

PLATEAU MINING CORPORATION

P.O. Box 30
 Helper, UT 84526

Dennis N. Ware
 Controller and
 Administrative Manager

March 23, 2007

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

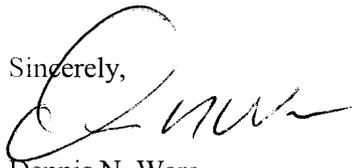
Re: 2006 Annual Report, Plateau Mining Corporation, Willow Creek Mine – C/007/0038

Dear Ms. Grubaugh-Littig:

Plateau Mining Corporation (PMC) is herewith submitting two copies of the Willow Creek Mine 2006 Annual Report. One copy for the Slat Lake Office (marked SLO on the front cover) and one for the Price Field Office (marked PFO on the front cover). Since this Annual Report contains confidential information (Officers and Directors Information) this confidential information has been included in the SLO copy in a separate envelope inserted in the front cover. The PFO copy does not contain this confidential information.

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

Sincerely,


 Dennis N. Ware

Enclosures

File in:
 C/007/0038, 2007, Incoming
 Refer to:
 Confidential
 Shelf
 Expandable
 Date 3/28/07 For additional information

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MAR 29 2007

DIV. OF OIL, GAS & MINING

An affiliate of
FOUNDATION COAL

SLO

WILLOW CREEK MINE

C/007/0038

2006 ANNUAL REPORT

File in:

Confidential

Shelf

Expandable

Refer to Record No 0030 Date 3/23/07
In C/007/0038, 2007, Incoming
For additional information

To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Permittee Name	Plateau Mining Corporation
Mine Name	Willow Creek Mine
Operator Name (If other than permittee)	
Permit Expiration Date	April 24, 2011
Permit Number	C/007/0038
Authorized Representative Title	Dennis N. Ware, Controller and Administrative Manager
Phone Number	(435) 472-4737
Fax Number	(435) 472-4782
E-mail Address	dware@foundationcoal.com
Mailing Address	P.O. Box 30, Helper, UT 84526
Designated Representative	Dennis N. Ware
Resident Agent	C.T. Corporation
Resident Agent Mailing Address	50 West Broadway, Salt Lake City, UT 84101
Number of Binders Submitted	Two

IDENTIFICATION OF OTHER PERMITS

Identify other permits that are required in conjunction with mining and reclamation activities.

Permit Type	ID Number	Description	Expiration Date
MSHA Mine ID(s)	42-02113	Legal Identity	
MSHA Impoundment(s)	N/A		
NPDES/UPDES Permit(s)	UT0400112	UPDES	04/30/2008
PSD Permit(s) (Air)	DAQE-037-00	Approval Order	
Other			

CERTIFIED REPORTS

List the certified inspection reports as required by the rules and under the approved plan that must be periodically submitted to the Division. Specify whether the information is included as Appendix A to this report or currently on file with the Division.

Certified Reports:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On File	
Excess Spoil Piles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Refuse Piles	X	<input type="checkbox"/>	X	<input type="checkbox"/>	
Impoundments	X	<input type="checkbox"/>	X	<input type="checkbox"/>	
Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

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 report or currently on file with the Division.

Technical Data:	Required		Included or on file with DOGM		Comments
	Yes	No	Included	On file	
Climatological	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Subsidence Monitoring	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Vegetation Monitoring	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Raptor Survey	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Soils Monitoring	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Water Monitoring	X	<input type="checkbox"/>	<input type="checkbox"/>	X	
First quarter	X	<input type="checkbox"/>	<input type="checkbox"/>	X	
Second quarter	X	<input type="checkbox"/>	<input type="checkbox"/>	X	
Third quarter	X	<input type="checkbox"/>	<input type="checkbox"/>	X	
Fourth quarter	X	<input type="checkbox"/>	<input type="checkbox"/>	X	
Geological / Geophysical	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Engineering	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Non Coal Waste / Abandoned Underground Equipment*	<input type="checkbox"/>	X	<input type="checkbox"/>	<input type="checkbox"/>	
Other Data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

*Reminder: If equipment has been abandoned during 2006, an amendment must be submitted that includes a map showing its location, a description of what was abandoned, whether there were any hazardous or toxic materials and any revision to the PHC as necessary.

APPENDIX A

Certified Reports

Excess Spoil Piles
Refuse Piles
Impoundments

As required under R645-301-514

CONTENTS

REFUSE PILE INSPECTION REPORTS FOR 2006
SEDIMENTATION POND 001 INSPECTION REPORTS FOR 2006



EarthFax

**EarthFax
Engineering, Inc.**
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861
www.earthfax.com

December 21, 2006

Mr. Dennis N. Ware
Plateau Mining Corporation
P.O. Box 30
Helper, UT 84526

Subject: Inspection of Willow Creek Preparation Plant Coal Refuse Pile

Dear Dennis:

On December 21, 2006 I conducted an inspection of the Willow Creek Preparation Plant coal refuse pile. The results of that inspection are attached.

The embankments and reclaimed surface of the refuse pile all appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pile. It is my opinion that the pile has been adequately reclaimed and poses no immediate threat to the environment.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Attachment



To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Report Date 21 Dec 2006
Permit Number C/007/038
Company Name Plateau Mining Corporation

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Willow Creek Preparation Plant (Schoolhouse Canyon) Refuse Pile
Pile Number 1211-UT-09-02113-01
MSHA ID Number 42-02113

Inspection Date 21 Dec 2006
Inspected By Richard B. White
Reason for Inspection Quarterly

Attachment to Report? (such as refuse sample analysis) Yes No

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The refuse pile was initially constructed over 30 years ago. To the best of my understanding, topsoil and organic material was removed prior to placement of coal refuse. The refuse pile has been reclaimed and as-built maps and calculations have been submitted.

