

0023

HIAWATHA COAL COMPANY

P.O. Box 1202
Huntington, Utah 84528

Office (435) 637-1778

July 20, 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

J. Reynolds
e/007/0011

To Whom It May Concern,

Re: Application to Change Existing Mine Plan, Task ID # 2831, Hiawatha Coal Co., ACT/007/011.

Enclosed are five (5) clean copies of Task ID # 2831.

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

Thank You,



Mark Reynolds

Enclosure(s)

MR/ MRR

RECEIVED
AUG 24 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: SLURRY POND ABANDONMENT

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

Abandoning slurry ponds to midigate a violation

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

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# <u>NOV# 10006</u> |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |
- Explain:* _____
- | | |
|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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., 8-22-07
Sign Name, Position, Date

Subscribed and sworn to before me this 22 day of August, 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

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AUG 24 2007

DIV. OF OIL, GAS & MINING

112.600 THE NAME AND ADDRESS OF EACH OWNER OF RECORD OF ALL PROPERTY (SURFACE AND SUBSURFACE) CONTIGUOUS TO ANY PART OF THE PROPOSED PERMIT AREA:

Refer to Exhibits IV-1 and IV-2 for names and addresses of the owners of record.

112.700 THE MSHA NUMBERS FOR ALL MINE-ASSOCIATED STRUCTURES THAT REQUIRE MSHA APPROVAL:

<u>STRUCTURE</u>	<u>MSHA ID No.</u>
King IV Mine	42-00098
King V Mine	42-01389
King VI Mine	42-01599
Refuse Pile No. 1	1211-UT-09-02157-04

112.800 A STATEMENT OF ALL LANDS, INTEREST IN LANDS, OPTIONS, OR PENDING BIDS ON INTERESTS HELD OR MADE BY THE APPLICANT FOR LANDS CONTIGUOUS TO THE AREA DESCRIBED IN THE PERMIT APPLICATION:

ANR will retain the surface and mineral rights to 466.66 acres of land in Section 18, T15S, R8E, SLBM, which Plateau Mining Company purchased the coal rights in December 1985 from U.S. Fuel Company. These rights are also leased by HCCI. There are no other current interests, options or pending bids for lands contiguous to the permit area.

R645-301-113 VIOLATION INFORMATION. AN APPLICATION WILL CONTAIN THE FOLLOWING:

113.100 A STATEMENT OF WHETHER THE APPLICANT OR ANY SUBSIDIARY, AFFILIATE, OR PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH THE APPLICANT HAS:

113.110 HAD A FEDERAL OR STATE PERMIT TO CONDUCT COAL MINING AND RECLAMATION OPERATIONS SUSPENDED OR REVOKED IN THE FIVE YEARS PRECEDING THE DATE OF SUBMISSION OF THE APPLICATION; OR:

No.

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CHAPTER V PERMIT APPLICATION REQUIREMENTS: ENGINEERING

LIST OF APPENDICES

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- Appendix V-2 Hiawatha No. 2 Reservoir Structural Analysis and Hazard Assessment Information
- Appendix V-3 Refuse Pile Design and Construction Plans
- Appendix V-4 Plan for Extinguishing Fires on Refuse Piles and Slurry Ponds
- Appendix V-5 Program for Inspection and Correction of Hazardous Conditions on Slurry
Impoundments
- Appendix V-6 King 4 MSHA Approved Roof Control and Ventilation Plans
- Appendix V-7 Plans for Construction of North Fork Ventilation Portal
- Appendix V-8 Small Area Exemptions
- Appendix V-9 Middle Fork Truck Runaway Road Upgrade Plans
- Appendix V-10 Non-Coal Waste Storage Sites
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- Appendix V-12 Calculations for Stream Crossing to Access Topsoil Borrow Areas
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- Appendix V-15 Earth Work Area-Volume Balance Sheets
- Appendix V-16 Slurry Pond Abandonment

R645-301-500 ENGINEERING

R645-301-511 GENERAL REQUIREMENTS

This chapter includes descriptions of existing and proposed coal mining and reclamation operations and their potential impacts to the environment. Methods and calculations utilized to achieve compliance with design criteria are given in R645-301-520 (Operation Plan), R645-301-540 (Reclamation Plan) and in referenced appendices to this chapter.

R645-301-512 CERTIFICATION

Maps and cross sections required to be certified under this regulation have been prepared by or under the direction of a qualified, registered, professional engineer whose stamp and signature can be found on the individual documents in question.

