

0034

OK C/007/011 Incoming #3035

HIAWATHA COAL COMPANY

**P.O. Box 1240
Huntington, UT 84528**

**(435) 687-5777
FAX (435) 687-5724**

James D. Smith
Utah Division of Oil, Gas & Mining
1954 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

August 13, 2008


Re: **Return of Phase I Bond Release, Task ID # 3015, Hiawatha Coal Company,
Hiawatha Mine, C/007/0011**

Dear Mr. Smith:

Hiawatha Coal Company is returning our Bond Release Package back to the Division. As per our phone conversation on 8/13/08, Hiawatha Coal Company will resubmit the Appendix VIII-4 as a separate revision to our MRP.

If you have any further questions concerning the latest submittal, please feel free to contact me at (435) 687-5777.

Sincerely,



Cliff Baker
Environmental Coordinator

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AUG 19 2008

DIV. OF OIL, GAS & MINING

File in: C/007/0011, 2008, Incoming
Refer to:
 Confidential
 Shelf
 Expandable
Date 8/13/08 For additional information
CD-2



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

August 5, 2008

Shawn Baker, Resident Agent
Hiawatha Coal Company
P.O. Box 1240
Huntington, Utah 84528

Subject: Return of Phase I Bond Release, Task ID # 3015, Hiawatha Coal Company, Hiawatha Mine, C/007/0011

Dear Mr. Baker:

The Division received your application for Phase I Bond release on July 21, 2008. We are returning it because the reclamation cost estimate that you based the bond release on has not been incorporated into the Mining and Reclamation Plan. Part of the settlement arrangement for the Cessation Order (Citation 10026) was that the reclamation cost estimate be revised. The reclamation cost estimate was revised but you have not submitted it for incorporation into the MRP. Therefore, the Division cannot proceed because the reclamation cost estimate that you submitted does not match the information in the MRP.

Once the revised reclamation cost estimate has been incorporated into the mining and reclamation plan then the Division can process the Phase I Bond release application. Copies that were submitted to our office are being returned. We look forward to receiving your revised plans.

If you have any questions, please call me at (801) 538-5262.

Sincerely,

James D. Smith
Permit Supervisor

an
Enclosure
cc: Price Field Office
O:\007013.HOR\FINAL\RETURN3015.DOC

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DIV. OF OIL, GAS & MINING



C/007/011 Incoming
#3015

Hiawatha Coal Company

P.O. Box 1240
Huntington, UT 84528

(435) 637-1778
FAX (435) 637-1378

James D. Smith
Utah Division of Oil, Gas & mining
1954 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

July 9, 2008

Re: Deficiencies for Phase I Bond Release, Task ID #2895, Hiawatha Coal Company, Hiawatha Mine, C/007/011, Outgoing File.

Dear Mr. Smith:

This letter is in response to your list of deficiencies dated March 14, 2008. Please find the attached list of responses regarding each deficiency. Also included in this response is 1 hard copy and 4 digital copies of all proposed changes.

If you have any questions, please call me at (435)636-5777 (X-2501).

Sincerely,



Cliff Baker
Environmental Coordinator

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JUL 21 2008
DIV. OF OIL, GAS & MINING

Deficiency Response List
Task ID #2895
Phase I Bond Release

R645-301-121.200,

- D. The permittee must state in the bond release application which if any of the roads were reclaimed.**
- R. The Substitute Topsoil Haul Roads traversing across slurry pond 5 main cell down to Borrow areas "A". This road was used to haul material to slurry pond 5 main cell.

R645-301-880.120,

- D. The permittee must include proof of publication for the newspaper advertisement.**
- R. Please find a copy of Proof of Publication attached to this letter.

R645-301-880.210,

- D. The permittee must provide the division with as-built drawing of the reclaimed areas, the permittee must also show if present reclamation facilities, surface and subsurface manmade features. The permittee must certify the maps and cross sections according to the requirements of R645-301-512.**
- R. Please find exhibits concerning the areas in question attached to this response letter.

R645-301-121.100,

- D. Please provide a current map to reference the location of the reclaimed areas and remaining acres identified on page 2-37 and indicate grading and seeding dates for each Phase I reclaimed site.**
- R. Please find a copy of the updated Exhibit II-4A attached to this response for locations of reclaimed acres and remaining acres. Please refer to Table V-7 attached to this response.

R645-301-121.200,

- D. Please check the column and row totals on P. 2-37 for accuracy. In addition, the numbers in the preparation plant row don't add up.**
- R. P. 2-37 has been modified to more clearly reflect all the reclaimed areas being applied for under phase I at this time. It will now correspond with the Reclamation areas defined in Table II-13 (Reclamation Area Topsoil Volumes) to eliminate any further confusion.

