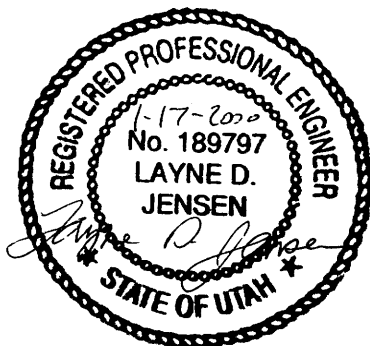
PLATEAU MINING CORPORATION
1999 SEDIMENT POND CERTIFICATION

I hereby certify that I am a Registered Professional Engineer in the State of Utah. I certify that I have made an inspection of Sediment Ponds 2, 10, 11, 12A, 12B, 13, 14, and 15 in the Willow Creek Mine area.

All of the pond embankments appear to be stable and in good physical condition. There are no apparent structural weaknesses or other hazardous conditions. I certify that I have reviewed the documentation pertaining to Attachment A, and that to the best of my knowledge the information shown thereon is accurate.


Layne D. Jensen

1-17-2000
Date



ATTACHMENT A
 SEDIMENT POND STORAGE CAPABILITIES
 INSPECTED 11/23/99

Pond No.	Decant Elevation	Sediment Storage Capacity (Ac. Ft.)	Sediment Storage Volume Used (%)	Sediment Storage Volume Remaining (Ac. Ft.)
1	6164.3	4.8	0	4.8
2	6153.8	0.05	0	0.05
10*	94.6	0.017	5	0.016
11*	97	0.81	0	0.81
12A	6101	0.16	25+	0.12
12B	6095.3	0.64	0	0.64
13**	6250.2	5.9	30+	4.13
14	95.3	0.72	25+	0.54
15	98.2	0.45	2	0.44

- + Based on estimates due to water in the bottom of the pond.
- * Elevations relative to open spillway elevation of 100.0
- ** Open channel spillway, MSHA Pond ID-1211-UT-09-00-165-02

APPENDIX B

Reporting of Technical Data

including monitoring data, reports, maps, and other information
as required under the approved plan
or as required by the Division
in accordance with the requirements of R645-301-130 and R645-301-140.

CONTENTS

SUBSIDENCE MONITORING

SOWBELLY GULCH SLUMP MONITORING

**CASTLE GATE COMPANY
SUBSIDENCE MONITORING
BEAR CANYON**

STATION	LOCATION	ELEVATION			CHANGE	
		05/81	11/17/98	09/16/99	Last	Acc.
TRP-1	Price Canyon	6319.85	6319.85	6319.85	(Control Point)	
BZ-60	Bear Canyon	6508.00	6508.00	6508.00	(Control Point)	
BZ-52	Bear Canyon	6713.78	6713.78	6713.78	(Control Point)	
Sub-34	Bear Canyon	6744.44	-	-	(See Note Below)	
Sub-38	Bear Canyon	6700.59	6700.15	6700.12	-0.03	-0.47
Sub-63	Bear Canyon	6546.54	6546.02	6546.02	0.00	-0.52
Sub-64	Bear Canyon	6406.63	6406.16	6406.15	-0.01	-0.48
Sub-71	Price Canyon	6400.99	6401.12	6401.12	0.00	0.13

Notes:

- (1) The above referenced points represent the only subsidence and control points located within Bear Canyon and subsequently verified by survey.
- (2) Sub-34 is no longer visible due to large trees and has been eliminated.
- (3) There were no fractures, slumps, rock falls or other subsidence-related effects noted within the canyon during this survey.





STATION	ELEVATIONS			DIFFERENCE		
	10/14/97	06/17/99	09/17/99	LAST	ACC.	
BM-1	7054.58	7054.58	7054.58	CONTROL		Top Hub
1	7048.92	7048.10	7048.08	-0.02	-0.84	Rebar-Grd.
2	7048.00	7047.30	7047.46	0.16	-0.54	Rebar-Grd.
3	7059.51	7058.25	7058.67	0.62	-0.64	Rebar-Grd.
4	7047.81	7047.05	7047.18	0.13	-0.63	Rebar-Grd.
5	7049.59	7048.80	7049.06	0.26	-0.53	Rebar-Grd.
6	7058.05	7057.20	7057.63	0.43	-0.42	Rebar-Grd.
7	7044.07	7042.85	7043.27	0.42	-0.80	Rebar-Grd.
8	7044.38	7042.95	7043.47	0.62	-0.91	Rebar-Grd.
9	7045.25	7043.80	7044.20	0.40	-1.05	Rebar-Grd.
H-1	7047.19	7046.50	7046.65	0.15	-0.54	Top Hub
H-2	7048.83	7048.00	7048.01	0.01	-0.82	Top Hub
H-3	7048.23	7047.20	7047.58	0.38	-0.65	Top Hub
H-4	7060.25	7058.95	7059.75	0.80	-0.50	Top Hub
H-5	7061.07	7059.90	7060.48	0.58	-0.59	Top Hub
H-6	7061.26	7059.60	7060.13	0.53	-1.13	Top Hub

