

HIAWATHA COAL COMPANY

ANNUAL REPORT 2005

**Hiawatha Mine Complex
C/007/011**

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DIV. OF OIL, GAS & MINING

Prepared by

**Co-Op Mining Company
P.O. Box 300
Huntington, Utah 84528
(435)-687-2450**

Mark Reynolds

GENERAL INFORMATION

1. Permit Number	C/007/011
2. Mine Name	Hiawatha Complex
3. Permit Name	Hiawatha Coal Company
4. Operator Name	
5. Permit Expiration Date	March 14, 2007
6. Company Representative	Elliot Finley, Pres
7. Phone Number	(435) 637-1778
8. Fax Number	(435) 637-1778
9. Mailing Address	Hiawatha Coal Company P. O. Box 1202 Huntington, Utah 84528
10. Resident Agent, Title	Elliot Finley, Pres.
11. Mailing Address	P. O. Box 1202 Huntington, Utah 84528

IDENTIFICATION OF OTHER PERMITS

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

Permit Type	ID Number	Description	Expires on
1. MSHA Mine ID (s)	42-02157	King Mines	N/A
2. MSHA Impoundments	01	Slurry Impoundment No. 1	N/A
	03	Slurry Impoundment No. 5	N/A
3. NPDES/UPDES Permit(s) (water)	UT0023094	Minor Industrial	9/03/09
4. PSD (sir) Permit(s)	DAQE-502-89	Issued 10/29/99	N/A
5. Refuse Piles	04	Refuse Pile No. 1	N/A

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

Changes in administration or corporate structure can often bring about necessary changes to information found in the mining and reclamation plan. The Division is requesting that each permittee review and update the legal, financial, compliance, and related information in the plan as part of the Annual Report. Provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other changes as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include any certified financial statements, audits, or worksheets which may be required to meet bonding agreements. Specify whether the information is currently ON FILE with the Division or included as APPENDIX C to this Annual Report.

Legal/Financial Data:	Report Required?		Included or on file with DOGM?			Comments
	YES	NO	YES	NO	ON FILE	
1. Department of Commerce	X		X			
2. Other						

Mine Maps

Copies of mine maps, current and up-to-date through at least December 31, 2005, are to be provided to the Division as APPENDIX D to this Annual Report in accordance with the requirements of R645-301-525.720. These map copies shall be made in accordance with 30 CFR 75.1200, as required by MSHA. Upon request, mine maps shall be kept confidential by the Division

Map Number(s)	Map Title/Description	Confidential?

OTHER INFORMATION

Please provide any comments or further information to be included as part of the Annual Report. Nay other attachments are to be provided as APPENDIX E to this Annual Report.

Additional attachments to this report? NO

APPENDIX A

Certified Reports

Excess Spoil Piles

Refuse Piles

Impoundments

as required under R645-301-514

CONTENTS

Slurry Impoundments and Refuse Piles

Sediment Pond Inspections

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		N/A	Page 1 of 2
Permit Number	ACT\007\011	Report Date	12/22/05
Mine Name	Hiawatha Complex		
Company Name	Hiawatha Coal Company, Inc.		
Impoundment Identification	Impoundment Name	Slurry Impoundment No. 1	
	Impoundment Number	N/A	
	UPDES Permit Number	N/A	
	MSHA ID Number	1211-UT-09-00098-01	

IMPOUNDMENT INSPECTION

Inspection Date	12/22/05
Inspected By	Mark Reynolds
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Annual

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
 1,132.44 tons of coal fines were recovered from the pond in 2005. All of these fines were sold during 2005.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment. The surface elevation of the unrecovered coal fines in the pond varies significantly, ranging from 7156 to 7160. The embankment top remains at elevation 7175.
	3. Principle and emergency spillway elevations. N/A

4. 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 is currently inactive, with minimal water, but controls runoff from portions of the disturbed area. Ponds fines are currently being recovered from the impoundment.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations 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.
 Coal fine sale and removal is expected to continue in 2006.

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 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.
Signature:	<i>Mark Reynolds</i> Date: 12-22-05

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	X	

COMMENTS AND 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 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 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: Mark Reynolds, Civil Engineer
 (Full Name and Title)

Signature: Mark Reynolds Date: 12-22-05

P.E. Number & State: 5049079-2202

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		N/A	Page 1 of 2
Permit Number	ACT\007\011	Report Date	12/22/05
Mine Name	Hiawatha Complex		
Company Name	Hiawatha Coal Company, Inc.		
Impoundment Identification	Impoundment Name	Slurry Impoundment No. 5	
	Impoundment Number	N/A	
	UPDES Permit Number	N/A	
	MSHA ID Number	1211-UT-09-00098-03	

IMPOUNDMENT INSPECTION

Inspection Date	12/22/05		
Inspected By	Mark Reynolds		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Annual/Quarterly		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
 Reclamation of the main cell was completed in 2001. No slurry was added to or removed from the North Cell during 2005. No structural changes have been made to the outside embankment.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.
	The current elevation of the slurry sediment is 7,055.
	3. Principle and emergency spillway elevations. N/A

4. 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.

N/A

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations 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 top of the outside embankment remains at elevation 7,068. The coal fines remain at elevation 7,055. There are no signs of instability and no fires have occurred.

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 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.
	Signature: <u>Mark Reynolds</u> Date: <u>12-22-05</u>

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	
3. Has the impoundment met all applicable performance standards and effluent	X	

limitations from the previous date of inspection?

