

CASTLE GATE HOLDING COMPANY

Castle Gate Mine
P.O. Box 30
847 NW HWY 191
Helper, Utah 84526
(435)472-0475
Fax: (435)472-4782

August 18, 2004

FINC(07)17111111
C(00)7100004

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

Re: Permit Renewal, Castle Gate Holding Company, Castle Gate Mine, C/007/004, Carbon County, Utah

Dear Ms. Grubaugh-Littig:

Castle Gate Holding Company (CGHC) is submitting its permit renewal application for the Castle Gate Mine. As authorized under R645-303-230, the renewal application is being filed at least 120 days before expiration.

Evidence of liability insurance and performance bond are on file with the Division as required by R645-301-800. However, with the new name change of the parent company to Foundation Coal Corporation from RAG American Coal Holding, Inc. effective July 30, 2004, insurance policies and bonds were replaced to reflect this name change and have been issued to the Division and copies of are provided herewith.

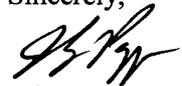
A copy of the proposed newspaper notice is attached with the proof of publication to be provided to the Division following posting of the notice.

The officers and directors for Castle Gate Holding Company, including up to Foundation Coal Corporation, is provided herewith. A permit change reflecting the new officers and directors will be submitted to the Division for incorporation into the approved plan.

CGHC has not had any violations since the last permit renewal.

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

Sincerely,



Johnny Pappas
Sr. Environmental Engineer

Enclosures

File: Castle Gate Mine - Permit Renewal
Chron.: JP040801.ltr

RECEIVED
AUG 20 2004
DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Castle Gate Holding Company

Mine: Castle Gate Mine

Permit Number: C/007/004

Title: Permit Renewal

Description, Include reason for application and timing required to implement:

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <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 the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the 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 checked="" type="checkbox"/> Yes <input 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?
<i>Explain:</i> _____ |
| <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 R2P2) |
| <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 the 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 calculation? |
| <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? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the 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? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

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.

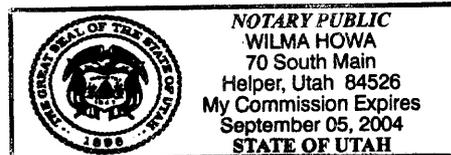
Johnny Pappas
Print Name

J.P. Pappas - Sr. Env. Engineer - 8/18/04
Sign Name, Position, Date

Subscribed and sworn to before me this 18th day of August, 2004

Wilma Howa
Notary Public

My commission Expires: Sept 05, 2004
Attest: State of Utah } ss:
County of Carbon



For Office Use Only:

Assigned Tracking
Number:

Received by Oil, Gas & Mining

RECEIVED

AUG 20 2004

DIV. OF OIL, GAS & MINING

**Application for Permit Renewal
Castle Gate Mine
Castle Gate Holding Company
Permit C/007/004, Approved 12/24/94
Carbon County, Utah**

Notice is hereby given that Castle Gate Holding Company, 847 Northwest Highway 191, Helper, Utah 84526, a subsidiary of Foundation Coal Corporation, 999 Corporate Blvd., Linthicum Heights, MD 21090, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for renewal of Permit C/007/004 to operate under the provisions of the Utah Coal Mining and Reclamation Act pursuant to R645-303-230 of the Utah Coal Program Regulations. The permit area is located in Carbon County, Utah as follows:

Township 12 South, Range 9 East, SLBM - Section 22: Portions of SE/4SW/4, S/2 SE/4; Section 26: Portions of W/2; Section 27: All except portions of NW/4, NW/4NW/4SW/4; Section 28: All except portions of the SE/4SE/4NE/4, SE/4, SW/4; Section 29: All except N/2NW/4, NW/4NE/4, portions of S/2NE/4, N/2SE/4; Section 30: All except N/2N/2; Section 31; Section 32; Section 33; Section 34; Section 35: Portions of N/2, W/2SW/4, SE/4.

