



The State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:	
Company	Alden Gustafsen Permit Coordinator
OGM	Joe Helfrich Environmental Scientist III

Inspection Report

Permit Number:	C0070011
Inspection Type:	COMPLETE
Inspection Date:	Thursday, June 24, 2004
Start Date/Time:	6/24/2004 9:30:00 AM
End Date/Time:	6/24/2004 4:00:00 PM
Last Inspection:	Thursday, May 13, 2004

Inspector: Joe Helfrich, Environmental Scientist III

Weather: partly cloudy 68

InspectionID Report Number: 314

Accepted by: dhaddock
6/25/2004

Permitee: **HIAWATHA COAL CO INC**
 Operator: **HIAWATHA COAL CO INC**
 Site: **HIAWATHA MINE COMPLEX**
 Address: **PO BOX 1202, HUNTINGTON UT 84528**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

12,177.00	Total Permitted
290.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Divison Orders, and amendments:

The purpose of this site visit was to conduct a complete inspection of the Hiawatha complex. There are no pending permit conditions or amendments and no compliance issues.

Inspector's Signature

Joe Helfrich
Joe Helfrich, Environmental Scientist III

Date

Friday, June 25, 2004

Inspector ID Number: 1

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070011
 Inspection Type: COMPLETE
 Inspection Date: Thursday, June 24, 2004

Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The DOGM permit was issued on March 14, 2002 and expires on March 14, 2007. Other documents include the following:

- Certificate of Insurance by Scottsdale Insurance Co. Policy # CLS0668789 effective 01/27/04 and expires 1/27/05.
- UPDES Permit UT-0023094 issued 10/01/1999 and expires 09/30/2004 at midnight.
- Air Quality Permit BAQE-502-89 issued 07/25/1989 and remains in effect.
- Bond is an irrevocable letter of credit issued by Bank One in the amount of \$2,838,000.

2. Signs and Markers

Signs containing the required information were posted at access points to the property. Disturbed area markers were also in place.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond, D007, below the #5 reclaimed slurry pond was dry and appeared to be in stable condition. The pond has received some additional sediment from snowmelt and spring runoff. Water and sediment are being directed to the pond in an overland flow fashion in the ripped inlets. The diversion ditch that channels water to the pond has been lengthened to improve the direction of flow to one of the pond inlets. Mr. Gustafsen and I agreed that the flow would be better served if it were all directed to the inlets. The pond inspections for the first quarter of 2004 were conducted on 3/23/04 showing no signs of instability or hazards.

4.c Hydrologic Balance: Other Sediment Control Measures

There are two culverts located between the #1 refuse pond and slurry ponds. These culverts transport runoff to sediment pond # D004. The outlet diversion ditch associated with the upper culvert has been regraded to ensure that runoff and sediment are adequately transported to the pond. The lower culvert is about 1/4 full of coal fines that have been removed. Recent storms have resulted in some deposition of fines in both culverts.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data for the first quarter of 2004 was available at the mine office for inspection. Table 7-17 in the MRP displays the water monitoring matrix for the monitoring sites during the calendar year. During the first quarter, sites D001 and D002 are monitored monthly for field and operational parameters.

4.e Hydrologic Balance: Effluent Limitations

Discharge parameters for sites D001 and D002 are in compliance with the effluent limitations. Hard copies of the DMR's for the ponds were current through May 2004.

7. Coal Mine Waste, Refuse Piles, Impoundments

The slurry ponds and refuse impoundments are inspected weekly. The most recent inspections were conducted on June 21, 2004, indicating no hazards or signs of structural weakness.

13. Revegetation

The outslope of slurry pond #5 has one area where several small rills were starting to form. Small hand sized rip-rap has been placed in the rills to prevent any additional erosion. Recent storms have not contributed to any additional erosion on the slope. Run off is being dispersed by the additional rip rap.

15. Cessation of Operations

The mine is currently inactive. However, the company plans to enter the mine portals soon to evaluate the mining potential.

19. AVS Check

The ownership and control information in the 2003 annual report is current with the AVS information.

20. Air Quality Permit

The Air Quality Permit BAQE-502-89 was issued 07/25/1989 and remains in effect.

21. Bonding and Insurance

The bond is an irrevocable letter of credit issued by Bank One in the amount of \$2,838,000. The insurance is current through 1/27/05.