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Citation for Non-Compliance

Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114

Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 10023

Permit Number: C0070011

Date Issued: 06/17/2008

NOTICE OF VIOLATION

CESSATION ORDER (CO)

FAILURE TO ABATE CO

Permittee Name: Hiawatha Coal Company, Inc.

Inspector Number and ID: 46 PHESS

Mine Name: Hiawatha Mine Complex

Date and Time of Inspection: 06/16/2008 11:00 am

Certified Return Receipt Number:

Date and Time of Service: 06/17/2008 9:00 am

Nature of condition, practice, or violation:

Failure to properly control / handle non-coal mine waste (out-of-service electrical transformer and associated cooling oil).

Provisions of Act, regulations, or permit violated:

R645-301-528.331 Control of Non-coal Mine Waste

This order requires Cessation of ALL mining activities. (Check box if appropriate.)

Condition, practice, or violation is creating an imminent danger to health or safety of the public.

Permittee is/has been conducting mining activities without a Permit.

Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.

Permittee has failed to abate Violation(s) included in Notice of Violation or Cessation Order within time for abatement originally fixed or subsequently extended.

This order requires Cessation of PORTION(S) of mining activities.

Mining activities to be ceased immediately: Yes No

Abatement Times (if applicable).

Action(s) required: Yes No

Remove and dispose of all oil contaminated soils associated with the electrical cooling oil spill at the Hiawatha / King Coal tippie electrical substation. Disposal must be done in a State certified land fill.

Mr. Shawn Baker

(Print) Permittee Representative

Scanned & e-mailed to Permittee on 6/17/2008

Permittee Representative's Signature - Date

PETE HESS

(Print) DOGM Representative

Pete Hess

DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOGGM) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGGM.

1. PENALTIES.

Proposed assessment. DOGGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGGM to consider regarding the cessation order and proposed fine, please submit that to DOGGM within *15 days of the date this notice or order is served on you or your agent*. Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. INFORMAL PUBLIC HEARING.

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for “*temporary relief*” from this notice. Procedures for obtaining a formal board hearing are contained in the Board’s Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.