



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Table with 2 columns: Company, Name/Title. Row 1: Mark Reynolds, Resident Agent. Row 2: OGM, Joe Helfrich, Environmental Scientist III.

Inspection Report

Table with 2 columns: Field, Value. Fields include Permit Number (C0070011), Inspection Type (COMPLETE), Inspection Date (Wednesday, September 28, 2005), Start Date/Time (9/28/2005 10:00:00 AM), End Date/Time (9/28/2005 2:30:00 PM), Last Inspection (Wednesday, August 31, 2005).

Inspector: Joe Helfrich, Environmental Scientist III

Weather: cold rainy 50 no wind

InspectionID Report Number: 742

Accepted by: whedberg
10/3/2005

Permittee: HIAWATHA COAL CO INC
Operator: HIAWATHA COAL CO INC
Site: HIAWATHA MINE COMPLEX
Address: PO BOX 1245, HUNTINGTON UT 84528
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: ACTIVE

Current Acreages

Table with 2 columns: Value, Description. Rows: 12,177.00 Total Permitted; 290.00 Total Disturbed; Phase I; Phase II; Phase III.

Mineral Ownership

- Checked: Federal, State, Fee. Unchecked: County, Other.

Types of Operations

- Checked: Underground. Unchecked: 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 complex. The site remains inactive with the exception of periodically loading slurry fines on to rail cars from the #1 slurry pond.

Inspector's Signature

Date Wednesday, September 28, 2005

Joe Helfrich, Environmental Scientist III

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.

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, Divison 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 checked="" 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 mid-term review has been completed. This review will be approved pending receipt of civil penalty payment for NOV # N-05-01-01-01 in the amount of \$484. There are no other amendments pending. 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 1/27/06.
- UPDES Permit UT-0023094 issued 10/01/2004 and expires 09/30/2009 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 points of access to the mining facilities.

3. Topsoil

Mr. Reynolds has addressed the findings portion of the mid-term memo prepared by Priscilla Burton. The findings stated that, "The information provided does not clearly indicate whether the commitment to survey Borrow Area "A" after topsoil activity was completed in 1998 was conducted.

Prior to approval, the Permittee must provide the following, in accordance with:

The toe of the outslope of the mine yard pad. Water from the leak was flowing to the sediment pond where it was being retained. Diversions at the other mining facilities were found to be in working order. The sediment pond. This culvert was leaking near the toe of the outslope of the mine yard pad. Water from the leak was flowing to the sediment pond where it was being retained. Diversions must indicate in the MRP narrative whether the coal fine removal occurred as described in Sec. R645-301-541, Hiawatha Processing Plant and Waste Disposal Sites Reclamation, p. 5-56."

4.a Hydrologic Balance: Diversions

The drainage ditch that collects undisturbed flow from the left fork of the King 4 and 6 mine yard was flowing. The majority of this flow originates from a spring approximately 200 yards above the mine site along the upper bank of the logging road. This drainage ditch connects with a 36" CMP (25) that discharges below the sediment pond. This culvert was leaking near the toe of the outslope of the mine yard pad. Water from the leak was flowing to the sediment pond where it was being retained. Diversions at the other mining facilities were found to be in working order.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment ponds at the King 4, 5, 6, and the ones below the slurry ponds contained water from recent precipitation events. They appeared to be functioning properly and were in working order at the time of the inspection. They were inspected on 8/15/05 showing no signs of erosion or instability.

4.c Hydrologic Balance: Other Sediment Control Measures

There are a number of ASCAs throughout the complex that represent alternative sediment control in lieu of a larger structure such as a sediment pond. They appeared to be functioning properly and were also in working order at the time of the inspection.

4.d Hydrologic Balance: Water Monitoring

Hard copies of the second quarter water monitoring data were available for inspection.

4.e Hydrologic Balance: Effluent Limitations

DMR's were current through August 2005.

7. Coal Mine Waste, Refuse Piles, Impoundments

The slurry impoundments were inspected on 9/26/05 and the refuse pile on 8/15/05 showing no signs of weakness or instability.

13. Revegetation

The vegetation on the reclaimed slurry ponds is doing well. A higher precipitation year has resulted in an increase in biomass production of the plant species.

15. Cessation of Operations

The operation is inactive with the exception of the slurry removal from the #1 slurry pond.

16.b Roads: Drainage Controls

Routine maintenance is in order for the road drainage controls throughout the complex.

20. Air Quality Permit

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 1/27/06.