



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

March 14, 2002

Elliott Finley, Resident Agent  
Hiawatha Coal Company  
P.O. Box 1202  
Huntington, Utah 84528

Re: Five-Year Permit Renewal, Hiawatha Coal Company, Hiawatha Mine, C/007/011, Outgoing File

Dear Mr. Finley:

The permit renewal for the Hiawatha Coal Mine is approved with the following two conditions:

1. Hiawatha Coal Company will submit water quality data for the Hiawatha Mine in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.
2. Hiawatha Coal Company will comply with any order issued as a result of the Informal Conference to be held on April 11, 2002 for this permit renewal.

Enclosed are two (2) copies of the renewed permanent program mining permit for the Hiawatha Mines Complex. The expiration date for this permit is March 14, 2007, five years from the expiration date of the current permit. Also enclosed is a copy of the State's Decision Document for the permit renewal.

Please read the permit to be sure you understand the requirements of the permit and conditions, then have both copies signed by the authorized representative of Hiawatha Coal Company and return one to the Division.

Sincerely,

A handwritten signature in cursive script that reads "Lowell P. Braxton".

Lowell P. Braxton  
Director

sm

Enclosures

cc: Ranvir Singh, OSM

O:\007011.HIA\FINAL\Permit\DD\_RN01.doc

**UTAH DIVISION OF OIL, GAS AND MINING  
STATE DECISION DOCUMENT  
For  
FIVE-YEAR PERMIT RENEWAL**

Hiawatha Coal Company  
Hiawatha Mine  
Five-Year Permit Renewal  
C/007/011  
Carbon County, Utah

March 14, 2002

**CONTENTS:**

- \* Administrative Overview
- \* Location Map
- \* Permitting Chronology
- \* Findings
- \* Permit
- \* Affidavit of Publication
- \* AVS Recommendation, March 12, 2002

## **ADMINISTRATIVE OVERVIEW**

Hiawatha Coal Company  
Hiawatha Mine  
Five-Year Permit Renewal  
C/007/011  
Carbon County, Utah

March 14, 2002

### **PERMITTING ACTION**

The Hiawatha Coal Mine is a mine permitted by Hiawatha Coal Company. No underground mining is currently occurring, but is planned for sometime in the future. Coal slurry, however is being mined and shipped from the slurry ponds. (Note: A surface coal royalty is charged on this coal). The permit area is comprised of 12,117 acres with 290 acres of disturbed area.

Hiawatha Coal Company made application to the Division of Oil Gas and Mining for a five year permit Renewal for the Hiawatha Mines Complex on December 10, 2001. This renewal encompasses the same permit area and disturbance as currently approved in the permit issued March 13, 1987, and successively renewed on March 13, 1992 and March 13, 1997.

### **BACKGROUND**

U.S. Fuel Company received initial approval for the Hiawatha Mine by the Division of Oil, Gas and Mining (DOGM) and the Office of Surface Mining Reclamation and Enforcement (OSMRE) on March 13, 1987. The approved permit area consisted of all or parts of federal coal leases, SL-025431, SL-069985, U-058261, U-026583, U-51923 and a large portion of privately owned coal and a large area of surface which does not contain minable coal reserves.

The Hiawatha Mines Complex is a consolidation of the original King, Hiawatha, Black Hawk, and Mohrland coal mines, which began operating in the early 1900's. U. S. Fuel was organized in 1915 and began operations in 1916, when it took over the properties of the Consolidated Fuel Company, Castle Valley Coal Company, and the Black Hawk Coal Company, all of which are located within the current permit boundary.

A permit transfer application was received from American Fuel Corporation on April 3, 1995 and conditionally approved on April 26, 1995, pending insurance and posting of a bond. This agreement was terminated on November 19, 1996. The permit was, however, transferred from U.S. Fuel Company to Hiawatha Coal Company on December 12, 1997.