2. Placement of underdrains and protective filter systems.

To the best of my knowledge, there are no underdrains or protective filters associated with the refuse pile.

3. Installation of final surface drainage systems

The refuse pile has been reclaimed, with pile slopes reduced to 2:1 or flatter. The channels constructed to drain the refuse pile have all been verified to be able to handle the peak flow from the 100-year 6-hour storm event. The refuse pile has been graded to prevent impoundment of water in any areas with exception of the gouges for erosion protection.

4. Placement and compaction of fill materials

The refuse pile has been reclaimed and no additional material will be added.

5. Final grading and revegetation of fill.

The final grading of the pile was achieved in the spring of 2004 with the final seeding also occurring in the spring of 2004. The coal refuse was covered with approximately 3 feet of soil, which was deep gouged for erosion protection prior to seeding. Vegetation appears to be growing well on all areas of the reclaimed surface.

6. Appearances of instability, structural weakness, and other hazardous conditions

No instability, structural weakness, or other hazardous conditions were apparent during the inspection. The area of rock fall noted during prior inspections as resting in a portion of the primary reclamation channel shows no signs of change (i.e., no erosion or signs of decreased channel capacity due to the presence of the rock fall). I have previously evaluated the hydraulic capacity of the channel, with the rock fall in place, and found the channel capacity to be adequate.

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The refuse pile has been reclaimed with all work being completed by the spring of 2004. There has been no coal refuse added to the pile since that time and no changes are anticipated. The cliffs above the refuse pile will likely continue to produce boulders and rocks that fall onto the reclaimed refuse pile. This should not affect the stability of the pile and can be considered as a natural process.

CERTIFICATION STATEMENT

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meet or exceed the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By Richard B. White, P.E., President, EarthFax Engineering, Inc.
Full Name and Title

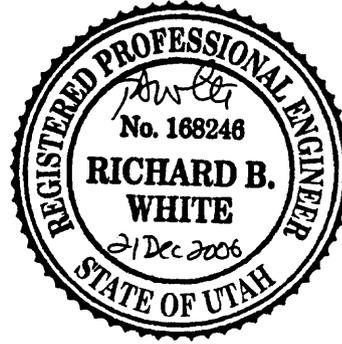
Signature Richard B. White

Date 21 Dec 2006

P.E. Number and State 168246 (Utah)

[Cert. Stamp]

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EarthFax

EarthFax
Engineering, Inc.
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861
www.earthfax.com

September 29, 2006

Mr. Dennis N. Ware
Plateau Mining Corporation
P.O. Box 30
Helper, UT 84526

Subject: Inspection of Willow Creek Preparation Plant Coal Refuse Pile

Dear Dennis:

On September 28, 2006 I conducted an inspection of the Willow Creek Preparation Plant coal refuse pile. The results of that inspection are attached.

The embankments and reclaimed surface of the refuse pile all appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pile. It is my opinion that the pile has been adequately reclaimed and poses no immediate threat to the environment.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Attachment



*To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.*

GENERAL INFORMATION

Report Date 05-12-06 09-29-06
Permit Number C/007/038
Company Name Plateau Mining Corporation

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Willow Creek Preparation Plant (Schoolhouse Canyon) Refuse Pile
Pile Number 1211-UT-09-02113-01
MSHA ID Number 42-02113

Inspection Date 28 Sep 2006
Inspected By Richard B. White
Reason for Inspection Quarterly

Attachment to Report? (such as refuse sample analysis) Yes No

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The refuse pile was initially constructed over 30 years ago. To the best of my understanding, topsoil and organic material was removed prior to placement of coal refuse. The refuse pile has been reclaimed and as-built maps and calculations have been submitted.

2. Placement of underdrains and protective filter systems.

To the best of my knowledge, there are no underdrains or protective filters associated with the refuse pile.

3. Installation of final surface drainage systems

The refuse pile has been reclaimed, with pile slopes reduced to 2:1 or flatter. The channels constructed to drain the refuse pile have all been verified to be able to handle the peak flow from the 100-year 6-hour storm event. The refuse pile has been graded to prevent impoundment of water in any areas with exception of the gouges for erosion protection.

4. Placement and compaction of fill materials

The refuse pile has been reclaimed and no additional material will be added.

5. Final grading and revegetation of fill.

The final grading of the pile was achieved in the spring of 2004 with the final seeding also occurring in the spring of 2004. The coal refuse was covered with approximately 3 feet of soil, which was deep gouged for erosion protection prior to seeding. Vegetation appears to be growing well on all areas of the reclaimed surface.

6. Appearances of instability, structural weakness, and other hazardous conditions

No instability, structural weakness or other hazardous conditions were apparent during the inspection. The area of rock fall noted during prior inspections as resting in a portion of the primary reclamation channel shows no signs of change (i.e., no erosion or signs of decreased channel capacity due to the presence of the rock fall). I have previously evaluated the hydraulic capacity of the channel, with the rock fall in place, and found the channel capacity to be adequate.

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The refuse pile has been reclaimed with all work being completed by the spring of 2004. There has been no coal refuse added to the pile since that time and no changes are anticipated. The cliffs above the refuse pile will likely continue to produce boulders and rocks that fall onto the reclaimed refuse pile. This should not affect the stability of the pile and can be considered to be a natural process.