Township 13 South, Range 9 East, SLBM - Section 1: Portions of NW/4NW/4; Section 2: Portions of NE/4, NW/4; Section 3: NW/4, portions of NE/4, SE/4, SW/4; Section 4: N/2, portions of SE/4, SW/4; Section 5: NE/4, portions of NW/4, SE/4, SW/4; Section 6: N/2, portions of SW/4, SE/4; Section 8: Portions of NE/4; Section 9: Portions of NE/4, NW/4, SW/4; Section 10: Portions of NE/4, NW/4.

The permit area is shown on the following U.S. Geological Survey 7.5-minute maps: Helper, Kyune, Standardville, and Matts Summit.

The Mining and Reclamation Plan is available for public review at: Utah Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801, and at the Carbon County Courthouse, 120 East Main Street, Price, Utah 84501.

Written comments, objections and requests for information conferences on this proposal may be addressed to:

Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Closing date for submission of such comments, objections and requests for public hearing or information conference on this proposal must be submitted by November 25, 2004.

Published in the Sun Advocate - October 7, 14, 21 and 28, 2001

Replaces Travelers Casualty and Surety Company of America Bond No. 103198931-148, and St. Paul Fire and Marine Insurance Company Bond No. KA2990-148, and National Union Fire Insurance Company of Pittsburgh, PA Bond No. 210067-148

Exhibit "B" – **BONDING AGREEMENT**

Bond No. _____

SURETY BOND

Permit Number: ACT/007/004

**SURETY BOND
(FEDERAL COAL)**

THIS SURETY BOND entered into and by and between the undersigned **PERMITTEE**, and **SURETY COMPANY**, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns unto the State of Utah, Division of Oil, Gas & Mining (**DIVISION**), and the U.S. Department of Interior, Office of Surface Mining Reclamation and Enforcement (**OSM**) in the penal sum of \$680,154.00 (Surety Bond Amount) for the timely performance of reclamation responsibilities of the surface disturbance described in Exhibit "A" of this **RECLAMATION AGREEMENT**.

This **SURETY BOND** shall remain in effect until all of the **PERMITTEE**'s reclamation obligation have been met and released by the **DIVISION** and is conditioned upon faithful performance of all of the requirement of the Act, the applicable rules and regulations, SMCRA, the approved permit, and the **DIVISION**.

The **SURETY** will not cancel this bond at any time for any reason, including non-payment of premium or bankruptcy of the Principal during the period of liability.

The **SURETY** and their successors and assigns, agree to guarantee the obligation and to indemnify, defend, and hold harmless the **DIVISION** and **OSM** from any and all expenses which the **DIVISION** and **OSM** may sustain as a result of the **PERMITTEE**'s failure to comply with the condition(s) of the reclamation obligation.

The **SURETY** will give prompt notice to the **PERMITTEE** and to the **DIVISION** and **OSM** of any notice received or action alleging to insolvency or bankruptcy of the **SURETY**, or alleging any violations or regulatory requirement which could result in suspension or revocation of the **SURETY**'s license.

Terms for release or adjustment of this **BOND** are as written and agreed to by the **DIVISION** and the **PERMITTEE** in the **RECLAMATION AGREEMENT** incorporated by reference herein, to which this **SURETY AGREEMENT** has been attached as Exhibit "B".

IN WITNESS WHEREOF, the **PERMITTEE** has hereunto set its signature and seal this 5th day of August, 2004.

**CASTLE GATE HOLDING COMPANY
PERMITTEE**

By: _____

David W. Roland

Title: _____

V P & CONTROLLER

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **Debra Elaine Clark, Joseph R. Poplawski, Joy M. Williams, Elizabeth A. Hartzberg**, of **Knoxville, Tennessee**, their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 2nd day of June, 2004.

STATE OF CONNECTICUT

}SS. Hartford

COUNTY OF HARTFORD

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY



By 
George W. Thompson
Senior Vice President

On this 2nd day of June, 2004 before me personally came **GEORGE W. THOMPSON** to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY**, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.



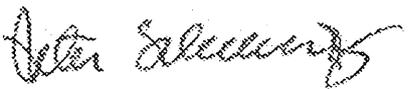
Marie C Tetreault
My commission expires June 30, 2006 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Senior Vice President of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY**, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 30th day of July, 2004.