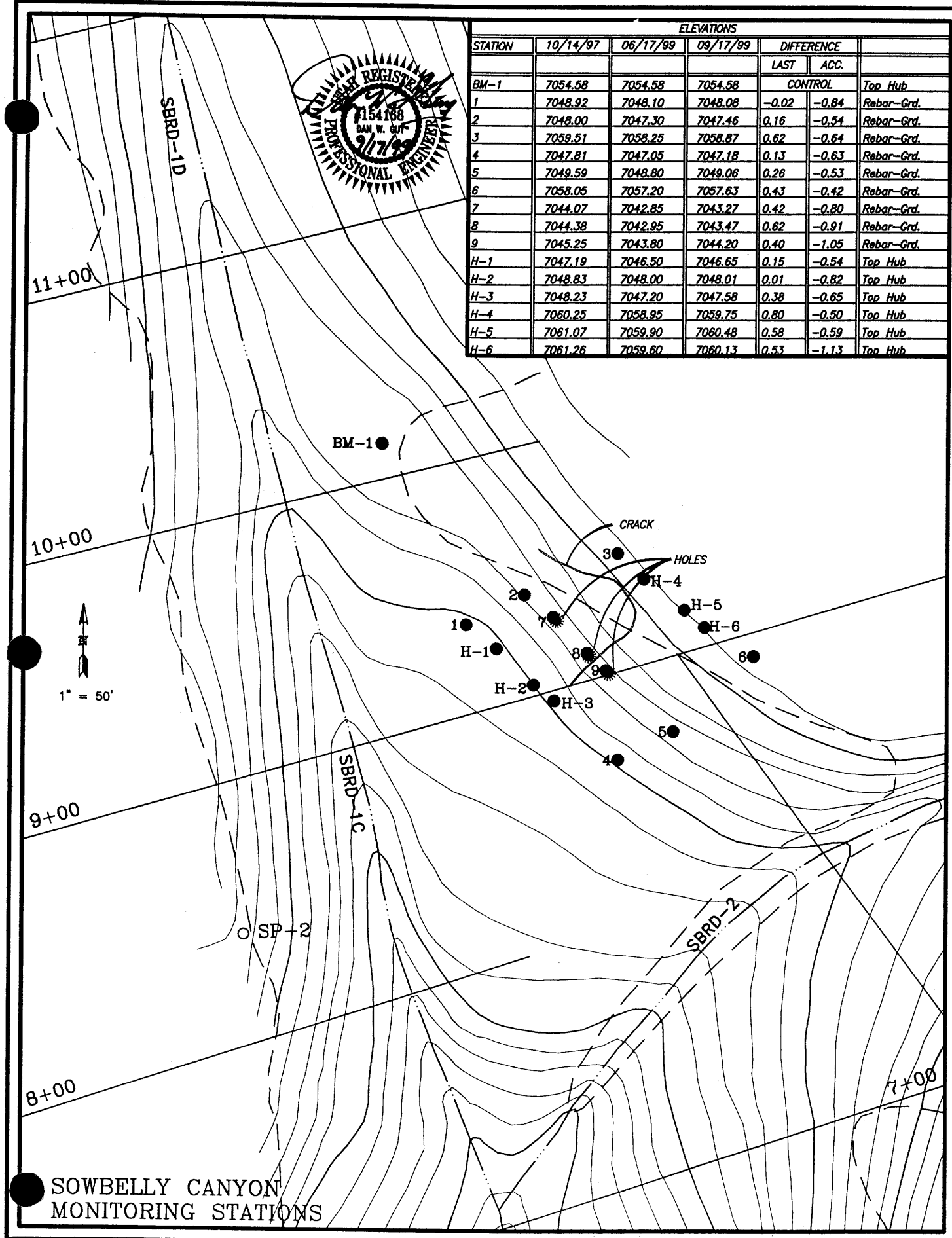


FIGURE 3.2J-1

APPENDIX C

Legal, Financial, Compliance and Related Information

Annual Report of Officers
as submitted to the Utah Department of Commerce

and other changes in ownership and control information
as required under R645-301-110.