CERTIFICATION STATEMENT

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meet or exceed the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By Richard B. White, P.E.

Full Name and Title

Signature Richard B White

Date 29 Sep 2006

P.E. Number and State 168246 (Utah)

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GENERAL INFORMATION

Report Date 05-12-06
Permit Number C/007/038
Company Name Plateau Mining Company

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Schoolhouse Canyon Refuse Pile
Pile Number 1211-UT-09-02113-01
MSHA ID Number 42-02113

Inspection Date 05-11-06
Inspected By Layne Jensen
Reason for Inspection Quarterly

Attachment to Report? (such as refuse sample analysis) Yes No

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The refuse pile was initially constructed over 30 years ago. To my understanding topsoil and organic material was removed prior to placement of coal refuse. However, I do not have a first hand knowledge of this other than seeing that topsoil had been removed prior to coal waste being placed in the last 4 years. I must defer on this matter to previous inspectors.

The refuse pile has been reclaimed and as-built maps and calculations have been submitted.

2. Placement of underdrains and protective filter systems.

To my knowledge there are no underdrains or protective filters associated with the refuse pile.

3. Installation of final surface drainage systems

As stated above, the refuse pile has been reclaimed. The refuse pile slopes have been reduced to 2:1 or flatter. Most slopes are 3:1 or flatter. The channels constructed to drain the refuse pile have all been verified to be able to handle the 100-year 6-hour storm event. The refuse pile has been graded to prevent impoundment of water in any areas with exception of the gouges for erosion protection.

4. Placement and compaction of fill materials

The refuse pile has been reclaimed and no additional material will be added.

5. Final grading and revegetation of fill.

The final grading of the pile was achieved in the spring of 2004 with the final seeding also occurring in the spring of 2004. The coal refuse was covered with approximately 3 feet of soil prior to seeding. When inspecting the site I noticed that vegetation is growing well.

6. Appearances of instability, structural weakness, and other hazardous conditions

No instability, structural weakness or other hazardous conditions were apparent during the inspection. However, during the last inspection I noticed that some large boulders had come down onto the reclaimed refuse pile from undisturbed areas above the refuse pile. These boulders for the most part stayed on the slope and appear to be stable. A few ended up in the channel, partially blocking the channel. Due to the excess capacity of the channel it was decided by Division personal to leave the boulder rather than disturb the reclaimed area to move the boulders. Joe Helfrich will monitor conditions during his monthly inspections.

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The refuse pile has been reclaimed with all work being completed by the spring of 2004. There has been no coal refuse added to the pile in over 2 years and no changes are anticipated. The cliffs above the refuse pile will likely continue to produce boulders and rocks that fall onto the reclaimed refuse pile. This should not affect the stability of the pile and can be considered to be a natural process.

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By Layne D. Jensen
Full Name and Title

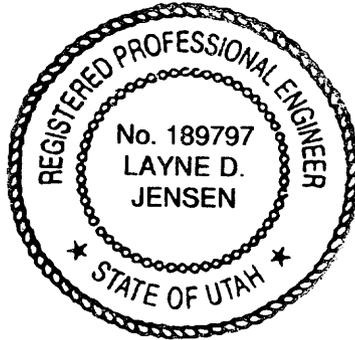
Signature *Layne D. Jensen*

Date 5-12-06

P.E. Number and State 189797 Utah

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GENERAL INFORMATION

Report Date 03-29-06
Permit Number C/007/038
Company Name Plateau Mining Company

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Schoolhouse Canyon Refuse Pile
Pile Number 1211-UT-09-02113-01
MSHA ID Number 42-02113

Inspection Date 03-27-06
Inspected By Layne Jensen
Reason for Inspection Quarterly

Attachment to Report? (such as refuse sample analysis) Yes No

Field Evaluation

1. Foundation preparation, including the removal of all organic material and topsoil.

The refuse pile was initially constructed over 30 years ago. To my understanding topsoil and organic material was removed prior to placement of coal refuse. However, I do not have a first hand knowledge of this other than seeing that topsoil had been removed prior to coal waste being placed in the last 4 years. I must defer on this matter to previous inspectors.

The refuse pile has been reclaimed and as-built maps and calculations have been submitted.

2. Placement of underdrains and protective filter systems.

To my knowledge there are no underdrains or protective filters associated with the refuse pile.

3. Installation of final surface drainage systems

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4. Placement and compaction of fill materials

The refuse pile has been reclaimed and no additional material will be added.

5. Final grading and revegetation of fill.

The final grading of the pile was achieved in the spring of 2004 with the final seeding also occurring in the spring of 2004. The coal refuse was covered with approximately 3 feet of soil prior to seeding. When inspecting the site I noticed that vegetation is growing well.

6. Appearances of instability, structural weakness, and other hazardous conditions

No instability, structural weakness or other hazardous conditions were apparent during the inspection.

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The refuse pile has been reclaimed with all work being completed by the spring of 2004. There has been no coal refuse added to the pile in over 2 years and no changes are anticipated.