By 
Peter Schwartz
Senior Vice President

3



IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of Travelers' statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.



Certificate of Insurance

Aon Risk Services

Certificate Holder: State of Utah
 Division of Oil, Gas and Mining
 1594 West North Temple
 Suite 1210
 P.O. Box 145801
 Salt Lake City, UT 84114-5801

Re: Castle Gate Mines, Permit # C/007/004,
 Folder #4, Carbon County, UT.

Assured: Foundation Coal Corporation
 Including Castle Gate Holding Company
 999 Corporate Boulevard
 Linthicum Heights, MD 21090

This is to certify that the policies of insurance listed below have been issued to the Insured named above for the policy period indicated, notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

Type of Insurance	Policy No.	Policy Period	Policy Limits/Values
Commercial General Liability	BOG 5086545-00	7/30/04 – 7/30/05	\$6,000,000 General Aggregate \$6,000,000 Products/Completed Operations Aggregate \$1,500,000 Personal and Advertising Injury \$1,500,000 Each Occurrence \$1,500,000 Fire Damage (Any One Fire) \$ 5,000 Medical Expense (Any One Person)

Insurance Company(ies) Steadfast Insurance Company

Automobile Liability	AS2-641-004364-114	01/01/04 – 01/01/05	\$1,000,000 CSL Each Occurrence
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Insurance Company(ies) Liberty Mutual Fire Insurance Company

Excess Liability	CUW-781286-0	7/30/04 – 7/30/05	\$ 1,000,000 Each Loss and in the aggregate as per Form, excess scheduled underlying.
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Insurance Company(ies) Westchester Surplus Lines Insurance Company

General Liability and Automobile Liability include a blanket additional insured where required by written contract, but subject to the policy terms and conditions. Commercial General Liability includes X, C, U coverage.

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any cosubscribing insurer who for any reason does not satisfy all or part of its obligations.

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy(ies) shown hereon. Should any of the above described policies be canceled before the expiration date thereof, this agency, on behalf of the issuing company(ies), will mail 45 days written notice to the above named certificate holder.

Aon Risk Services of Texas, Inc.