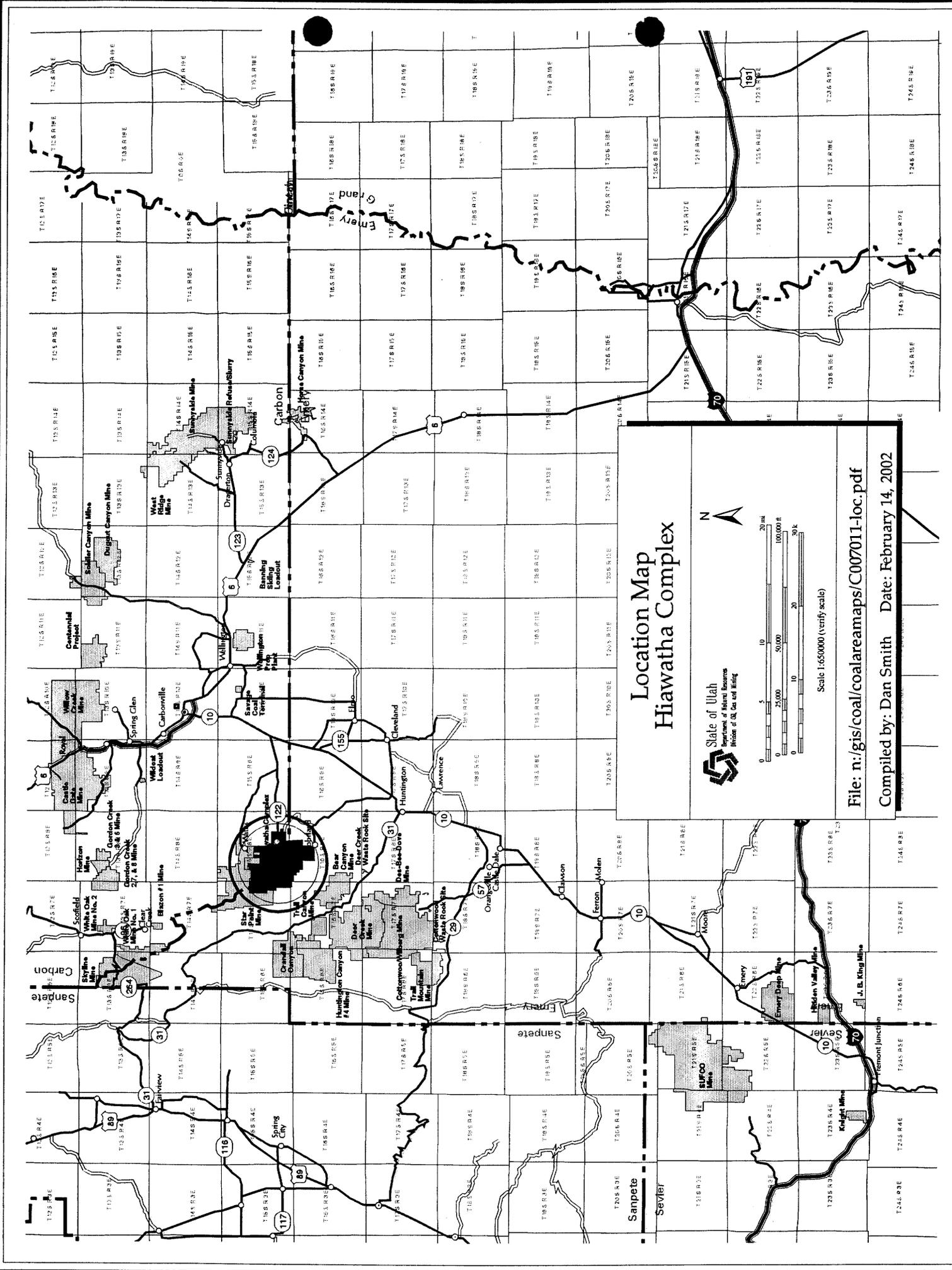
## **PUBLIC NOTICE**

The public notice for this permit renewal was published in the Sun Advocate and Emery County Progress on January 8, 15, 22, and 29, 2002. One letter was received from the Huntington - Cleveland Water Users on February 17, 2002 about the lack of surface and groundwater monitoring data for the Hiawatha Mine. An informal hearing has been scheduled for April 11, 2002 as a result of this concern letter.

## **RECOMMENDATION**

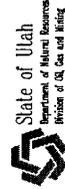
The Division made the decision on March 14, 2002 to approve the permit renewal for five years based on the fact that:

- 1) The terms and conditions of the existing permit are being satisfactorily met;
- 2) The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program;
- 3) The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas;
- 4) The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect; and
- 5) The permit is conditioned with the requirement to comply with any order issued as a result of the Informal Conference to be held on April 11, 2002 and to submit water quality data through the Electronic Data Input web site.



