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Hiawatha Coal Company

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

January 10, 2008

Incoming
C/007/0011
#2895

Re: Bond Release, Hiawatha Complex, C/007/011.

We are requesting a Phase I bond release on the work already complete at the Hiawatha Mine Complex.

Various structures located throughout the mine site have been reclaimed. We are requesting a 100% bond release on the demolitions cost.
Structural Demolition Cost \$119,263

Additionally a substantial amount of reclamation work has been done on the refuse areas located around the town of Hiawatha. As shown from the attached calculations the bond amount on the area reclaimed is \$1,306,944. We are requesting the full 60% allowed under phase one bond release on these areas.

The total direct cost this work is $\$119,263 \times (0.6) \$1,306,944 = \$903,429$. The total indirect cost and the escalation to 2009 dollars is \$316,607

The total Bond Release that we are requesting in 2009 dollars rounded to the nears \$1,000 is \$1,220,000

The bond release calculations are included in the attached amendment and will be included in Appendix 8-4 of the Hiawatha MRP.

If you have any questions, please call me at (435) 687-5238.

Thank You,



Mark Reynolds,
Environmental Coordinator

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File in: C/007/0011, 2008, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date 01/10/2008 For additional information

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: Bond Release

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

Phase 1 Bond Release

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)

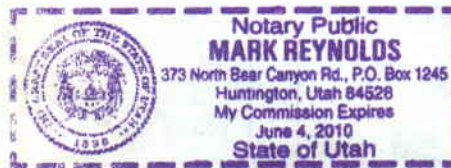
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Elliot Finley
Print Name

E. Finley, Pres., 12-19-07
Sign Name, Position, Date

Subscribed and sworn to before me this 19 day of December, 2007

Mark Reynolds
Notary Public
My commission Expires: Utah 6-11-2010 } ss:
Attest: State of _____ }
County of Emery



For Office Use Only:

Assigned Tracking Number:

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APPLICATION FOR COAL PERMIT PROCESSING

Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: HIAWATHA COAL CO.
Mine: HIAWATHA COMPLEX **Permit Number:** ACT/007/011
Title: Bond Release

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED

<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Added Appendix VIII-5
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter VIII Table of Contents
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 2-37
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.

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