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HIAWATHA COAL COMPANY

P.O. Box 1202
Huntington, Utah 84528

Office (435) 637-1778

January 16, 2007

Coal Program
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

George
6/07/00110
#2740

To Whom It May Concern,

Re: Response to deficiencies in Reformat Chapter 5 and update Subsidence, Hiawatha Coal Co., ACT/007/011 Task ID #2709.

Enclosed are Five (5) copies of our response to the deficiencies for Task ID #2709. These deficiencies are corrected on the enclosed page 5-50 of Hiawatha MRP.

If you have any questions, please call me at (435) 687-5777.

Thank You,

Marcie Anderson

Marcie Anderson

Enclosure(s)

MR/ MRR

RECEIVED

JAN 22 2007

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: HIAWATHA COAL CO.

Mine: HIAWATHA COMPLEX

Permit Number: ACT/007/011

Title: Subsidence Control

Description, Include reason for application and timing required to implement:

To Reformat Chapter 5 and change Subsidence to Meet the Utah Codes

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

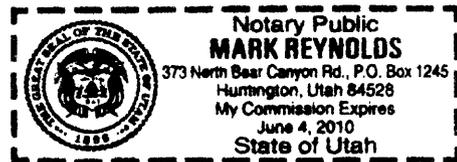
Elliott Finley
Print Name

E. Finley, Pres. 1-18-07
Sign Name, Position, Date

Subscribed and sworn to before me this 16 day of January, 2007

Mark Reynolds
Notary Public

My commission Expires: 6-4, 2010
Attest: State of Utah } ss:
County of Emery



For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">JAN 22 2007</div> <div style="font-weight: bold; margin: 10px 0;">DIV. OF OIL, GAS & MINING</div>
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point readings to an accuracy of 0.5 feet, was provided by a reputable photogrammetric engineering company. Monitoring was done on a yearly basis until two years after completion of underground mining in the area.

3. ~~New baseline photography covering the entire permit area above the mine workings was taken during the fall of 1988. This photography documented the existing surface configuration and could be used for future comparison.~~
4. ~~Subsidence monitoring point readings were taken over areas where retreat mining had occurred during the past two years. Since plans can be subject to frequent change due to a variety of geologic, economic and technological factors, baseline point readings were not taken over a mining panel until after the development had begun but prior to pillar extraction. Once pillar extraction began, point readings were taken annually for a period of two years following abandonment of the panel.~~
5. ~~The number and location of point readings taken over a mining panel can be greatly affected by vegetation cover especially in forested areas. Where possible, point readings were taken along a line near the center of a panel and parallel to its long dimension. Enough readings were taken to identify the occurrence and general magnitude of subsidence.~~

Hiawatha will use a survey grade GPS unit to perform subsidence monitoring. Survey teams will perform subsidence surveys annually during the summer or fall of each year. The survey team will include visual observations of any cracks or disturbances in their notes. A copy of these notes will be included in Hiawatha's annual report.

Exhibit 5-3 shows the location of ground control monuments and elevation monitoring points in the vicinity of current mining operations. A current subsidence map and Monitoring data is submitted to the Division with U.S. Fuel's Hiawatha's annual report.

Results of subsidence could have effects on renewable resource lands. However, during the 80 years of mining in this area there has been no evidence of any effects to existing water patterns. Nonetheless, it is conceivable that fractures resulting from subsidence could someday contribute to changes in the water patterns. Although highly unlikely, it is possible that springs, seeps and/or stream flows could be affected. The diminution of existing surface and ground water sources could affect some livestock and wildlife watering sites at higher elevations. Water presently being used for industrial and irrigation purposes should not be diminished to any great extent since water diverted into the ground would most likely return to mine openings, springs and streams near the top of the Star Point sandstone formation. No mining will be done below this horizon which is well above municipal, industrial and irrigation points of use. The affect of mining on the water supply is discussed in greater depth in chapter 7.