R645-301-513 COMPLIANCE WITH MSHA REGULATIONS AND MSHA APPROVALS

513.100 COAL PROCESSING WASTE DAMS AND EMBANKMENTS

Hiawatha Coal Company has two slurry impoundments which have been abandoned as described in V-16

Slurry Pond #5 is actually made up of two cells, the main cell and a smaller cell. The smaller cell is referred to as #5A. The embankments are constructed of refuse material derived from the coal washing process at the preparation plant. Slurry Pond #1 is currently being reclaimed. The location of these impoundments are shown on Exhibit V-9. Plans for their design, construction and maintenance along with approval letters are given in Appendix V-1. MSHA does not regulate impoundments with a storage volume less than 20 acre ft. unless they impound water or sediment to an elevation of 20 feet or more above the upstream toe of the structure. None of U.S. Fuel's sediment ponds exceed these minimum requirements.

Slurry Pond No. 4 has been regraded, topsoiled and revegetated. MSHA has removed this structure and identification number from its mine files.

514.300 IMPOUNDMENTS

One underground reservoir and eight sediment ponds are inspected on a regular basis as discussed below:

Two abandoned slurry ponds are inspected on a quarterly basis. Inspections are conducted as outlined in U.S. Fuel's MSHA approved plan given in Appendix V-5. An annual report, certified by a registered professional engineer, describing any changes in the geometry and configuration of the impounding structures is submitted DOGM.

When in service, an underground reservoir in the Hiawatha No. 2 mine in Middle Fork Canyon is inspected according to a DOGM approved plan given in Appendix V-2. Inspections are conducted monthly except during winter months and results are submitted to the Division annually. This impoundment is referenced on Exhibits V-15, V-16 and V-17.

Eight sediment ponds located throughout the permit area and identified by EPA NPDES numbers are depicted on Exhibits V-5, V-6, V-7 and V-9. These ponds are inspected quarterly for signs of structural weakness by a qualified person. Copies of all inspection reports are retained at the engineering office at Hiawatha.

R645-301-515 REPORTING AND EMERGENCY PROCEDURES

515.100 SLIDES

At any time a slide occurs which may have a potential adverse effect on public property, health, safety or the environment, Hiawatha Coal Company will notify the Division by the fastest available means and comply with any reasonable remedial measures required by the Division.

515.200 IMPOUNDMENT HAZARDS

If any examination or inspection discloses that a potential impoundment hazard exists, the permittee will promptly inform the Division of the finding and of the emergency procedures formulated for public protection and remedial action. If adequate procedures cannot be formulated or implemented, the Division will be notified immediately.

and sold. The area south of Slurry Pond 1 is used as an intermediate pile between extraction for the slurry pond and the truck loading activities. The coal fines extraction from the slurry ponds and adjacent storage will be an ongoing part of the operational phase of the mine. The upper rail yard also contains coal on the surface of the yard. Historically, it was used for coal storage. Although it is not actively being used, future operational plans may involve the use. Because it contains coal on the surface which may influence the historical status of the area, it has been designated as a coal storage area throughout the operational phase of this area.

The coal waste storage areas are shown on Exhibits V-6, V-7 and V-9. V6 and V-7 show the locations of temporary coal waste storage areas. Coal mine waste is stored in these areas until it can be transported to the coal waste disposal facilities.

Exhibit V-9 shows designated coal waste storage areas. These consist of the Refuse Pile No. 1 and the Upper Rail Storage Yard. The Refuse Pile is designed as permanent disposal facilities (see Appendix V-1 and V-3), and will continue to be used for this purpose.

The upper rail yard currently contains coal and coal waste material. As described above, this material is part of the historical influence of the yard as a part of the historical district. It is not anticipated that additional coal mine waste will be stored here. During the operational phase, any existing coal waste will be added to the coal storage, removed to the permanent disposal sites, or, if necessary, remain in place for the historical value of the area. A determination will be made concerning the post-mining historical value of the material prior to any removal or modification of the existing area.

Any coal mine waste which is currently not within one of these designated areas will be placed in one of the permanent disposal facilities.

521.200 SIGNS AND MARKERS SPECIFICATIONS

521.210 Signs and markers are posted and maintained as required by this regulation. Signs and markers will be removed upon completion of mining and reclamation operations.

521.220 Signs and markers are of uniform design that can be easily seen and read. They are made of durable material and conform to local laws and regulations.

KING 6 MINE

The King 6 mine is located in South Fork canyon approximately one mile south of the King 4 and King 5 mines. It was opened in 1981 when two portals existing from the abandoned King 3 mine were reopened for ventilation and one additional portal was constructed for access and coal haulage. Mine workings are located in sections 25 and 36 of township 15 south, range 7 east and sections 31 and 32 of township 15 south, range 8 east. The land area contains approximately 1,240 acres of which 960 acres are on Federal lease lands and 280 acres are on fee lands. See Exhibit V-2 for details of existing and projected mine workings.