COMMENTS AND 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 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 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: Mark Reynolds, Civil Engineer
 (Full Name and Title)

Signature: Mark Reynolds Date: 12-22-05

P.E. Number & State: 5049079-2202 Utah

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE		1	Page 1 of 2
Permit Number	ACT/007/011	Report Date	12/22/05
Line Name	Hiawatha Complex		
Company Name	Hiawatha Coal Company, Inc.		
Excess Spoil Pile or Refuse Pile Identification	File Name	Refuse Pile No. 1	
	File Number	1	
	MSHA ID Number	1211-UT-09-02157-04	
Inspection Date	12/22/05		
Inspected By	Mark Reynolds		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)		Annual	
		Attachments to Report?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Field Evaluation			
1. Foundation preparation, including the removal of all organic material and topsoil. Pile remains inactive.			
2. Placement of underdrains and protective filter systems. N/A			
3. Installation of final surface drainage systems. N/A			
4. Placement and compaction of fill materials. No material has been added to the pile.			
5. Final grading and revegetation of fill. N/A			

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

No signs of embankment instability were observed. No fires have occurred.

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.

No changes have been made to the configuration of the pile.

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 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.

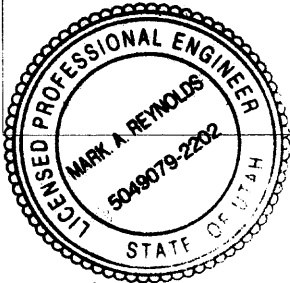
[Cert. Stamp]

By: Mark Reynolds, Civil Engineer

(Full Name and Title)

Signature: *Mark Reynolds* Date: 12-22-05

P.E. Number & State: 5049079-2202 Utah



IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		D003	Page 1 of 2
Permit Number	ACT\007\011	Report Date	12/22/05
Mine Name	Hiawatha Complex		
Company Name	Hiawatha Coal Company, Inc.		
Impoundment Identification	Impoundment Name	Upper Rail Yard	
	Impoundment Number	D003	
	UPDES Permit Number	UT-0023094	
	MSHA ID Number	N/A	

IMPOUNDMENT INSPECTION

Inspection Date	12/22/05		
Inspected By	Mark Reynolds		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Annual/Quarterly		

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

The pond banks showed no signs of instability or hazardous conditions.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.
	Sediment storage capacity = 0.60 ac-ft 60% cleanout elevation = 7,211.5 100% sediment storage elevation = 7,212.7 Existing sediment elevation = 7,207.7 (Average)
	3. Principle and emergency spillway elevations. Principle spillway elevation = 7,214.5 Emergency spillway elevation = 7,217.7

4. 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 inlet and outlets appear in good condition. No discharges were reported or occurred during 2005.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations 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 existing sediment volume is 0.15 ac-ft. The existing storage capacity is 2.28 ac-ft, which is greater than the 0.76 ac-ft required.

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 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.	
	Signature: <u>MRK Reall</u>	Date: <u>12-22-05</u>

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	

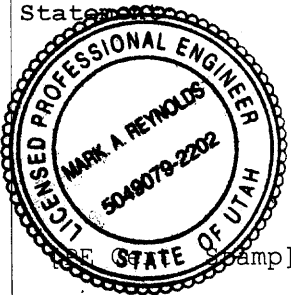
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?

X

COMMENTS AND OTHER INFORMATION

The pond appears to be functioning normally and has adequate storage. No measurable difference in sediment level in 2005.

Certification
State



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 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 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: Mark Reynolds, Civil Engineer
(Full Name and Title)

Signature: [Handwritten Signature] Date: 12-22-05

P.E. Number & State: 5049079-2202 Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		D004	Page 1 of 2
Permit Number	ACT\007\011	Report Date	12/22/05
Mine Name	Hiawatha Complex		
Company Name	Hiawatha Coal Company, Inc.		
Impoundment Identification	Impoundment Name	Sed. Pond N. of Slurry pond #1	
	Impoundment Number	D004	
	UPDES Permit Number	UT-0023094	
	MSHA ID Number	N/A	

IMPOUNDMENT INSPECTION

Inspection Date	12/22/05		
Inspected By	Mark Reynolds		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Annual		

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
The pond banks showed no signs of instability or hazardous conditions.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.
	Sediment storage capacity = 0.48 ac-ft 60% cleanout elevation = 7,087.8 100% sediment storage elevation = 7,089.1 Existing sediment elevation = 7,085.0
	3. Principle and emergency spillway elevations. Principle spillway elevation = 7,089.3 Emergency spillway elevation = 7,093.5

4. 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 inlet and outlets appear in good condition. No discharges were reported or occurred during 2005. Pond slopes are well vegetated.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations 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 existing sediment volume is 0.03 ac-ft. The existing storage capacity is 1.51 ac-ft, which is greater than the 0.54 ac-ft required.

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 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.
	Signature: <u>Mark Reynolds</u> Date: <u>12-22-05</u>

CERTIFIED REPORT

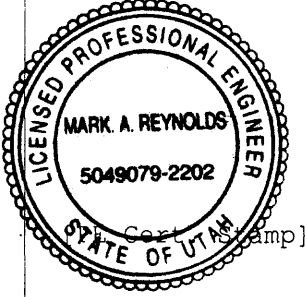
IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	X	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	X	

3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? X

COMMENTS AND OTHER INFORMATION

Sediment has not increased significantly during 2005.

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 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 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: Mark Reynolds, Civil Engineer (Full Name and Title)

Signature: [Handwritten Signature] Date: 12-22-05

P.E. Number & State: 5049079-2202