CERTIFICATION STATEMENT

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meet or exceed the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By Layne D. Jensen
Full Name and Title

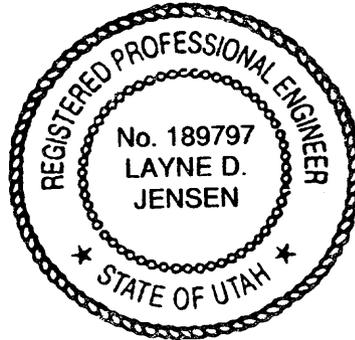
Signature *Layne D. Jensen*

Date 3-29-06

P.E. Number and State 189797 Utah

[Cert. Stamp]

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EarthFax

**EarthFax
Engineering, Inc.**
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861
www.earthfax.com

December 21, 2006

Mr. Dennis N. Ware
Plateau Mining Corporation
P.O. Box 30
Helper, UT 84526

Subject: Inspection of Sedimentation Pond 001

Dear Dennis:

On December 21, 2006 I conducted an inspection of the Willow Creek Mine sedimentation pond 001. The results of that inspection are attached.

The pond was empty at the time of my inspection, and no water was flowing into or out of the pond. The embankments and appurtenances associated with this pond all appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pond. It is my opinion that the pond adequately serves its intended purpose and may continue to be used for that purpose.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Attachment



*To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an **x**.*

GENERAL INFORMATION

Report Date	21 Dec 2006
Permit Number	C/007/038
Mine Name	Willow Creek Mine
Company Name	Plateau Mining Corporation

IMPOUNDMENT IDENTIFICATION

Impoundment Name	Sedimentation Pond 001
Impoundment Number	001A
UPDES Permit Number	UTG040012
MSHA ID Number	NA

IMPOUNDMENT INSPECTION

Inspection Date	21 Dec 2006
Inspected by	Richard B. White
Reason for Inspection	Quarterly

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- 1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability, structural weakness, or other hazardous conditions noted during the inspection.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Sediment storage capacity = 4.6 AF
 Maximum sediment storage elevation = 6163.7 ft
 60% cleanout elevation = 6161.5 ft
 60% cleanout volume = 2.8 AF

No substantial amount of sediment has accumulated in the pond since it was last cleaned out.

- b. Principle and emergency spillway elevations.

Principal spillway elevation = 6171.0 ft
 Emergency spillway elevation = 6172.0 ft

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

The pond was empty at the time of the inspection, with no water flowing into or out of the pond. The pond has not discharged since the last inspection. Hence, no water samples have been collected. The pond inlet and outlets appear to be in good working condition, with no signs of erosion or structural instability. The embankment appears to be structurally sound. The spillways were not operating at the time of the inspection, but appear to be in excellent condition.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No substantial amount of sediment has accumulated in the pond. Since much of the mine area has been reclaimed, the pond has a far greater capacity than is necessary under the regulations. It is doubtful that the pond will spill under normal conditions.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard B. White Date: 21 Dec 2006

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

COMMENTS/ OTHER INFORMATION

The pond appears to be in excellent condition. No repairs are necessary for its continued operation. It is recommended that the pond continue in use under current protocols.

CERTIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: Richard B. White, P.E. , President, EarthFax Engineering, Inc.

Full Name and Title

Signature: Richard B. White Date 21 Dec 2006

P.E. Number & State 168246 (Utah)

[P.E. Cert. Stamp]





EarthFax

**EarthFax
Engineering, Inc.**
Engineers/Scientists
7324 So. Union Park Ave.
Suite100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861
www.earthfax.com

September 29, 2006

Mr. Dennis N. Ware
Plateau Mining Corporation
P.O. Box 30
Helper, UT 84526

Subject: Inspection of Sedimentation Pond 001

Dear Dennis:

On September 28, 2006 I conducted an inspection of the Willow Creek Mine sedimentation pond 001. The results of that inspection are attached.

The pond was empty at the time of my inspection, and no water was flowing into or out of the pond. The embankments and appurtenances associated with this pond all appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pond. It is my opinion that the pond adequately serves its intended purpose and may continue to be used for that purpose.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Attachment



*To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an **x**.*

GENERAL INFORMATION

Report Date	<u>29 Sep 2006</u>
Permit Number	<u>C/007/038</u>
Mine Name	<u>Willow Creek Mine</u>
Company Name	<u>Plateau Mining Corporation</u>

IMPOUNDMENT IDENTIFICATION

Impoundment Name	<u>Sedimentation Pond 001</u>
Impoundment Number	<u>001A</u>
UPDES Permit Number	<u>UTG040012</u>
MSHA ID Number	<u>NA</u>

IMPOUNDMENT INSPECTION

Inspection Date	<u>28 Sep 2006</u>
Inspected by	<u>Richard B. White</u>
Reason for Inspection	<u>Quarterly</u>

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- 1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability, structural weakness, or other hazardous condition noted during the inspection.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Sediment storage capacity = 4.6 AF
 Maximum sediment storage elevation = 6163.7 ft
 60% cleanout elevation = 6161.5 ft
 60% cleanout volume = 2.8 AF

No substantial amount of sediment has accumulated in the pond since it was last cleaned out.

- b. Principle and emergency spillway elevations.

Principal spillway elevation = 6171.0 ft
 Emergency spillway elevation = 6172.0 ft

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

The pond was empty at the time of the inspection, with no water flowing into or out of the pond. The pond has not discharged since the last inspection. Hence, no water samples have been collected. The pond inlet and outlets appear to be in good working condition, with no signs of erosion or structural instability. The embankment appears to be structurally sound. The spillways were not operating at the time of the inspection, but appear to be in excellent condition.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No substantial amount of sediment has accumulated in the pond. Since much of the mine area has been reclaimed, the pond has a far greater capacity than is necessary under the regulations. It is doubtful that the pond will spill under normal conditions.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard B. Weber Date: 28 Sep 2006

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

COMMENTS/ OTHER INFORMATION

The pond appears to be in excellent condition. No repairs are necessary for its continued operation. It is recommended that the pond continue in use under current protocols.

CERTIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

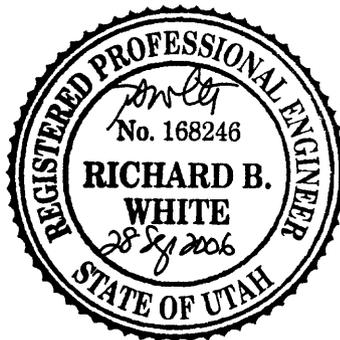
By: Richard B. White, P.E.

Full Name and Title

Signature: Richard B. White Date 28 Sep 2006

P.E. Number & State 168246 (Utah)

[P.E. Cert. Stamp]



*To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.*

GENERAL INFORMATION

Report Date 05-12-06
 Permit Number C/007/038
 Mine Name Willow Creek Mine
 Company Name Plateau Mining Company

IMPOUNDMENT IDENTIFICATION

Impoundment Name Sed. Pond 001A
 Impoundment Number 001A
 UPDES Permit Number UTG040012
 MSHA ID Number N/A

IMPOUNDMENT INSPECTION

Inspection Date 05-11-06
 Inspected by Layne Jensen
 Reason for Inspection Quarterly

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

There was no signs of instability, structural weakness or any other hazardous conditions during the inspection.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Sediment Storage Capacity = 4.6 acre-feet
 Maximum Sediment Elevation = 6163.7 no change since 1st quarter 2005
 60% cleanout elevation = 6161.5
 60% cleanout volume = 2.8 acre-feet
 Total Capacity = 11.5 acre-feet

- b. Principle and emergency spillway elevations.

Principle Spillway Elevation = 6171.0
 Emergency Spillway Elevation = 6172.0

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on out slopes of embankments, etc.

There was no water in the pond at the time of the inspection. The pond has not discharged and no samples have been collected. The pond or discharge structures have not been modified since the last inspection. The embankment is well vegetated with no erosional features.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

The pond has not been modified in any way since the last inspection. The pond was empty at the time of the inspection.

The mine is no longer in operation. This pond was designed to handle a mine discharge of up to 0.45 cfs or 0.89 ac-ft per day. The mine has been sealed and only runoff from the unreclaimed portions of the surface facilities flow to the pond. Thus the pond has a much greater capacity than necessary.

Approximately 26% of the sediment storage is currently being used. The capacity of the pond is such that a discharge from the pond is very unlikely.

QUALIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: _____ Date: _____

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
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COMMENTS/ OTHER INFORMATION

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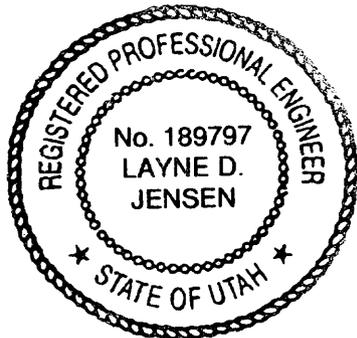
By: Layne D. Jensen, Environmental Engineer

Full Name and Title

Signature: *Layne Jensen* Date 5-12-06

P.E. Number & State 189797 Utah

[P.E. Cert. Stamp]



To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.

GENERAL INFORMATION

Report Date	03-29-06
Permit Number	C/007/038
Mine Name	Willow Creek Mine
Company Name	Plateau Mining Company

IMPOUNDMENT IDENTIFICATION

Impoundment Name	Sed. Pond 001A
Impoundment Number	001A
UPDES Permit Number	UTG040012
MSHA ID Number	N/A

IMPOUNDMENT INSPECTION

Inspection Date	03-27-06
Inspected by	Layne Jensen
Reason for Inspection	Quarterly

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

- 1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

There was no signs of instability, structural weakness or any other hazardous conditions during the inspection.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

- a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

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Signature: _____ Date: _____

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

- | | YES | NO |
|--|-------------------------------------|--------------------------|
| 1. Is impoundment designed and constructed in accordance with the approved plan? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

COMMENTS/ OTHER INFORMATION

CERTIFICATION STATEMENT:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

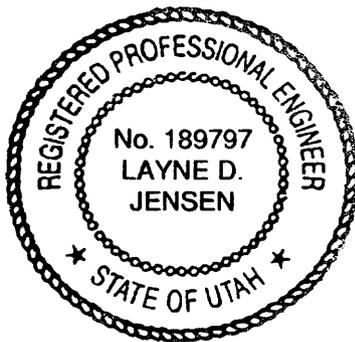
By: Layne D. Jensen, Environmental Engineer

Full Name and Title

Signature: Layne D. Jensen Date 3-29-06

E. Number & State 189797 Utah

[P.E. Cert. Stamp]



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 requirement of R645-310-130 and R645-301-140

CONTENTS

NONE

APPENDIX C

Legal Financial, Compliance and Related Information

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

Other change in ownership and control information
As required under R645-301-110

CONTENTS

OFFICERS AND DIRECTORS SUBMITTED AS CONFIDENTIAL

Officers and Directors Information

Confidential Information

In separate envelope inserted in the front cover of SLO copy

Not included in PFO copy

APPENDIX D

Mine Maps

As required under R645-302-525-270

CONTENTS
NONE

APPENDIX E

Other Information

In accordance with the requirements of R645-301 and R645-302

CONTENTS

- Overview of reclamation, permitting and phased bond release activities
- Crandall Canyon shaft settlement and water discharge letter to the Division of Water Quality
- Seed Mix applied as part of the reclamation of the Train Loadout
- Certified Weed Free Straw Certification Train Loadout
- Certified Weed Free Hay Certification Train Loadout

WILLOW CREEK MINE

Permit Number C/007/0038

Overview of Reclamation, Permitting and Phased bond Release Activities 2006 Annual Report

The Willow Creek Mine is located approximately 4 miles north of Helper, Utah where the Price River and Willow Creek have cut canyons through the western Book Cliffs Coal Field. A performance bond in the amount of \$2,275,114 is held to ensure that all reclamation responsibilities are accomplished. The Permit expires on April 24, 2011.

