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Outgoing
C/007/0011
#3035
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From: Dana Dean
To: efinley@efinley.com; Mark Reynolds
CC: Daron Haddock; Jim Smith; John Baza; Steve Alder
Date: 12/29/2008 12:35 PM
Subject: Hiawatha Bond Release
Attachments: 20081229120755.pdf

Elliot:

I apologize for not knowing all of the details of this bond release off hand. The assigned review team has just finished their review, and three deficiencies remain. All of them were included in an earlier review, but have not been responded to.

Because we have yet to receive any findings from the Office of Surface Mining regarding this bond release, it cannot go forward at this time in any case.

You may not use this existing surety as any part of the Bear Canyon Mine bond, or any other use until all steps of the Phase I bond release are complete.

Please let me know if you have any questions.

Thank you,



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

December 29, 2008

Elliot Finley, Resident Agent
Hiawatha Coal Company
P.O. Box 1240
Huntington, Utah 84528

Subject: Phase I Bond Release, Task ID # 3035, Hiawatha Coal Company, Hiawatha Mine Complex, C/007/0011

Dear Mr. Finley:

The Division received your application for Phase I Bond release on August 19, 2008. There are three deficiencies which must be addressed prior to receiving a recommendation for approval:

R645-301-880.110, Appendix V-15 should be adjusted to reflect the completion of Slurry pond 5 and the separate reclamation of slurry pond 5A.

R645-301-121.200 and R645-301-880.110, HCCI committed to sampling and analysis of replaced topsoil (pg. 2-10). Division records dated March 17, 1997 indicate that soil analysis from topsoil on Slurry pond #5 were received. The analyses resulted in a fertilizer recommendation. The bond release application should confirm methods of fertilization of the reclaimed sites (slurry, refuse, and borrow areas).
● The application should provide information on further testing, if any, done since 1997, on the east half of slurry pond five. ● The MRP describes separate handling of the surface horizons from borrow area A for replacement onto the borrow areas after reclamation. However, a Division field report dated December 3, 1996 indicates that this procedure may have been abandoned. The bond release application should verify whether the lowest excavated horizon at borrow area A was ripped and seeded or whether the lowest horizon excavated was covered with stockpiled surface soil and then seeded. ● The bond release application should also settle questions of depth and volume cut from Borrow Area A as recorded in Table II-12 and on p. 2-10.



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Elliot Finley, Resident Agent
December 29, 2008

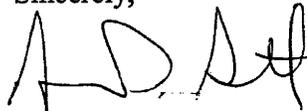
R645-301-880.110, The bond release application should confirm type of roughening employed at slurry ponds and the borrow areas and detail type of mulch, rate of application and method of application on each site.

Also, the Division must receive concurrence from OSM that the requirements for Phase I have been met.

Please respond to these deficiencies by January 22, 2009 so that the DOGM may continue processing this Phase I Bond Release application.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'J.D. Smith', written over a horizontal line.

James D. Smith
Permit Supervisor

PH/ss
Enclosure
cc: Price Field Office
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