



The State of Utah

Department of
Natural ResourcesDivision of
Oil, Gas & MiningROBERT L. MORGAN
*Executive Director*LOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
*Lieutenant Governor***Representatives Present During the Inspection:**

Company	Mark Reynolds	Resident Agent
OGM	Joe Helfrich	Environmental Scientist III

Inspection Report

Permit Number:	C0070011
Inspection Type:	COMPLETE
Inspection Date:	Thursday, September 23, 2004
Start Date/Time:	9/23/2004 10:00:00 AM
End Date/Time:	9/23/2004 3:00:00 PM
Last Inspection:	Thursday, August 05, 2004

Inspector: Joe Helfrich, Environmental Scientist IIIWeather: Sunny breezy 65InspectionID Report Number: 411

Accepted by: whedberg

11/2/2004

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, Division Orders, and amendments:

The purpose of this site visit was to conduct a complete inspection of the Hiawatha mine complex. Mining activities consist of occasional slurry fines loaded on to rail cars. There are no pending permit conditions or amendments and no compliance issues.

Inspector's Signature

Joe Helfrich, Environmental Scientist III
 Inspector ID Number: 1

Date Friday, September 24, 2004

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

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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 checked="" 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 type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" 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.a Hydrologic Balance: Diversions

Diversions noted during the inspection were functioning adequately.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The pond inspections for the second quarter of 2004 were conducted on 3/23/04 showing no signs of instability or hazards.

4.c Hydrologic Balance: Other Sediment Control Measures

Surface roughening was implemented as a means of controlling runoff and erosion on the reclaimed portion of slurry pond 5a.

4.d Hydrologic Balance: Water Monitoring

Water monitoring data for the second 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 second quarter, sites D001 and D002 are monitored monthly for field and operational parameters. They were sampled on 4/12/04. The other locations were sampled on 4/12, 5/31, and 6/30/04.

4.e Hydrologic Balance: Effluent Limitations

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

7. Coal Mine Waste, Refuse Piles, Impoundments

The slurry ponds and refuse impoundments are inspected weekly. The most recent inspections were conducted during the week of September 13, 2004, indicating no hazards or signs of structural weakness.

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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.