Mining has occurred in this area since the late 1800's. Following initial settlement of the area, development occurred fairly rapidly with the discovery of extensive coal reserves in 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 1940's when coal demand and production began to decline, due to reduced postwar demand of industrial production and the shift to diesel railroad engines. The Castle Gate Mine No.1, 2 and 4, which are encompassed by the Willow Creek Mine permit boundary, were developed and operated from 1888 through 1972, when the last of the mines closed.

The Willow Creek Mine received its mining and reclamation permit in 1996. Mining continued until July 31, 2000. The mine went into permanent cessation with demolition activities commencing in the spring 2002 with removal of the overland conveyor and storage facilities on the mine site proper. In the fall of 2002, the fan intake shaft was completely backfilled with incombustible material, and the five portals were sealed.

In 2003, reclamation related activities included: the demolition, shaft backfilling, reshaping, drainage construction, and reseeding of the Crandall Canyon facilities; the demolition of the overland conveyor, stacking tubes, crushing facility, preparation plant, and other facilities associated with the preparation and loading of the coal and disposal of coal processing waste. Also in 2003, approximately 20,000 feet of power line and poles commencing in Sowbelly Gulch and traversing to Hardscrabble Canyon and ending in Crandall Canyon were removed.

In 2004, reclamation related activities included: the reshaping, drainage construction and reseeding of the Schoolhouse Canyon refuse pile, the preparation plant and coal storage areas, the overland conveyor corridor including the long and short tunnels, the Willow Creek topsoil stockpile area, the temporary trailer/office area, Gravel Canyon and the mine facilities area including the highwall at and above the five mine portals. Also in 2004, the area around the western most shafts in Crandall Canyon was reshaped and reseeded due to settling that had taken place since the shaft was backfilled in 2003. Also in 2004, seedlings were planted on the Crandall Canyon reclaimed area.

--

In 2005 the demolition of the train loadout facility was completed leaving the earthwork and seeding of this small area as the only remaining reclamation project to be accomplished under the SMCRA permit. Also in 2005 the area around the western most shaft in Crandall Canyon was reshaped and reseeded due to settling that had taken place since the shaft was reshaped in 2004.

In April of 2005 the Permittee submitted a request for phase I bond release on 5.75 acres in Gravel Canyon. On September 8, 2005 DOGM conducted their on-site bond release inspection and on September 27, 2005 issued a report stating that the site met the minimum requirements for phase I bond release.

In September 2005, the Permittee submitted a request for Phase I bond release on 49.1 acres of land related to the Schoolhouse Canyon Refuse Pile and for Phase III bond release on 46.2 acres of land related to the Preparation Plant Area which had been sold to the Price River Water Improvement District. On May 11, 2006, the DOGM performed the phased bond release site inspection and on October 27, 2006 issued a report stating that the site met the requirements for the requested Phase I and Phase III bond release.

In April of 2006 the earthwork reshaping and reseeded of the train loadout facility area was completed. The demolition of this site was done in 2005. Also, in December of 2006, the area around the western most shaft in Crandall Canyon was reshaped and reseeded due to settling (approximately three feet) that had taken place since the shaft was last reshaped in 2005.

In May of 2006, the Permittee submitted a request for Phase I bond release on 20.8 acres of land related to the Overland Conveyor Corridor and for Phase III bond release on 36.4 acres of land related to the Mine Buildings and Facilities. On June 8, 2006 the DOGM performed the phased bond release site inspection of the substation area and on July 28, 2006 issued a report stating that the site met the requirements for the requested Phase I and Phase III bond release.

On November 27, 2006 it was discovered that the return air shaft (also known as shaft #2 or the eastern shaft) in Crandall Canyon, which was backfilled in 2003, had settled significantly and an unknown quantity of water was entering the shaft from a horizon estimated to be within the top 100 feet of the shaft opening. The Permittee through a contractor, attempted to refill the shaft with the surrounding material but the water standing in the shaft came to the surface and discharged into Crandall Canyon and eventually into the Price River. (See the attached letter from the Permittee to the Division of Water Quality for more detailed information on this situation.) In December, a heavy gauge wire mesh was placed over the open shaft and a 6 foot chain link fence was build around the shaft for safety purposes. It was determined that the best course of action would be to wait until spring of 2007 to further address this situation.

PLATEAU MINING CORPORATION

P.O. Box 30
Helper, Utah 84526

December 14, 2006

Mr. Jeff Studenka
State of Utah
Department of Environmental Quality
Division of Water Quality
288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870

**Re: Upset Condition, UPDES Permit No. UTG040012, Plateau Mining Corporation,
Willow Creek Mine, Carbon County, Utah**

Dear Mr. Studenka:

Plateau Mining Corporation (PMC) experienced an Upset Condition on November 29, 2006 when water discharged from a reclaimed ventilation shaft in Crandall Canyon (see UPDES Permit No. UTG040012, Part III.H.2). The discharge resulted when water in the shaft was displaced by soil which was being pushed into the shaft to correct a safety hazard as the shaft had recently settled a significant distance.

