

0002



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

January 6, 2009

Outgoing

C007 0011

OK

James Fulton, Chief
Office of Surface Mining
P.O. Box 46667
Denver, CO 80201-6667

Subject: Phase I Bond Release Application, Hiawatha Coal Company, Hiawatha Mine Complex, C/007/0011, Task ID #3104, Outgoing File

Dear Mr. Fulton:

Hiawatha Coal Company submitted an application for Phase I bond release on January 11, 2008, which was returned deficient. They reapplied on July 21, 2008 and the application was again returned deficient. An application for Phase I bond release was again made on August 19, 2008 and this was determined to be complete on September 8, 2008. The application requested release on 95.9 acres of land, all of which is fee/private property (There is no federal property involved in the bond release). Hiawatha Coal Company has posted bonds in the amount of \$3,005,000 for reclamation of this site. They have requested release in the amount of \$785,000, but the Division has determined that the maximum amount that can be released at this time is \$564,536. The Division conducted a Phase I bond release inspection of the above referenced mine site on the 8th of October, 2008. The areas reviewed included Refuse pile 2, Slurry ponds 4 & 5 and other lands located near the town of Hiawatha. An invitation letter to the bond release inspection was sent to parties of interest on September 15, 2008. One attendee from the U.S. Bureau of Land Management (BLM) accompanied three Division personnel and the designated representative (Mark Reynolds) from the Mine. A copy of our inspection report and other pertinent documentation (including the public notice) is enclosed for your information and records.

The Division of Oil, Gas and Mining finds that Hiawatha Coal Company has completed Phase I reclamation of the 95.9 acres of the mine site as required. We intend on releasing bond in the amount of \$564,536 to Hiawatha Coal Company. The Division seeks your concurrence with the Phase I bond release. Please provide a letter of concurrence by January 20, 2009. If you have any questions or need further information, please feel free to call me at (801) 538-5325 or Jim Smith at (801) 538-5262.

Sincerely,

Daron R. Haddock
Permit Supervisor

DRH/sqs
Enclosures
cc: Jim Smith
O:\007011.HIA\FINAL\WG3104\BondReleaseOSMltr.doc

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



TRANSACTION REPORT

P. 01

JAN-06-2009 TUE 05:28 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JAN-06	05:22 PM	13032935009	6'30"	23	SEND	OK	204	
TOTAL :						6M 30S	PAGES:	23

Outgoing
C0070011
OK



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

UTAH DIVISION OF OIL, GAS AND MINING FACSIMILE COVER SHEET

DATE: January 6, 2009

FAX#: (303) 293-5009

ATTN: Howard Strand

COMPANY: OSM

NUMBER OF PAGES (INCLUDING THIS ONE): 23

FROM: Daron Haddock

If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340. We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.

Call



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

Table with 2 columns: Agency, Name. Title: Representatives Present During the Inspection.

Inspection Report

Table with 2 columns: Field, Value. Fields include Permit Number, Inspection Type, Inspection Date, Start Date/Time, End Date/Time, Last Inspection.

Inspector: Wayne Western, Environmental Scientist III

Weather: Temperature in the 60-70 sunshine

InspectionID Report Number: 1793

Accepted by: jhelfric
11/10/2008

Permittee: HIAWATHA COAL CO INC
Operator: HIAWATHA COAL CO INC
Site: HIAWATHA MINE COMPLEX
Address: PO BOX 1240, HUNTINGTON UT 84528
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: ACTIVE

Current Acreages

Table with 2 columns: Value, Category. Categories: Total Permitted, Total Disturbed, Phase I, Phase II, Phase III.

Mineral Ownership

- Checkboxes for Federal, State, County, Fee, Other.

Types of Operations

- Checkboxes for Underground, Surface, Loadout, Processing, Reprocessing.

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of the inspection was to determine if parts of refuse pile 2, slurry pond 4, slurry pond 5 and the North Fork pad area were eligible for Phase I bond release. The depth of topsoil cover over the slurry ponds was evaluated in April 2008 and was summarized in inspection report #1621. Priscilla Burton did not attend the official bond release inspection, but did walk the site the previous day. Her comments are included in this report.

Inspector's Signature [Signature] Date Thursday, October 09, 2008
Wayne Western, Environmental Scientist III
Inspector ID Number: 42

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input 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"/>

2. Signs and Markers

The Division recommended that the Permittee place signs and markers to show which areas had been granted Phase I bond release.

3. Topsoil

As part of Phase I bond release the Division examined the topsoil that had been placed on the areas associated with the Phase I bond release. The Division determined that adequate topsoil had been placed on those areas, see inspection report #1621, dated April 24, 2008.

4.a Hydrologic Balance: Diversions

The diversions associated with the Phase I bond release were in proper working order.

4.c Hydrologic Balance: Other Sediment Control Measures

At the North Fork portal area there were some silt fences. The Division and the Permittee agreed that the silt fences were no longer needed for sediment control and should be removed. The Permittee committed to remove the silt fence in October of 2008 and send the Division photographs to show that the silt fences had been removed.

