



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

Outgoing
C0070011
#3352
OK

October 21, 2009

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

Subject: Midterm Permit Review, Hiawatha Coal Company, Hiawatha Mine, C007/0011,
Task #3352

Dear Mr. Finley:

The Division reviewed the Hiawatha Mining and Reclamation Plan (MRP) as part of the midterm review.

The Division has determined that there are some deficiencies that must be addressed as part of the midterm review in order for the MRP to comply with the R645 Coal Mining Rules. Those deficiencies are listed as an attachment to this letter. Please respond to these deficiencies by no later than December 19, 2009.

Each deficiency identifies its author by that author's initials in parentheses, such that your staff can directly communicate with that individual should any questions arise relative to the preparation of Hiawatha Mine's response to that particular deficiency. If you have any questions please call me at (801) 538-5325 or April Abate at (801) 538-5214.

Sincerely,

James D. Smith
Permit Supervisor

JS/AAA/sqs

Attachment

O:\007011.HIA\FINAL\WG3352\HIAWATHA MIDTERM DEF AAA_LTR.DOC



Deficiency List
Task No. 3352
Task Name: Midterm Review

The members of the review team include the following individuals:

April A. Abate (AAA)
Joe C. Helfrich (JCH)
Peter H. Hess (PHH)
Priscilla W. Burton (PB)

An AVS check was run on September 15, 2009 and there are two outstanding Abandoned Mine Lands (AML) violations are listed against Hiawatha Coal Co. Inc. (entity 144578). One was written to HCC for permit #007/011 and a second was written for permit #015/025. A narrative for this evaluation has been sent to the internal file. (PWB)

[R645-301-112.300]: The MRP should list a current address and telephone number for the Hiawatha Coal Co. Inc. and Resident Agent, Elliot Finley. • The MRP must include federal identification numbers for each business entity listed: ANR Company Inc. and Hiawatha Coal Company, Inc. (HCC) and the last four digits of each officer in ANR Company, Inc. and in HCC. • The application must include a telephone number for ANR Company, Inc. • Current MRP information indicates J.O.Kingston became President and L.A. Miller became Vice President of ANR Company, Inc. on June 30, 1997. However Appendix I-1 contains a document signed by D.O. Kingston as President of the ANR Co. Inc on December 15, 1997. Please verify the start and end dates for D.O. Kingston, President ANR Co., Inc. and the start dates of J.O. Kinston and L.A. Miller. •The application must include notarized, Secretary signature for all changes in corporate officers and their begin and end dates.

[R645-301-114.100]: Section 114.100 of the MRP indicates that the Right of Entry sublease from ANR Co expired on July 25, 2007. Please identify the new Right of Entry by type of document and date of execution and identify the specific lands to which it pertains.

[R645-301-121.100, R645-301-112.500 and R645-301-112.600]: Adjacent ownership information referenced on Surface Ownership Map (Ex. IV-1) and Subsurface ownership Map (Ex. IV-2) must be brought up to date and maps must include the Township and Range boundaries.

[R645-301.331]: Chapter 3, Paragraph 1 of the interim reclamation plan on page 3-23 of the MRP states that "An effort is made to consolidate all disturbed area operations at protected locations and to reclaim and revegetate those areas no longer needed for present operations" The permittee needs to provide the Division with a written report documenting the current status of this commitment. (JCH)

[R645.301.528.330] and [R645.301.528.332 & 334]: The definition of noncoal waste includes abandoned mining machinery. Exhibits V-5, V-6 and V-7 need to be updated to show the current waste storage conditions. Non-coal waste areas should either be redesignated on the maps, or the waste should be relocated to designated noncoal waste storage areas in accordance with R645.301.521.124. Drums contained within the waste oil and grease storage adjacent to the truck maintenance shed appeared to be degraded (i.e. dented, rusted, no lids). These drums should be evaluated for oil and/or hazardous substances and disposed of in a proper manner in accordance with R645.301.528.332 & 334. (AAA)

[R645.301-742.200]: The reclaimed ventilation portal area no longer requires the silt fencing to support sediment control in that area. The silt fences are recommended for removal. (AAA)

[R645.301-742.113]: Additional maintenance is needed in the areas of Slurry Pond #4 on its northeast side where active down cutting has been evident. Ongoing erosion problems were noted where the addition of riprap extending further to the west where the problems begin is needed. Smaller diameter riprap boulders than the ones currently emplaced may be more effective in mitigating the erosion problem.

Deep rilling was noted in an area situated between the Utah Rail right-of-way and the northwest corner of Slurry Pond #4 draining above the culvert into a catch basin above Miller Creek. Additional work appears to be needed to include building up and extending the berm along the catch basin in this area. (AAA)

[R645-301-860]: Information provided on page 8-77, FORMS OF BOND contains some incorrect information (i.e., the amount of \$ 167,000 an escrow agreement for HCC, and not a U.S. Treasury note). Additionally, the total amount for the bond is outdated and requires correction. (PHH)