On November 27, 2006 at approximately 900 hours, while Dennis Ware of PMC was inspecting the Crandall Canyon reclamation site with Mark Greenhalgh, Project Manager for Nielson Construction Company (NCC), it was discovered that the easterly most shaft (shaft #2) had settled several hundred feet (the distance of settlement was estimated to be several hundred feet based on dropping a rock and timing its decent to the bottom). Further, water could be heard falling in the shaft. This shaft, which is 20 feet in diameter and has a vertical depth of 1,456 feet, was backfilled as part of the reclamation of Crandall Canyon in September of 2003. At approximately 1030 hours the Division of Oil, Gas and Mining (DOGGM) and the Bureau of Land Management (BLM) were notified of the situation by phone followed by an email at 1050 hours. At approximately 1300 hours a site meeting was held at the shaft with representatives from PMC, NCC, The BLM and DOGGM were in attendance. It was jointly determined that the shaft opening was a safety hazard and should be backfilled with the material available on site as soon as possible.

At approximately 830 hours on November 28 NCC Project Manager, Mark Greenhalgh, arrived on the site with a dozer to begin pushing the available material into the shaft. This work continued (slowly due to the frozen ground) until approximately 1600 hours

when work ceased for the day. At this point in time, water could be seen in the shaft. The water was most likely that water which could be heard running into the shaft when the shaft settlement was first discovered. (A review of the Willow Creek SMCRA Permit found a reference (see attached page 3.7-34 from the Willow Creek Permit) to water entering the shaft during its construction and operation from between the unconsolidated soils and the bedrock 30 to 60 feet below the top of the shaft.) It was assumed that the volume of the water that could be seen was minimal and that the completion of the project would only take a short time.

The following day, November 29 at approximately 1100 hours, after a general discussion between PMC, NCC Equipment Operators (the Project Manager was unable to be on site due to a prior commitment) began pushing material into the shaft. At approximately 1200 hours, water that was in the shaft began to spill into the Crandall Canyon channel as it was displaced from the shaft by the material being pushed in. The Equipment Operators continued to push material into the shaft displacing the water until approximately 1600 hours when, puzzled by the fact that the material being pushed into the shaft had not come to the surface, stopped their activities to access the situation. They dropped a 180 foot rope into the shaft and it did not hit bottom. The Equipment Operators then drove out of Crandall Canyon to contact the Project Manager. As the Equipment Operators left the canyon they noticed that the water that had been displaced from the shaft had flowed all the way down Crandall Canyon to the Price River, a distance of approximately 1 ¼ miles. The Equipment Operators notified the Project Manager of the situation who in turn instructed them to cease operations. The NCC Project Manager attempted to contact Dennis Ware of PMC but was unable to do so until approximately 730 hours on November 30th.

Dennis Ware, on November 30, immediately after hearing of the upset condition drove to Crandall Canyon to inspect the situation. At approximately 1030 hours, after having made the onsite visit, Dennis attempted to contact the DOGM inspector for the Willow Creek Mine at the Price Field Office who was not available. After returning to Crandall Canyon Dennis Ware collected a water sample at 1320 hours. For safety reasons the water sample had to be taken by tying a water bottle to a rope and lowering it into the shaft and retrieving it by pulling it up the embankment. This method of sampling likely introduced additional earthen material into the sample. At the same time the water sample was taken, a well sounding tape was lowered into the water standing in the shaft and the bottom was detected at 488 feet below the surface.

The next morning, December 1, at approximately 1000 hours Dennis Ware notified Mr. Jeff Studenka from the State Division of Water Quality of the upset condition. Also, at 1100 hours on December 1, an additional water sample was taken because the quantity of water taken on November 30 was not enough to run all the quality parameters requested by PMC. Also on December 1, both Peter Hess and Karl Housekeeper of the DOGM Price Office were able to return the calls made by PMC and they were both notified of the upset condition.

The exact quantity of water which entered the Price River from this upset condition is unknown. Mr. Mark Greenhalgh, Project Manager from NCC estimates that the Equipment Operations ripped, gathered and pushed for approximately four hours while water was being displaced. He further estimates that the quantity of material pushed into the shaft while water was being displaced was from 400 and 600 cubic yards. The quantity water that made it down the Crandall Canyon drainage, approximately 1 ¼ miles, and spilled into the Price River is unknown.

The preliminary results of the water quality analysis was provided to DOGM and DWQ on December 5 and the final water quality was provided on December 11th. PMC, not knowing exactly what quality parameters would be required, had all parameters analyzed that the SGS lab in Huntington, Utah was capable of performing.

Had either NCC's Project Manager or PMC's Dennis Ware been on site when the water began to spill the project would have been halted. NCC's Project Manager, who had taken on this job in Crandall Canyon on an emergency basis, was required at a previous commitment and Dennis Ware from PMC was tied up with family medical issues that afternoon. NCC's Equipment Operators did not recognize the potential problem with the discharge of the water and therefore followed their previous instructions to backfill the shaft.

Following this upset condition PMC, for safety reasons, has covered the shaft with wire mesh, constructed a six foot chain link fence around the shaft and will wait until spring to determine the next step in the process. No further water will be removed from the shaft without the prior approval of both DOGM and DWQ.