**Location Map  
Hiawatha Complex**

  
 0 5 10 20 mi  
 0 25,000 50,000 100,000 ft  
 0 10 20 30 km


 State of Utah  
 Department of Natural Resources  
 Division of Oil, Gas and Mining

Scale 1:650000 (verify scale)

File: n:\gis\coal\coalareamaps\C007011-loc.pdf  
 Compiled by: Dan Smith Date: February 14, 2002

## PERMITTING CHRONOLOGY

Hiawatha Coal Company  
Hiawatha Mine  
Five-Year Permit Renewal  
C/007/011  
Carbon County, Utah

March 14, 2002

- December 10, 2001 Hiawatha Coal Company submits a permit renewal application.
- January 8, 2002 Division verbally advises Hiawatha Coal Company to publish for the permit renewal for Hiawatha Coal Mine.
- February 17 2002 Letter from Craig Smith representing the Huntington-Cleveland Irrigation Company requesting a hearing on the Hiawatha Mine permit renewal.
- February 25, 2002 Determination of Administrative Completeness of permit renewal application. Permit renewal completeness determination sent to applicable state, federal, and county agencies.
- March 12, 2002 Notice of Informal Conference is scheduled for Friday, April 11, 2002 at the Department of Natural Resources in Salt Lake City.
- March 14, 2002 Permit Renewal is issued to Hiawatha Coal Company with two conditions.

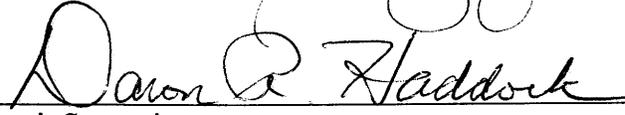
## PERMIT RENEWAL FINDINGS

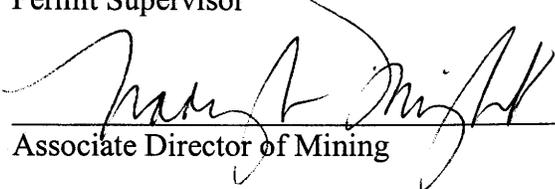
Hiawatha Coal Company  
Hiawatha Mine  
Five-Year Permit Renewal  
C/007/011  
Carbon County, Utah

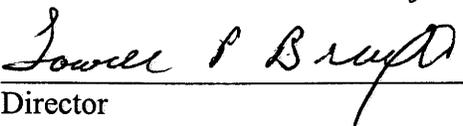
March 14, 2002

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met (R645-303-233.110).
3. The present coal mining (removal of coal slurry) and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of having liability insurance (Scottsdale Insurance Company CLS668789) (R645-303-233.140).
6. The operator has posted a Irrevocable Letter of Credit (ILOC) in the amount of \$2,838,000 (assigned by Bank One [#500551G]) and has provided evidence that this ILOC will remain in full effect. (R645-303-233.150).
7. The operator has submitted all updated information as required by the Division at this time (R645-233.160).

  
Permit Supervisor

  
Permit Supervisor

  
Associate Director of Mining

  
Director  
Division of Oil, Gas & Mining

**FEDERAL**

**PERMIT  
C/007/011**

**March 14, 2002**

**STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801  
(801) 538-5340**

This permit, C/007/011, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

**Hiawatha Coal Company  
P. O. Box 1202  
Huntington, Utah 84528  
(801) 637-1778**

for the Hiawatha Mine. Hiawatha Coal Company is the lessee of federal coal leases SL-025431, SL-069985, U-058261, U-026583 and U-51923, the remainder of the coal in the life of mine area is owned by Hiawatha Coal Company. An Irrevocable Letter of Credit is filed with the DOGM in the amount of \$2,838,000, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

**Sec. 1 STATUTES AND REGULATIONS** - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

**Sec. 2 PERMIT AREA** - The permittee is authorized to conduct coal mining and reclamation operations on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Hiawatha Mines Complex situated in the state of Utah, Carbon and Emery Counties, and located:

**Township 15 South, Range 7 East, SLM**

Sec. 13: S<sup>1</sup>/<sub>2</sub>;

Sec. 24: All;

Sec. 25: E<sup>1</sup>/<sub>2</sub>, E<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>;

Sec. 36: E<sup>1</sup>/<sub>2</sub>;