Date: August 11, 2004

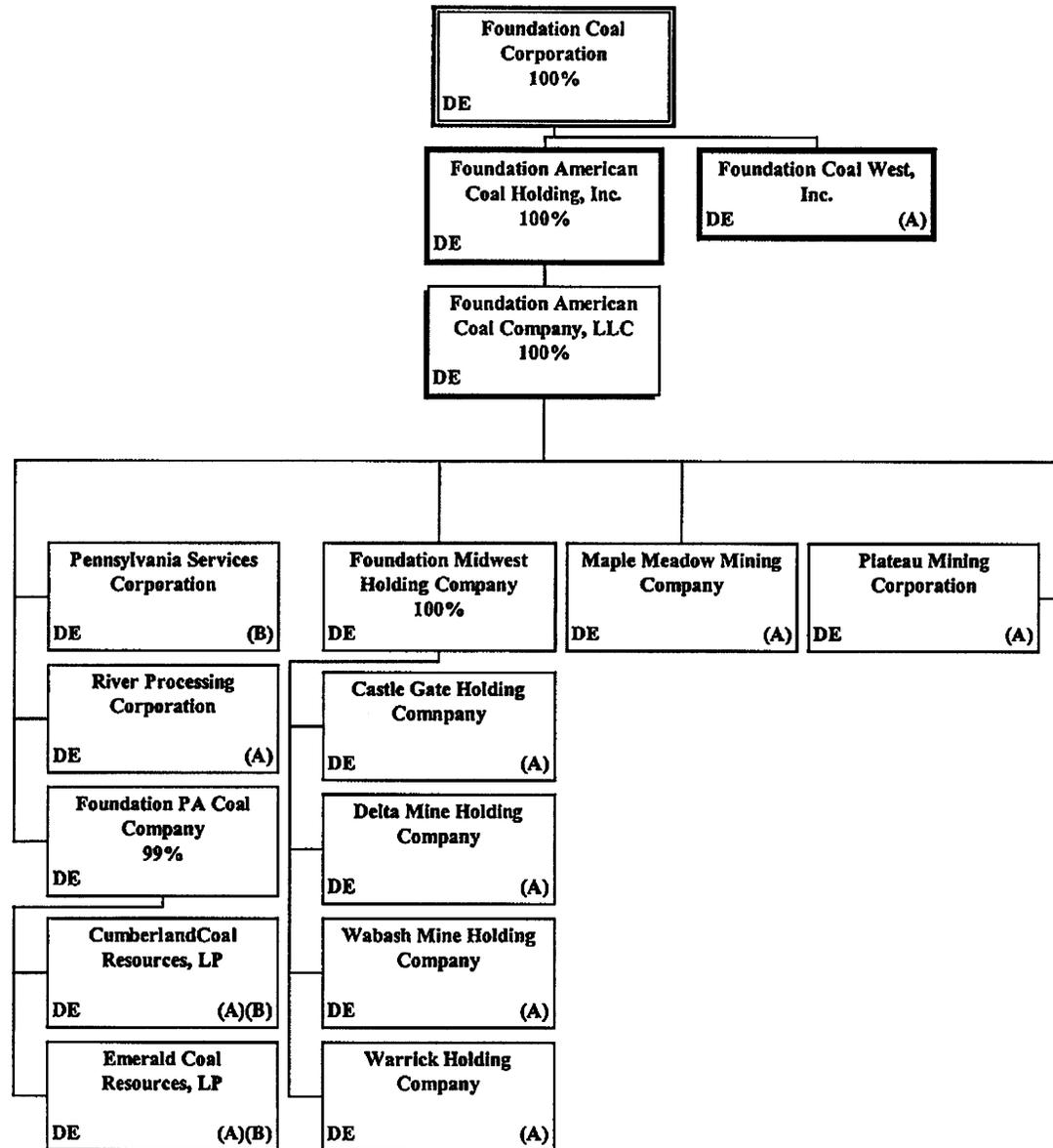
By: Steve J. McKinnon

Aon Risk Services of Texas, Inc.

1330 Post Oak Blvd., Suite 900 • Houston, Texas 77056 • tel: (832) 476-6000 • fax: (832) 476-6590

FOUNDATION AMERICAN COAL COMPANY, LLC Corporate Structure
Companies holding mining permits and parent companies

August 17, 2004



(A) Companies holding mining permits

(B) Pennsylvania Services Corporation is the General Partner of Cumberland Coal Resources, LP and Emerald Coal Resources, LP and owns 1% of each. Foundation PA Coal Company is the Limited Partner of each.

August 3, 2004

FOUNDATION COAL CORPORATION

(Incorporated as American Coal Holding Corp.; name changed to American Coal Acquisition Corp. 4/30/04;
name changed to Foundation Coal Corporation 6/24/04)

Principal Operating Office: 999 Corporate Blvd.
Linthicum Heights, MD 21090

Telephone: 410/689-7500

Incorporation:
State Delaware
Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington, DE 19808

Date April 23, 2004
Existence Perpetual

Qualified to Do Business In:

Ownership – Percentage: FC 2 Corp. – 100%
999 Corporate Boulevard, Linthicum Heights, MD 21090

IRS Identification Number: 26-0085077

Officers:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President and Chief Executive Officer	James F. Roberts		July 30, 2004
Senior Vice President and Chief Financial Officer	Frank J. Wood		July 30, 2004
Senior Vice President, Planning and Engineering	Klaus-Dieter Beck		July 30, 2004
Senior Vice President, Eastern Operations	James J. Bryja		July 30, 2004
Senior Vice President, Western Operations	Thomas J. Lien		July 30, 2004
Senior Vice President, Development and Information Technology	James A. Olsen		July 30, 2004
Senior Vice President, Safety and Human Resources	M. R. Peelish		July 30, 2004
Senior Vice President, Sales and Marketing	John R. Tellmann		July 30, 2004
Senior Vice President, General Counsel and Secretary	Greg A. Walker		July 30, 2004
Treasurer	Gary G. Pearson		July 27, 2004

Directors:

James F. Roberts		July 30, 2004
Frank J. Wood		July 30, 2004

August 3, 2004

FOUNDATION COAL CORPORATION

Resignations since July 30, 2004:

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
President and Director	Thomas R. Denison	██████████	July 30, 2004
Secretary and Director	David I. Foley	██████████	July 30, 2004
Vice President	Alex T. Krueger	██████████	July 30, 2004

August 12, 2004

FOUNDATION AMERICAN COAL HOLDING, INC.