CONTENTS

LIST OF OFFICERS AND DIRECTORS

CASTLE GATE HOLDING COMPANY

Principal Operating Offices:

9100 East Mineral Circle
Englewood, CO 80112

Telephone:

(303) 643-5000

Incorporation:

State Delaware, The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801
Date April 2, 1998
Existence Perpetual

Qualified to Do Business In:

Utah

Ownership - Percentage:

RAG Midwest Holding Company - 100%
9100 East Mineral Circle, Englewood, Colorado 80112-3299

IRS Identification Number:

84-1456620

OFFICERS:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President	John M. DeMichiei	208-40-1828	October 8, 1998
Senior Vice President, General Counsel And Secretary	Greg A. Walker	262-82-8649	June 30, 1999
Vice President and Controller	Darrell H. Roland	233-86-6633	March 1, 2000
Vice President and Treasurer	Frank J. Wood	230-74-0342	April 2, 1998/March 1, 2000
Assistant Treasurer	Gary G. Pearson	512-36-0698	March 1, 2000
Assistant Secretary	C. Corwin Bromley	267-11-1226	January 1, 2000
Assistant Secretary	Sharon J. Fetherhuff	503-50-3540	January 1, 2000
Assistant Secretary	William M. Hartzler	313-50-6744	January 1, 2000

DIRECTORS:

James F. Roberts 187-40-9345 June 30, 1999
John M. DeMichiei 208-40-1828 June 30, 1999
Frank J. Wood 230-74-0342 June 30, 1999

CASTLE GATE HOLDING COMPANY

Resignations since Incorporation

Assistant Secretary	Morris W. Kegley	306-52-2454	July 15, 1998
President	Randall J. Scott	522-82-2279	October 8, 1998
Director	Garold R. Spindler	233-74-2870	June 30, 1999
Director	Gerald J. Malys	165-36-0198	June 30, 1999
Director	Philip C. Wolf	317-50-5623	June 30, 1999
Senior Vice President	Gerald J. Malys	165-36-0198	June 30, 1999
Senior Vice President, General Counsel and Secretary	Philip C. Wolf	317-50-5623	June 30, 1999
Vice President	Patrick J. Panzarino	134-38-7821	June 30, 1999
Vice President and Treasurer	Farokh S. Hakimi	093-42-6402	June 30, 1999
Assistant Treasurer	J. M. Coyner	227-60-6113	June 30, 1999
Director of Tax	J. David Flemming	301-48-5865	June 30, 1999
Assistant Secretary	Sharon J. Fetherhuff	503-50-3540	June 30, 1999
Assistant Secretary	Greg A. Walker	262-82-8649	June 30, 1999
Assistant Secretary	Dale E. Huffman	557-86-5790	June 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros	042-40-2347	August 11, 1999
Assistant Secretary	Susan E. Chetlin	210-46-8811	December 31, 1999
Controller	Frank J. Wood	230-74-0342	March 1, 2000
Vice President and Treasurer	J. Alan Link	232-92-6300	April 1, 2000

APPENDIX D

Mine Maps

as required under R645-301-525.270.

CONTENTS

NOT APPLICABLE - MINE IN RECLAMATION STATUS

APPENDIX E

Other Information

in accordance with the requirements of R645-301 and R645-302.

CONTENTS

HARDSCRABBLE RECLAMATION STATUS

1999 HARDSCRABBLE RECLAMATION

During the latter part of 1999, Castle Gate Holding Company reworked two areas of previous reclamation to address stability issues regarding slope and erosion. The first area to receive regrading was the area above the cliff immediately adjacent to the entrance gate. This area was reworked to address the stability of the slope above the cliff which was exhibiting some surface features indicative of an unstable slope.

The work involved the separation of available growth media and the subsequent removal of buried coal waste, used as backfill, to facilitate a flatter slope. In order to ensure that the slope would be stable, approximately 15 feet of backfill was removed to flatten the overall slope to about a 3:1. This activity was not an easy undertaking mainly because there wasn't much of a working area to segregate the growth media and remove the coal waste. To facilitate the burial of the coal waste, two pits were dug along the slope below the cliff. Eventually all the requisite coal waste was removed and the coal waste remaining covered with approximately 4 feet of suitable growth media, mulched, gouged and reseeded.

The second area to receive some reworking was a small portion (1.19 acres) of Goose Island to address the erosional and channel (HCRD-10) issues. In this area, the coal waste was removed to facilitate the channel reconstruction and partial resloping of the area adjoining HCRD-11.

The removal of this coal waste was hauled down the canyon to where the two pits were dug, to handle coal waste generated by the work above the cliff, and deposited in them. Secondly, growth media generated from the excavation of the pits was hauled up the canyon to Goose Island and stockpiled for subsequent resoiling.

