



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:

OGM Pete Hess Environmental Scientist III

Inspection Report

Permit Number:	C0070011
Inspection Type:	PARTIAL
Inspection Date:	Thursday, August 07, 2008
Start Date/Time:	8/7/2008 10:30:00 AM
End Date/Time:	8/7/2008 11:45:00 AM
Last Inspection:	Friday, July 11, 2008

Inspector: Pete Hess, Environmental Scientist III

Weather: Cloudy; thunderstorms forecast; heavy rain.

InspectionID Report Number: 1726

Accepted by: jhelfric

8/18/2008

Permittee: **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	Total Permitted
290.00	Total Disturbed
	Phase I
	Phase II
	Phase III

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 Permittee notified the Division on June 26, 2008 that the first quarter of 2008 surface and ground water monitoring information for the Hiawatha Mine Complex permit area was in the DOGM electronic data base pipeline ready for uploading. The Permittee continues to meet this Special Condition included as Attachment "A" of the current State permit. As of today's inspection, the information had yet to be uploaded into the permanent data base by Division personnel.

Mr. Shawn Baker represented the Permittee during today's inspection.

Inspector's Signature:

Pete Hess

Date

Thursday, August 07, 2008

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input 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 Permittee has recently submitted revised Chapter 1 information for the Bear Canyon operation, which includes a new mailing address for both the Hiawatha property and the Bear Canyon Mines (P.O. Box 1240, Huntington, Utah 84528).

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Permittee has mentioned to the DOGM the possibility of using the remaining depression in slurry cell #5 as a storm water retention area for the town of Hiawatha. The depression area in pond #5 is at an elevation which is above the elevation of the surrounding landscape, thus water would be impounded at a height above the surrounding landscape. The life of the proposed storm water retention pond would be extensive, and the liability of impounding water above the surrounding landscape could be high. It is this individual's opinion that the remaining depression associated with pond #5 should be backfilled and reclaimed with 2H:1V out-slopes with proper roughening, topsoiling and seeding. A post mining land use change as a storm water pond should not be considered as a viable use due to liability, and the approval process which would have to be reviewed and obtained from MSHA. The Permittee continues to recover fines from slurry pond #1.

4.d Hydrologic Balance: Water Monitoring

A review of the first quarter 2008 water monitoring information showed that only two of the permitted outfalls (UPDES 001 (Mohrland mine water)) and 002 (Mine quantity to Miller Creek in Hiawatha town) had reportable flows. All other outfalls are tied to sediment ponds, where no discharges were reported. The official Division review of this submitted information remains pending.

4.e Hydrologic Balance: Effluent Limitations

The Mohrland mine water discharge, UPDES outfall 001, was observed this day. The flow was clear. No water sample was taken.

18. Support Facilities, Utility Installations

The reclamation of the old tipple electrical substation is nearly complete; only one transformed remains at this site.

21. Bonding and Insurance

Mr. Mark Reynolds indicated on August 5, 2008 that the Permittee was working to convert the bond amount covered by the J.P. Morgan Chase letter of credit to a coverage amount within an escrow account.