(Formerly Ruhrkohle-Stinnes Corporation; name change to Ruhr-American Coal Corporation 10/1/75;
name change to RAG American Coal Corporation 12/22/98; name change to RAG American Coal Holding, Inc. 6/18/99;
name change to Foundation Coal Holding, Inc. 7/30/04; stock acquired by Foundation Coal Corporation 7/30/04;
name change to Foundation American Coal Holding, Inc. 8/9/04)

Principal Operating Office: 999 Corporate Blvd.
Linthicum Heights, MD 21090

Telephone: 410/689-7500

Incorporation:
State Delaware
The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801

Date October 31, 1974
Existence Perpetual

Qualified to Do Business In: West Virginia, Colorado and Maryland

Ownership – Percentage: Foundation Coal Corporation – 100%
999 Corporate Boulevard, Linthicum Heights, MD 21090

IRS Identification Number: 13-2793319

Officers:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President and Chief Executive Officer	James F. Roberts		March 1, 1999
Senior Vice President and Chief Financial Officer	Frank J. Wood		March 2, 2004
Senior Vice President, Planning and Engineering	Klaus-Dieter Beck		September 14, 2001
Senior Vice President, Eastern Operations	James J. Bryja		February 24, 2003
Senior Vice President, Western Operations	Thomas J. Lien		September 14, 2001
Senior Vice President, Development and Information Technology	James A. Olsen		September 14, 2001
Senior Vice President, Safety and Human Resources	M. R. Peelish		September 14, 2001
Senior Vice President, Sales and Marketing	John R. Tellmann		February 21, 2002
Senior Vice President, General Counsel and Secretary	Greg A. Walker		August 24, 1999
Treasurer	Gary G. Pearson		March 27, 2001

Directors:

James F. Roberts	March 1, 1999
Frank J. Wood	July 30, 2004

August 12, 2004

FOUNDATION AMERICAN COAL HOLDING, INC.

Resignations since June 30, 1999:

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
Secretary and Treasurer	Roy West		August 24, 1999
Vice President, Finance and Treasurer	J. Alan Link		April 1, 2000
Director	Rainer Benning		September 30, 2000
Vice President, Development	James A. Olsen		March 27, 2001
Vice President, Human Resources	Michael R. Peelish		March 27, 2001
Treasurer	Frank J. Wood		March 27, 2001
Assistant Treasurer	Gary G. Pearson		March 27, 2001
Executive Vice President	John M. DeMichiei		September 13, 2001
Vice President, West Virginia Operations	Randy Hansford		September 14, 2001
Vice President, Planning and Engineering	Klaus-Dieter Beck		September 14, 2001
Vice President, Development and Information Technology	James A. Olsen		September 14, 2001
Vice President, Safety and Human Resources	Michael R. Peelish		September 14, 2001
Vice President	Frank J. Wood		September 14, 2001
Senior Vice President	John R. Tellmann		February 21, 2002
Senior Vice President, Eastern Operations	Randy L. McMillion		May 1, 2002
Director	Joel Richards III		December 19, 2003
Senior Vice President, Finance and Controller	Frank J. Wood		March 2, 2004
Director and Chairman	Jürgen W. Stadelhofer		July 30, 2004
	Christoph Danzer-Vanotti		July 30, 2004
	Karl F. Jakob		July 30, 2004
	Heribert Protzek		July 30, 2004
	Manfred Warda		July 30, 2004
	Anthony Williams		July 30, 2004
	Fritz Ziegler		July 30, 2004