If DWQ has any questions or needs additional information, please do not hesitate to contact me at (435) 472-4737.

Sincerely,

Dennis N. Ware
Controller and Administrative Manager

cc: Pamela Grubaugh-Littig, UDOGM, SLC Office
cc: Peter Hess, UDOGM, Price Office

FROM:
Granite Seed Company 1697 W. 2100 N.
Lehi, UT 84043

MIX #: 53779

165112

RIPARIAN MIX

% PURE		DORM OR		ORIGIN
		GERM	+ HARD	
22.56	MEADOW FOXTAIL	VNS	75.00 + 3.00 -	WA
18.92	CREEPING BENTGRASS	SEASIDE	93.00 + 0.00 - TZ	OR
18.92	TUFTED HAIRGRASS	VNS	93.00 + 0.00 -	WA
18.72	STRAWBERRY CLOVER	PALASTINE	92.00 + 2.00 -	AUS
18.52	REED CANARYGRASS	VNS	95.00 + 0.00 -	MN
0.14	Other Crop			
2.14	Inert Matter			
0.08	Weed Seed			
NET WEIGHT: 22.73 LBS. BULK				
20.00 LBS. PLS				

Date Tested: 06/30/2005
Restricted Weed: None
% Hard Seed: 1.10

GUARANTEE: Granite Seed guarantees its seed to be of promised quality and true to name as specified. Should seed prove to be other than labeled, liability shall be limited to replacement or refund of purchase price.

SHIP TO: NIELSON CONSTRUCTION CO.

Train Loadout Seeding
April 2006

UTAH DEPARTMENT OF AGRICULTURE & FOOD
DIVISION OF PLANT INDUSTRY
350 NORTH REDWOOD ROAD
PO BOX 146500
SALT LAKE CITY, UT 84114-8500

2436

PHYTOSANITARY CERTIFICATE

HAY OR STRAW INSPECTION

This is to certify that the hay or straw described below has been inspected according to appropriate procedures by a duly authorized inspector of the State of Utah and found to be:

FREE FROM: NOXIOUS WEEDS REGIONAL NOXIOUS WEEDS

The hay or straw described below does not meet noxious weed certification standards for Utah.
See remarks.

DATE INSPECTED July 12, 2004 FIELD LOCATION Nephi

APPLICANT Randy Greenhalgh FIELD NAME Greenhalgh

ADDRESS 403 East Center, Nephi, UT 84648 PHONE NO. 435-623-0845

PRODUCT Straw NUMBER OF BALES 2006

GROWN BY Same Above BALE TYPE* 1807 SR

ADDRESS _____ COUNTY Utah

NAME AND ADDRESS OF CONSIGNEE _____

TRAILER OR TRUCK LICENSE NUMBER _____ STATE _____

CERTIFICATE IS VALID FOR 1 2 3 4 5 6 7 8 9 10 LOADS (Contract Loads only)

REMARKS OR ADDITIONAL DECLARATIONS Straw meets the requirements of the Regional Noxious Weed Free Forage Program.

Tags \$ -0-
Mileage \$ 1.50
Fee \$ 25.00
Total \$ 26.50
Receipt \$ _____

From: _____ To: _____
Hay Tag Numbers _____
September 7, 2004
Date Issued _____
Randy Day
Signature of Inspector

No liability shall attach to the Utah Department of Agriculture & Food or to any officer or representative of the Department with respect to this certificate.

* Bale Type: SB Small Rectangular Bale
LB Large Rectangular Bale
LR Large Round Bales
SR Small Round Bales

UTAH DEPARTMENT OF AGRICULTURE & FOOD
DIVISION OF PLANT INDUSTRY
350 NORTH REDWOOD ROAD
SALT LAKE CITY, UT 84114-8503

PHYTOSANITARY CERTIFICATE

1599

HAY OR STRAW INSPECTION

This is to certify that the hay or straw described below has been inspected according to appropriate procedures by a duly authorized inspector of the state of Utah and found to be:

FREE FROM: NOXIOUS WEEDS REGIONAL NOXIOUS WEEDS

The hay or straw described below does not meet noxious weed certification standards for Utah.
See remarks.

DATE INSPECTED 9-17-03 FIELD LOCATION Nephi

APPLICANT Randy Greenhalgh FIELD NAME Greenhalgh

ADDRESS 403 East Center Street, Nephi, Utah 84648 PHONE NO. (435)623-0845

PRODUCT Alfalfa Hay NUMBER OF BALES 122

GROWN BY Same Above BALE TYPE LB

ADDRESS _____ COUNTY Juab

NAME AND ADDRESS OF CONSIGNEE _____

TRAILER OR TRUCK LICENSE NUMBER _____ STATE _____

CERTIFICATE IS VALID FOR 1 2 3 4 5 6 7 8 9 10 LOADS (Contract Loads only)

REMARKS OR ADDITIONAL DECLARATIONS Alfalfa Hay meets requirements of Utah Noxious Weed Free Forage Program.

Tags \$ 0

Mileage \$ 1.83

Fee \$ 25.00

Total \$ 26.83

Receipt # _____

From: _____ To: _____

Hay Tag Numbers

October 14, 2003
Date Issued

Don DeJ
Signature of Inspector

liability shall attach to the Utah Department of Agriculture & Food or to any officer or representative of the Department with respect to this certificate.

- * Bale Type: SB Small Rectangular Bale
- LB Large Rectangular Bale
- LR Large Round Bales
- SR Small Round Bales