R645-301-121.200,

- D. There are a total of 222.87 acres in the lower Hiawatha area (Sec. 241, p 37), In the vicinity of preparation plant there are 218 acres that will be reclaimed to wildlife and range habitat (Sec.333, p 36). Chap II, page 2-37 itemizes 126.17 total acres to be reclaimed in the lower Hiawatha area. Table III-3 lists approximately 112 acres within the lower Hiawatha area that will not be reclaimed as follows: roads 30.3 acres; railroad yard 15.2 acres; town 66.3 acres. Please indicate in the bond release application whether or not these statements are still accurate.**
- R. Please find P. 3-36 that is referenced will reflect the current situation and all changes are attached to this response. Please be aware that P.3-36 includes areas for South Fork, Middle Fork and potential Borrow Areas and is not limited to just the Prep-Plant area.

R645-301-731,

- D. The permittee needs to submit a map identifying the reclaimed areas and disturbed areas described under this application.**
- R. Please find all exhibits concerning the areas in question attached to this response letter.

R645-301-880-110,

- D. The Appendix should be adjusted to reflect the completion of Slurry Pond 5 and the separate reclamation of Slurry Pond 5A.**
- R. Please find the changes to the appendix attached to this response.

R645-301-880-110,

- D. The bond release application should confirm type of roughening employed at the slurry ponds and borrow areas and detail type of mulch, rate of application and method application on each site.**
- R. Please refer to R645-301-240, p. 2-35; R645-301-340, p. 3-43; R645-301-540, p.5-47 which outline our reclamation plan for all areas in this application.

Hiawatha Coal Company

P.O. Box 1240
Huntington, UT 84528

(435) 687-5777
FAX (435) 687-5724

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

July 15, 2008

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 = \$122,196.

Additionally a substantial amount of reclamation work has been done on the refuse and non-refuse areas located around the town of Hiawatha. As shown from the attached calculations, the bond amount on the area reclaimed is \$1,060,000. We are requesting the full 60% allowed under phase one bond release on these areas.

The total direct cost this work is $\$122,196 + (0.6) \$687,592 = \$534,751$. The total indirect cost and the escalation to 2009 dollars is \$249,881.

The total Bond Release that we are requesting in 2009 dollars rounded to the nearest \$1,000 is \$785,000

The bond release calculations are included in the attached amendment and will be included in Appendix 8-5 of the Hiawatha MRP.

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

Thank You,



Cliff Baker,
Environmental Coordinator

Requirements for Bond Release

I. Administrative Requirements

- A. A notarized signature of a responsible official is attached.
- B. A copy of the notification letter mailed out to all parties that have a valid interest in the release is attached.
- C. A copy of the Affidavit of Publication of Public Notice is attached.
- D. There are no outstanding permit conditions that have not been satisfied.

II. Technical Requirements

A. Bond Release Request

- 1. A legal description of the permit area can be found in Appendix 1-1 of the approved MRP.
- 2. All Maps in the approved MRP associated with the areas within this request are attached. Specifically, Exhibit II-4A
- 3. Not Applicable
- 4. Please refer to R645-301-240, p. 2-35; R645-301-340, p. 3-43; R645-301-412, p.4-11; R645-301-540, p.5-47 which outline our reclamation plan for all areas in this application.
- 5. Please refer to R645-301-116, p. 1-8; R645-301-240, p. 2-35; R645-301-340, p. 3-43; R645-301-412, p.4-11; R645-301-540, p.5-47 which outline our mining and reclamation activities for all areas in this application.
- 6. Please refer to Table V-7, p.5-61
- 7. Sediment Pond 6 is treating run-off from the area and will remain in place until Slurry Pond 5A is reclaimed. Sediment Pond 7 is treating run-off from the area and will be removed after Phase III Bond Release. The Hydrologic structures within Borrow Area "A" will remain in place until Slurry Pond 5A is reclaimed.
- 8. Please refer to Appendix VIII-4 attached to this application.
- 9. Please refer to Appendix VIII-5 attached to this application.

B. Phase I Bond Release

This information is all currently included in the approved MRP or attached to this application.

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)

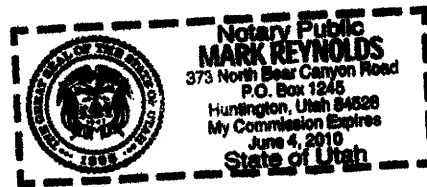
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

N Finley
Print Name

N Finley 7-15-08
Sign Name, Position, Date

Subscribed and sworn to before me this 15 day of July, 2008

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



For Office Use Only: 	Assigned Tracking Number: 	Received by Oil, Gas & Mining <div style="text-align: center; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; font-weight: bold;">JUL 21 2008</div> <div style="text-align: center; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; font-weight: bold;">AUG 19 2008</div>
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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 type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Pages 2-5, 2-10, 2-22, 2-32, 2-33, 2-36, 2-37, 2-38, 2-39, 2-40, 2-42, 2-45, 3-36, 5-112, 5-113, 7-X, 8-I, 8-II, 8-III, 8-1, 8-2, 8-3, 8-5 updated information
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Chapter VIII Table of Contents
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Exhibit 7-10
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix's VIII-4 and VIII-5
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Tables VIII-1, VIII-2, VIII-3, VIII-4, VIII-5, VIII-6, VIII-7, VIII-8, VIII-9, VIII-10, and VIII-11
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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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