A five entry main development heading was extended to the west in the Hiawatha seam. If economic conditions warrant, two room and pillar continuous miner production sections can be established. One in a westerly direction and one in a due north direction as shown on Exhibit V-2.

The King 6 mine was deactivated in December, 1988. Though inactive, most of the support facilities have been maintained in anticipation of continued operation at some future date. Since it is not known when economic and market conditions will favor reactivation or how much production will be required, no dates or timing sequences are shown on Exhibit V-2.

Pond Fines

Mining of coal fines has also taken place from Slurry Ponds 1 and 5. The fines were removed from the Slurry Pond 5 main cell and sold. Following the removal of fines from the pond, the main cell was recontoured and reclaimed. Both ponds have been abandoned as slurry ponds. Reclamation is discussed in R645-301-541.

No fines were recovered from Slurry Pond 4 prior to reclamation. The reclamation is discussed in R645-301-541.

Recovery of coal fines is ongoing from Slurry Pond 1. HCC intends to recover all of the coal fines from this pond prior to any reclamation. All fines will be stored in the pond, and will be shipped as they are sold. When they are sold, the fines will be removed from the Pond utilizing a front end loader and/or paddle scraper. The area within and adjacent to Slurry Pond 1 will be used for coal loading onto coal trucks, which will haul the coal to customers or unit train loadouts for shipping to customers. The road passing south of refuse pile No. 1 will be utilized as a haul road from the minesite to SR122.

Generally, the customer arranges the hauling of the coal, so the coal belongs to the customer at the time it is loaded into the trucks.

Some contracts call for the coal to be loaded onto trains at the Utah Railway Loadout adjacent to Hiawatha. HCC may use paddle scrapers to transport the coal to the loadout because of the short distance and impracticality of using trucks. In this case, the coal is sold when loaded onto the paddle scraper. HCC does not intend to store any coal belonging to the mine within the railroad loadout right-of-way.

Fuel storage tanks (exceeding 500 gallons) are located near the equipment maintenance shop (Exhibit V-9). One 10,000 gallon diesel and a 500 gallon unleaded gas tank are located inside a concrete storage structure designed for total containment of the tank contents. This site is covered in U.S. Fuel's SPCC plan which is on file in the engineering office.

528.340 UNDERGROUND DEVELOPMENT WASTE

Based on U.S. Fuel's past mining history there has been only minimal amounts of underground development waste produced. This waste has been associated with the development of portal entries or vent shafts and in each case the waste has been used in the construction of pads at the portal sites or used within the mine to fill low areas. U.S. Fuel is not proposing any new underground development which would result in disposing of significant amounts of underground development waste on the surface. Occasionally small amounts of rock may have been brought out of the mine in connection with clean up of roof falls along roadways near the portals. This rock was temporarily stored in the mine yards at approved locations shown on Exhibits V-5 and V-7 and ultimately disposed of in refuse piles near the preparation plant. This material is not toxic, hazardous or acid producing. The refuse piles were constructed by depositing refuse in two foot maximum lifts and compacting it to preclude sustained combustion.

528.400 DAMS, EMBANKMENTS AND OTHER IMPOUNDMENTS

Two abandoned slurry impoundments currently exist in the permit area. They are identified on Exhibit V-9 and are listed below with their

Slurry Pond No.1

Slurry Pond No.5

These ponds were utilized as evaporative ponds associated with the preparation plant. A slurry composed of water and coal fines (-28 mesh) was piped and ditched to the slurry ponds. After the water evaporated, the coal fines were recovered and the slurry pond abandoned.