August 12, 2004

FOUNDATION AMERICAN COAL COMPANY, LLC
(Converted to a limited liability company 3/10/04; formerly RAG American Coal Company LLC;
name changed to Foundation American Coal Company, LLC 7/30/04)

Principal Operating Office: 999 Corporate Blvd.
Linthicum Heights, MD 21090

Telephone: 410/689-7500

Formation:
State The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801
Date June 18, 1999
Existence Perpetual

Qualified to Do Business In: Maryland

Ownership - Percentage: Foundation American Coal Holding, Inc. – 100%
999 Corporate Blvd., Linthicum Heights, MD 21090

IRS Identification Number: 54-1947356

OFFICERS:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President and Chief Executive Officer	James F. Roberts		June 24, 1999
Senior Vice President, General Counsel and Secretary	Greg A. Walker		June 30, 1999
Vice President	James A. Olsen		September 18, 2000
Vice President and Controller	Darrell H. Roland		March 1, 2000
Vice President	Frank J. Wood		June 30, 1999
Vice President, Safety and Human Resources	Michael R. Peelish		March 27, 2001
Treasurer	Gary G. Pearson		March 27, 2001

DIRECTORS:

James F. Roberts		June 18, 1999
Frank J. Wood		July 30, 2004

August 12, 2004

FOUNDATION AMERICAN COAL COMPANY, LLC
(converted to a limited liability company 3/10/04; formerly RAG American Coal Company LLC;
name changed to Foundation American Coal Company, LLC 7/30/04)

Resignations (since incorporation):

<u>Title</u>	<u>Name</u>	<u>Social Security No.</u>	<u>Date Resigned</u>
Assistant Secretary	J. Alan Link		June 30, 1999
Secretary, Treasurer	Roy West		June 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros		August 11, 1999
Assistant Secretary	Susan E. Chetlin		December 31, 1999
Controller	Frank J. Wood		March 1, 2000
Senior Vice President, Development	Richard D. Mills		March 31, 2000
Director, Vice President and Treasurer	J. Alan Link		April 1, 2000
Senior Vice President, Western Operations	George E. Vajda		May 16, 2000
Vice President, Process Management	Randall J. Scott		June 30, 2000
Director	Rainer Benning		September 30, 2000
Treasurer	Frank J. Wood		March 27, 2001
Vice President, Planning	Klaus-Dieter Beck		March 27, 2001
Vice President, Human Resources	Michael R. Peelish		March 27, 2001
Assistant Treasurer	Gary G. Pearson		March 27, 2001
Executive Vice President, Chief Operating Officer	John M. DeMichiei		September 13, 2001
Director	Karl F. Jakob		July 30, 2004
Director	Jurgen W. Stadelhofer		July 30, 2004

August 3, 2004

FOUNDATION MIDWEST HOLDING COMPANY
(Formerly Cyprus Amax Midwest Holding Company, name changed to RAG Midwest Holding Company 6/30/99;
name changed to Foundation Midwest Holding Company 7/30/04)

Principal Operating Offices: 999 Corporate Blvd.
Linthicum Heights, MD 21090

Telephone: 410/689-7500

Incorporation:

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

Qualified to Do Business In:

Ownership -- Percentage: Foundation American Coal Company, LLC -- 100%
999 Corporate Blvd., Linthicum Heights, MD 21090

IRS Identification Number: 84-1456626

OFFICERS:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President	James A. Olsen		December 13, 2002
Senior Vice President, General Counsel and Secretary	Greg A. Walker		June 30, 1999
Vice President and Controller	Darrell H. Roland		March 1, 2000
Vice President	Frank J. Wood		April 2, 1998
Treasurer	Gary G. Pearson		March 27, 2001
Assistant Secretary	C. Corwin Bromley		January 1, 2000
Assistant Secretary	Sharon J. Fetherhuff		January 1, 2000
Assistant Secretary	William M. Hartzler		January 1, 2000
DIRECTORS	James F. Roberts		June 30, 1999
	Frank J. Wood		June 30, 1999

