



## 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*

#### Representatives Present During the Inspection:

|         |  |
|---------|--|
| Company | Mark Reynolds                            |
| OGM     | Joe Helfrich Environmental Scientist III |

## Inspection Report

|                  |                              |
|------------------|------------------------------|
| Permit Number:   | C0070011                     |
| Inspection Type: | COMPLETE                     |
| Inspection Date: | Thursday, September 14, 2006 |
| Start Date/Time: | 9/14/2006 10:00:00 AM        |
| End Date/Time:   | 9/14/2006 2:00:00 PM         |
| Last Inspection: | Wednesday, August 30, 2006   |

Inspector: Joe Helfrich, Environmental Scientist III

Weather: Sunny 80

InspectionID Report Number: 1068

Accepted by: whedberg  
9/29/2006

Permitee: **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

|           |                        |
|-----------|------------------------|
| 12,177.00 | <b>Total Permitted</b> |
| 290.00    | <b>Total Disturbed</b> |
|           | <b>Phase I</b>         |
|           | <b>Phase II</b>        |
|           | <b>Phase III</b>       |

#### 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 complex. There are no amendments pending. The site is basically inactive except for the loading of slurry fines from the #1 slurry pond. They are being loaded with an articulating front end loader into a double trailer coal truck and then hauled by the same individual one truck load at a time. There were no offsite impacts noted during this inspection. In Mark's absence, Melissa provided access to the records and attended the site visit for thr Hiawatha complex.

Inspector's Signature: \_\_\_\_\_

*Joe Helfrich*  
 Joe Helfrich, Environmental Scientist III  
 Inspector ID Number: 1

Date: Friday, September 15, 2006

**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 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 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 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 type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 20. Air Quality Permit   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input 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 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 01/27/2007 and expires 1/27/2008.
- 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. At the time of this inspection, all points of access to the Hiawatha complex were open.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Quarterly inspections of the sediment ponds D003 through D009 and D011 were conducted on 5/31/2006. All ponds were noted as being stable with no cracks or signs of structural weakness. Slurry pond #1 was inspected on 6/20/06, Slurry ponds 5 and 5A were inspected on 9/6/2006 and noted as being stable with no cracks or signs of structural weakness.

**4.d Hydrologic Balance: Water Monitoring**

D001 and D002 were sampled on 5/30/2006 all other sites were sampled on 6/27 and 6/28/2006. Hard copies of the data for second and third quarter were available for inspection at the mine site.

**4.e Hydrologic Balance: Effluent Limitations**

Parameters associated with the two discharge points D001 and D002 were in compliance with the required effluent limitations.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

Slurry pond #1 was inspected on 6/20/2006. Slurry ponds 5 and 5A were inspected on 9/6/2006 noted as being stable with no cracks or signs of structural weakness.

**15. Cessation of Operations**

The site is basically inactive except for the loading of slurry fines from the #1 slurry pond. They are being loaded with an articulating front end loader into a double trailer coal truck and then hauled by the same individual one truck load at a time.

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**Inspection Continuation Sheet**

*Page 4 of 4*

**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 1/27/2007. A copy of the Insurance was available for inspection at the office located in Hiawatha.