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4/007/011 Incoming
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Hiawatha Coal Company

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Jim Smith November 12, 2008
Utah Division of Oil, Gas & Mining
1954 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

January 19, 2009

Re: Hiawatha Mine, Temporary Structure

Dear Mr. Smith,

Enclosed are 8 hard clean copies for the Hiawatha Mine, temporary structure amendment.

Thanks,



Cliff Baker
Environmental Coordinator

File in: 0070011 2009 Incoming
 Refer to:
 Confidential
 Shelf
 Expandable
 Date: 1/19/2009 For additional information

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DIV. OF OIL, GAS & MINING

After construction of the King 6 overland conveyor, truck loadout and sediment pond, U.S. Fuel performed an interim revegetation program at this site. The revegetation activity was performed to establish a permanent and effective vegetation to reduce erosion and stabilize slopes. The program was carried out during October of 1982. Details of this interim revegetation is discussed in Chapter 3. No further disturbance is projected for the South Fork area during the term of this permit.

HIAWATHA PROCESSING PLANT AND WASTE DISPOSAL SITES

The town of Hiawatha was excluded from the permit area in OSM's Permit issued March 16, 1987. Therefore, the permit area only includes mine related boundaries.

The processing plant at Hiawatha was located north and east of the town on fee land. The processing plant was dismantled in 1992. In addition, many of the facilities associated with the plant were also reclaimed.

Many of the facilities in the processing plant area were removed contemporaneously with the ongoing activities. The carpenter shop, the resin plant and Tipple II were dismantled. The truck dump and tipples stockpiling conveyors were salvaged. Slurry Pond #4 was re-graded, top soiled and reseeded. The preparation plant was dismantled and the site re-graded, top soiled and reseeded. The main cell of Slurry Pond #5 (not including cell 5A) is currently being re-graded and top-soiled.

The preparation plant was built in 1938. It had a capacity to wash size and dry 400 tons of coal per hour. Initially, it produced seven different washed coal products. In addition, the slurry discharge from the plant was channeled through a resin recovery process where resin was extracted by cyclone separation technology. After the resin extraction, the slurry was discharged into the slurry ponds where it was allowed to dry and eventually sold. Waste rock or refuse derived from the coal washing process was stored in designated refuse piles and was also used to construct embankments for the slurry ponds. In earlier years, refuse material amounted to as much as 20 to 30 percent of the mine run coal. Later, the percentage of refuse generated was reduced considerably due to better controls on mining underground. Also, and for the same reason, more unwashed coal was marketed directly. Table V-5 gives a list of the processing plant major capital equipment and facilities.

HCC will continue to use the remaining surface facilities as needed. Slurry Ponds 1 and 5-A will continue to be used for runoff control. The upper rail storage yard will continue to be used for supply storage until no longer needed. Shops, bathhouse and warehouse facilities will continue to be used. Additional facilities, such as coal processing plants and storage site, will be required in the area. Prior to the modification of existing facilities or construction of new facilities, approval will be obtained from the Division.

Presently there is a temporary structure located by slurry pond 1. This structure was trucked in, on or about May of 2008. It is a re-furbished mobile home, of wooden construction. The trailer is on axles and still has the hitch attached. It is being used as an office by the contractor hired to clean out the coal fines from slurry pond 1. On completion of the job, the contractor will demobilize the trailer with the rest of their equipment. The bond calculations will not need to be adjusted, as this is a temporary structure. See map V-9 for the approximate location of the structure.