**Township 15 South, Range 8 East, SLM**

- Sec. 17: S<sup>1/2</sup>, S<sup>1/2</sup>N<sup>1/2</sup>;
- Sec. 18: S<sup>1/2</sup>S<sup>1/2</sup>, NE<sup>1/4</sup>, SW<sup>1/4</sup>(part), NW<sup>1/4</sup>SW<sup>1/4</sup> (part);
- Sec. 19
- Thru 21: All;
- Sec. 26: W<sup>1/2</sup>SW<sup>1/4</sup>;
- Sec. 27: S<sup>1/2</sup>, SW<sup>1/4</sup>, NW<sup>1/4</sup>;
- Sec. 28;
- Thru 33: All;
- Sec. 34: N<sup>1/2</sup>, SW<sup>1/4</sup>, N<sup>1/2</sup>SE<sup>1/4</sup>;
- Sec. 35: NW<sup>1/4</sup>, NW<sup>1/4</sup>SW<sup>1/4</sup>;

**Township 16 South, Range 8 East, SLM**

- Sec. 3: W<sup>1/2</sup>;
- Sec. 4 All;
- Sec. 5: All;
- Sec. 6: NE<sup>1/4</sup>SE<sup>1/4</sup>, Lots 1 thru 10;
- Sec. 8: E<sup>1/2</sup>E<sup>1/2</sup>;
- Sec. 9: All;

This legal description is for the permit area of the Hiawatha Mine. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions of the previous permit term and all other applicable conditions, laws and regulations.

The designated permit area as described above excludes 55 acres for the town of Hiawatha in:

T. 15 S., R. 8 E., SLM, Secs. 27, and 34

- Sec. 3 COMPLIANCE** - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.
- Sec. 4 PERMIT TERM** - This renewed permit becomes effective on March 14, 2002 and expires on March 14, 2007.
- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

**Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100, R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

**Sec. 7 SCOPE OF OPERATIONS** - The permittee shall conduct underground coal mining activities only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

**Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- (a) accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

**Sec. 9 DISPOSAL OF POLLUTANTS** - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

**Sec. 10 CONDUCT OF OPERATIONS** - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 11 EXISTING STRUCTURES** - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

**Sec. 12 RECLAMATION FEE PAYMENTS** - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

**Sec. 13 AUTHORIZED AGENT** - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

**Sec. 14 COMPLIANCE WITH OTHER LAWS** - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

**Sec. 15 PERMIT RENEWAL** - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

**Sec. 16 CULTURAL RESOURCES** - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

**Sec. 17 APPEALS** - The permittee shall have the right to appeal as provided for under R645-300.

**Sec. 18 SPECIAL CONDITIONS** - There are special conditions associated with this permitting actions as described in Attachment A.

The above conditions (Sections 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

**THE STATE OF UTAH**

By: Jamell P Braft

Date: 3/20/02

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

**PERMITTEE**

\_\_\_\_\_  
Authorized Representative of the Permittee

Date: \_\_\_\_\_

## **Attachment A**

### **SPECIAL CONDITIONS**

1. Hiawatha Coal Company will submit water quality data for the Hiawatha Mine in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.
2. Hiawatha Coal Company will comply with any order issued as a result of the Informal Conference to be held on April 11, 2002 for this permit renewal.

**AFFIDAVIT OF PUBLICATION**

STATE OF UTAH)

ss.

County of Emery,)

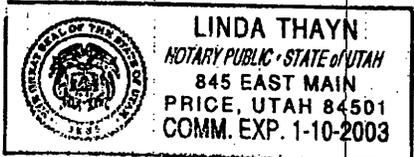
I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 8th day of January, 2002 and that the last publication of such notice was in the issue of such newspaper dated the 29th day of January 2002.

*Ken G. Larson*  
Ken G Larson - Publisher

Subscribed and sworn to before me this 29th day of January, 2002.