August 3, 2004

FOUNDATION MIDWEST HOLDING COMPANY

Resignations since Incorporation:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Resigned</u>
Assistant Secretary	Morris W. Kegley		July 15, 1998
President	Randall J. Scott		October 8, 1998
Director	Garold R. Spindler		June, 30, 1999
Director	Gerald J. Malys		June, 30, 1999
Director	Philip C. Wolf		June, 30, 1999
Senior Vice President	Gerald J. Malys		June, 30, 1999
Senior Vice President, General Counsel and Secretary	Philip C. Wolf		June 30, 1999
Vice President	Patrick J. Panzarino		June 30, 1999
Vice President and Treasurer	Farokh S. Hakimi		June 30, 1999
Assistant Treasurer	J. M. Coyner		June 30, 1999
Director of Tax	J. David Flemming		June 30, 1999
Assistant Secretary	Sharon J. Fetherhuff		June 30, 1999
Assistant Secretary	Greg A. Walker		June 30, 1999
Assistant Secretary	Dale E. Huffman		June, 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros		August 11, 1999
Assistant Secretary	Susan E. Chetlin		December 31, 1999
Controller	Frank J. Wood		March 1, 2000
Vice President and Treasurer	J. Alan Link		April 1, 2000
Treasurer	Frank J. Wood		March 27, 2001
Assistant Treasurer	Gary G. Pearson		March 27, 2001
President and Director	John M. DeMichiei		September 13, 2001
President	Randy L. McMillion		May 1, 2002

August 3, 2004

CASTLE GATE HOLDING COMPANY

Principal Operating Offices: 999 Corporate Blvd.
Linthicum Heights, MD 21090

Telephone: 410/689-7500

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: Foundation Midwest Holding Company - 100%
999 Corporate Blvd., Linthicum Heights, MD 21090

IRS Identification Number: 84-1456620

OFFICERS:

<u>Title</u>	<u>Name</u>	<u>Social Security #</u>	<u>Date Assumed Office</u>
President	Thomas J. Lien		September 14, 2001
Senior Vice President, General Counsel and Secretary	Greg A. Walker		June 30, 1999
Vice President and Controller	Darrell H. Roland		March 1, 2000
Vice President	Frank J. Wood		April 2, 1998
Treasurer	Gary G. Pearson		March 27, 2001
Assistant Secretary	C. Corwin Bromley		January 1, 2000
Assistant Secretary	Sharon J. Fetherhuff		January 1, 2000
Assistant Secretary	William M. Hartzler		January 1, 2000
DIRECTORS:			
	James F. Roberts		June 30, 1999
	Frank J. Wood		June 30, 1999

August 3, 2004

CASTLE GATE HOLDING COMPANY

Resignations since Incorporation:

Assistant Secretary	Morris W. Kegley	July 15, 1998
President	Randall J. Scott	October 8, 1998
Director	Garold R. Spindler	June 30, 1999
Director	Gerald J. Malys	June 30, 1999
Director	Philip C. Wolf	June 30, 1999
Senior Vice President	Gerald J. Malys	June 30, 1999
Senior Vice President, General Counsel and Secretary	Philip C. Wolf	June 30, 1999
Vice President	Patrick J. Panzarino	June 30, 1999
Vice President and Treasurer	Farokh S. Hakimi	June 30, 1999
Assistant Treasurer	J. M. Coyner	June 30, 1999
Director of Tax	J. David Flemming	June 30, 1999
Assistant Secretary	Sharon J. Fetherhuff	June 30, 1999
Assistant Secretary	Greg A. Walker	June 30, 1999
Assistant Secretary	Dale E. Huffman	June 30, 1999
Senior Vice President, Sales and Marketing	Nicholas P. Moros	August 11, 1999
Assistant Secretary	Susan E. Chetlin	December 31, 1999
Controller	Frank J. Wood	March 1, 2000
Vice President and Treasurer	J. Alan Link	April 1, 2000
Treasurer	Frank J. Wood	March 27, 2001
Assistant Treasurer	Gary G. Pearson	March 27, 2001
President and Director	John M. DeMichiei	September 13, 2001