7. Coal Mine Waste, Refuse Piles, Impoundments

The Division evaluated refuse pile 2 and slurry pond 4 and slurry pond 5 as part of the Phase I bond release. The Division found that those area had benn properly backfilled. All slopes were stable, although signs of sheet flow and rills were evident at the base of the slopes of Slurry Ponds 4 and 5.

12. Backfilling And Grading

The Division evaluated the backfilling and grading on refuse pile 2, slurry pond 4 and slurry pond 5 and at the North Fork portal area. The areas had been properly backfilled and graded. The areas were stable, except for the ditch on the north side of slurry pond 4 which continues to downcut, despite repair work this past summer.

16.a Roads: Construction, Maintenance, Surfacing

During the inspection the Division and the Permittee drove to the North Fork Portals. The group discussed whether or not the North Fork Road needed to be reclaimed. Shawn Baker stated that in the reclamation section of the MRP that the reclamation plan was to rip and seed the road. After the inspection, Wayne Western found on page 5-70 and page 5-71 of the MRP, that the road is scheduled to remain and that the Permittee will install culverts at the stream crossings and maintain the road. Also on page 5-95 of the MRP there is information that the road will be left in place.

I noted that HCCI has a do not enter sign and has blocked public access with a gate across the County road at the entrance to the former preparation plant. This sign and gate are inconsistent with the statement on page 2-45 of the bond release application, that the County maintains ownership of the South Fork road (see 8/13/08 bond release application, pg. 2-45).

21. Bonding and Insurance

The Division evaluated the area to determine if partial bond release could be granted.

From: OGMCOAL
To: rholbrook@osmre.gov
CC: Carl Johnston; Daron Haddock; Jim Smith
Date: 8/5/2008 10:41 AM
Subject: Mine Plan Modification Determination

The Division received an application for permit change. We are asking for your determination as to whether or not this action constitutes a Mining Plan Modification. Please provide your determination by September 5, 2008 through ogmcoal@utah.gov.

When responding, please reference Task ID #3015 in the regarding line.

Phase I Bond Release, Task ID #3015, Hiawatha Mine, C/007/0011

Location: <https://fs.ogm.utah.gov/GROUPS/OSM/REGULATORY/Tasks/3015/>

You will need your user name and password to access this information.

Hiawatha Coal Company

P.O. Box 1202
Huntington, UT 84528

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

David O. Kingston
ANR Company Inc.
1657 W Indiana Ave.
Salt Lake City, Utah 84104

December 18, 2007

Re: Notification of Application for Phase I Bond Release for Slurry Pond 4, Slurry Pond 5, Refuse Pile 2, and other small areas, Hiawatha Complex, C/007/011.

Dear Mr. Kingston:

Hiawatha Coal Company, P.O. Box 1202, Huntington, UT 84528, has completed Phase I of the approved reclamation plan for approximately 95.9 acres of land related to Refuse Pile 2, and Slurry Ponds 4 & 5 located around the town of Hiawatha. Additionally the demolition of several mining related structures located throughout the mining site has been completed. The Phase I portion of the bond release application is based on completing the demolition, backfilling, grading, and drainage control requirements in accordance with the approved reclamation plan. The reclamation work applicable to this bond release application was completed in the fall of 2000.

In accordance with the requirements of R645-301-880, of the State of Utah R645-Coal Mining Rules, notice is hereby given to the general public and all affected land owners that Hiawatha Coal Company is applying for partial release of the performance bond posted for this operation.

The current bond amount for this site is \$4,800,000. Hiawatha Coal company is seeking Phase I release of \$1,220,000 for reclamation activities completed in and around the town of Hiawatha.

The Slurry Ponds, Refuse Pile, and demolished structures are located on the Hiawatha and Poison Spring Bench, Utah, U.S. Geological Survey 7.5 minute quadrangle maps. This reclamation land is located in and around the town of Hiawatha on the following described lands:


Township 15 South, Range 8 East, SLB&M, Utah

Section 19: Portions of the	NE1/4 NW1/4
Section 20: Portions of the	NW1/4 SW1/4
Section 26: Portions of the	SW1/4 SW1/4
Section 27: Portions of the	SE1/4 SW1/4
Section 29: Portions of the	NW1/2
Section 32: Portions of the	E1/2 NW1/4
	S1/2 NE1/4
Section 34: Portions of the	NE1/4 NE1/4
Section 35: Portions of the	W1/2 NW1/4

Comments concerning bond release from the legal or equitable owner of record of the surface areas to be affected and from the Federal, Utah, and local government agencies or any interested parties should be mailed to Hiawatha Coal Company, Attention Mark Reynolds, P.O. Box 1202 Huntington, Utah 84528.

If you have any questions, please call me at (435) 687-5238.

Thank You,

A handwritten signature in black ink, appearing to read 'Mark Reynolds', with a stylized flourish extending to the right.

Mark Reynolds,
Environmental Coordinator

Mailed to :

Mr. Dave Levanger
Carbon County Planning and Zoning

Carbon County Commissioners

Mr. Phil Palmer
Price River Water Improvements District

Mr Patrick Gubbins
Bureau of Land Management

Mr. David Kingston
ANR Company