*Linda Thayne*  
Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 247.28



**NOTICE**

Hawatha Coal Company, P.O. Box 1202, Huntington, Utah, 84303 hereby announces its intent to renew its coal mine and reclamation permit for coal mining activities at the Hawatha Mine Complex, Permit No. C007011. The Hawatha Mine Complex is located in Hawatha, Utah, approximately 18 road miles east of Price, Utah. The permit area, shown on the USGS Hawatha Quadrangle map, is described as follows:

- Township 15 South, Range 7 East, S1M
- Sec. 13: S1/2
- Sec. 24: All
- Sec. 25: E1/2, E1/2NW1/4
- Sec. 36: E1/2
- Township 15 South, Range 8 East, S1M
- Sec. 17: S1/2, S1/2N1/2
- Sec. 18: S1/2S1/2, NE1/4, SW1/4 (part), NW1/4SW1/4 (part)
- Sec. 19 Thru 21: All
- Sec. 26: W1/2SW1/4
- Sec. 27: S1/2, SW1/4, NW1/4
- Sec. 28 Thru 33: All
- Sec. 34: N1/2, SW1/4, N1/2SE1/4
- Sec. 35: NW1/4, NW1/4SW1/4
- Township 16 South, Range 8 East, S1M, Utah
- Sec. 3: W1/2
- Sec. 4: All
- Sec. 5: All
- Sec. 6: NE1/4SE1/4, Lots 1 thru 10
- Sec. 8: E1/2E1/2
- Sec. 9: All

Excluding 55 acres for the town of Hawatha in T16S, R08E, S1M, Secs. 27 and 34 as shown on Exhibit IV-3 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 1004 West North Temple, Suite 1210, P.O. Box 143607, Salt Lake City, Utah, 84114-3607. Copies of the renewal application are available for public review at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Emery County Courthouse, Price, Utah, 84501.  
Published in the Emery County Progress January 8, 15, 22 and 29, 2002.

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

SS.

County of Carbon,)

I, Ken Larson, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State: a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 8th day of January, 2002, and that the last publication of such notice was in the issue of such newspaper dated the 29th day of January, 2002.

*Ken G. Larson*

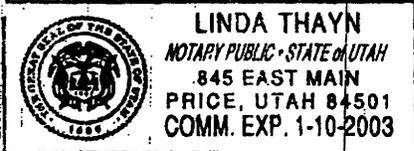
Ken G Larson - Publisher

Subscribed and sworn to before me this 29th day of January, 2002.

*Linda Thayne*

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 376.32



**NOTICE**

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Township 15 South, Range 7 East, SLM

- Sec. 13: S1/2
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- Sec. 36: E1/2

Township 15 South, Range 8 East, SLM

- Sec. 17: S1/2, S1/2N1/2
- Sec. 18: S1/2S1/2, NE1/4, SW1/4 (part), NW1/4SW1/4 (part)
- Sec. 19 Thru 21: All
- Sec. 26: W1/2SW1/4
- Sec. 27: S1/2, SW1/4, NW1/4
- Sec. 28 Thru 33: All
- Sec. 34: N1/2, SW1/4, N1/2SE1/4
- Sec. 35: NW1/4, NW1/4SW1/4,

Township 16 South, Range 8 East, SLM, Utah

- Sec. 3: W1/2
- Sec. 4: All
- Sec. 5: All
- Sec. 6: NE1/4SE1/4, Lots 1 thru 10
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Excluding 55 acres for the town of Hiawatha in T15S, R8E, SLM, Secs. 27, and 34, as shown on Exhibit IV-3 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil, Gas & Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah, 84114-5801. Copies of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining, Salt Lake City and at the Carbon County Courthouse, Price, Utah, 84501.

Published in the Sun Advocate January 8, 15, 22 and 29, 2002.



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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801-359-3940 (Fax)  
801-538-7223 (TDD)

March 12, 2002

TO: Compliance File

FROM: Pamela Grubaugh-Littig, Permit Supervisor *pgl*

RE: AVS Recommendation, Hiawatha Coal Company, Hiawatha Mine Complex, C/007/011

As of the writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected. There are no finalized Civil Penalties which are outstanding and overdue in the name of Hiawatha Coal Company. Hiawatha Coal Company does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The Applicant Violator System notes that there were no violations in the system (see attached.)

Attachment  
O:\007011.HIA\COMPLIANCE\AVS031202.DOC

State : UT Permit No : AC007011      Appl No : ACT007011      Seqno : 2  
 Permittee : 144578( HIAWATHA COAL CO INC )  
 Applicant : 144578( HIAWATHA COAL CO INC )

OSMRE: Comments/Analysis: Date : 12-Mar-2002      Mode : UPDATE  
 There were no violations retrieved by the system.      aw

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SRA: Comments/Analysis:      Date :      Mode : VIEW

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SAVE (F5)      DELETE (F8)  
 PRV\_SCR (F3)      QUIT (F4)      CHOICES (F10)