After the requisite amount of coal waste was removed and the reshaping of the channel and slopes performed, the affected areas were resoiled with approximately 2 feet of growth media, mulched, gouged and reseeded. HCRD-10 was riprapped with angular material, also generated from the pit excavation, and completed to reflect the design and alignment in the approved plan. While working in the Goose Island draw area, a small piping hole located toward the upper most portion of the older reclamation work, near the area where the old exploration road begins up the canyon, was repaired and reseeded.

The area reworked at Goose Island exhibits a roughened rocky surface, that has been reseeded with a seed mix containing grasses, forbs, and shrubs, and numerous individual plantings. When Goose Island was initially reclaimed in 1984, the reclaimed surface was smooth and void of rock fragments. Also, the seed mix was mostly comprised of grasses with a couple of forbs and void of shrubs (see attachment). There was an attempt in 1984, to establish the shrubs and other woody species through individual plantings, but it was not very successful. It will be interesting to see how the newly reseeded areas mature, using the current land preparation practices, compared with the old school of thought.

A list of plantings used in 1999 the Hardscrabble/Goose Island reclamation is attached in addition to the other plantings during the first part of the year. For 2000, additional plantings will be added to the lower part of Hardscrabble and Goose Island.

Johnny-

Goose Island reclamation probably used seed mix 3.

Thickspike Wheatgrass	2 pounds per acre
Bluebunch Wheatgrass	5
Canada Wild Rye	1
Basin Wild Rye	1
Green Needlegrass	4
Indian Ricegrass	2
Alfalfa	2
Yellow and White Sweet Clover	1

Plus they transplanted a bunch of trees and shrubs

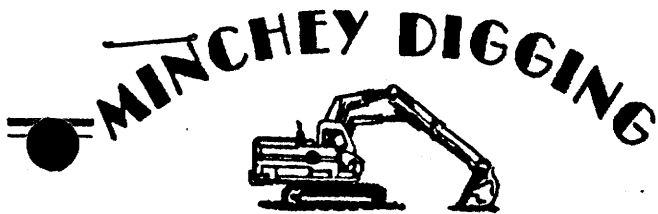
Refuse pile face was repaired and reseeded in 1986 [I think this is the Schoolhouse Refuse Pile]

I suspect that the 1985 refuse pile revegetation used the same seed mix [I think this is also Schoolhouse]

The 1985 Miscellaneous (orange) file has lab reports for waste rock and coal refuse at Goose Island

I have a map that shows how many trees and shrubs were to be planted and the planting arrangements. Here's the information about species and numbers. These are total numbers rather than numbers per acre.

Gambel Oak	162
Ponderosa Pine	195
Rocky Mountain Maple	162
Rocky Mountain Juniper	162
Squawbush	357
Woods Rose	357
Serviceberry	357
Oregon Grape	325
Chokecherry	357



Box 280 • Cleveland, Utah 84518
(801) 653-2303 • FAX (801) 653-2315

June 28, 1999

Cypress Plateau mine
HARDSCRABBLE Rec.
Attention: Johnny Pappas
Helper, UT

Minchey Digging
145 s. 300 w.
P.O. Box 392
Cleveland, UT 84518

Planting List
for June 21, 1999

Plants Planted:

100

60

75

25

75

90

75

Description:

ServiceBerry

Mountain Mohagony

ChokeCherry

Oak Brush Sumac

Golden Current

Woods Rose

Blue Elder Berry

Dec. 99

Plant List Planted December Hardscrabble/Goose Island

Curleaf Mohogany	20	X - Goose Island
Rosa Woodsi	10	- Goose Island
Elderberry	5	- Goose Island
Chokecherry	20	- 15 Hardscrabble 15 Goose Island
Narrowleaf Cottonwood	8	2 Hardscrabble - 6 Goose Island
Current	15	- Goose Island
Sumac Oakbrush	84	- 19 Hardscrabble - Bal - Goose

Head of Goose Island planted 3 Cottonwood

@ Head of Goose Island @ around
sink Hole

Piping

Here's my recommendation:

	Goose Island	Lower
Oak	10	30
Skunkbush Sumac	10	20
Rose	10	20
Mahogany	5	15
Chokecherry	10	10
Cottonwood	10	

In the lower area, I'd plant a lot of the shrubs near the cliff bases and near the plunge pool, anywhere there might be a little extra water. If there's not enough room for the cottonwoods in the Goose Island area, I'd add some extra oak and sumac to the lower area.

to Johnny Pappas
Plateau Mining
435-472-4752

From Paul Baker
DOG M.