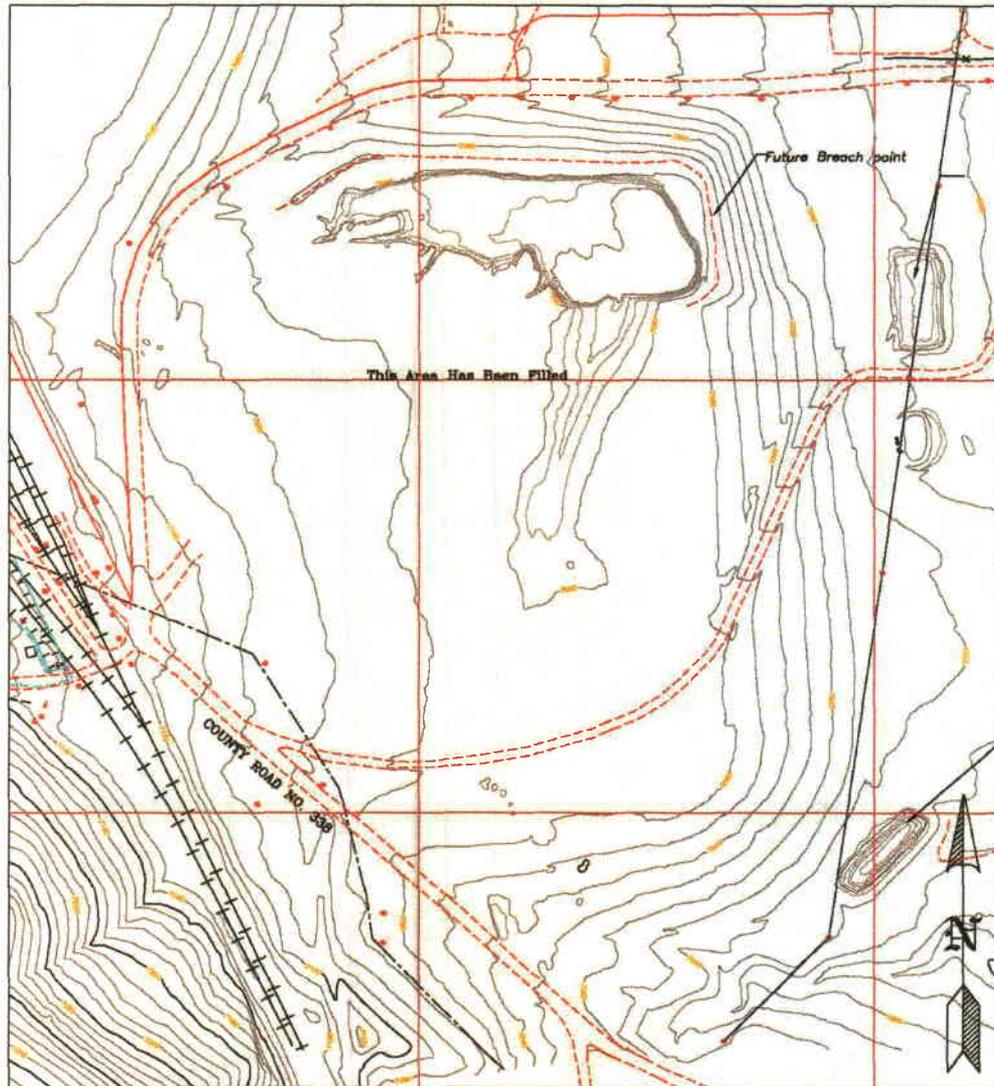
At the time the preparation plant was salvaged, the ponds were almost completely full of coal fines. The decision was made at that point to begin final reclamation of #4 Slurry Pond while marketing the coal fines in the main cell of #5 Slurry Pond. As a result, #4 Slurry Pond was regraded, topsoiled and reseeded. Concurrently, the main cell of Slurry Pond #5 was almost completely emptied of pond fines, regraded, topsoiled, and reseeded. Now, pond fines are being recovered from Slurry Pond #1. Unless a need arises for the disturbed acreage associated with Slurry Pond #1, it will be reclaimed after the recovery of the pond fines is completed.

Appendix V-16

Slurry Pond Abandonment Plan.

Following approval of the abandonment from MSHA the north bank of Slurry Pond 1, and the east bank of Slurry Pond 5a will be breached so that they no longer meet the requirements of a slurry pond. Slurry Pond 5a will continue to be used as a sediment pond until final reclamation. During this time some coal fine extraction may take place.

During the breaching of Slurry Pond 5a, the material being removed to breach the pond will be placed inside the pond, along the slope going up to the reclaimed main cell of Slurry Pond 5. The pond will be breached above Sediment Pond D006 and all runoff from the construction site will report to pond D006 and will be treated as shown on the following figure.



During the breaching of Slurry Pond 1 the material will be placed inside the pond, and on top of the banks on both sides of the breach point. After the pond has been breached coal fine extraction will continue in the pond. During coal fine extraction some, or all of the material along the north bank may be removed to reach coal fines underneath it. After coal fine extraction is complete the bank will be pushed in and used for reclamation. Prior to this a detailed plan will be submitted to DOGM for approval showing the cut and fill volumes and the final surface configuration. At all times during coal fine extraction and reclamation the runoff from the construction area will be treated by Sediment Pond D004. A figure of the pond is show below.

