

C/007/011 Incoming

#3596

Q

Hiawatha Coal Company

P.O. Box 1240  
Huntington, UT 84528

(435) 637-1778  
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James D. Smith  
Utah Division of Oil, Gas & Mining  
1954 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

July 8, 2010

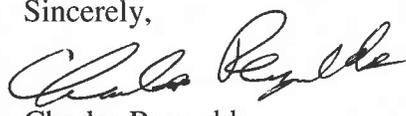
Re: 2nd Response to Deficiencies for Midterm Review, Hiawatha Mine,  
C/007/0011, Task ID #3459

Dear Mr. Smith:

This letter is in response to your deficiency letter dated January 25, 2010. A summary describing the response to each deficiency is attached. Please find two (2) hard copies and one (1) digital copy of this response included in this submittal. In addition Hiawatha Coal Company has sent one (1) hard copy and one (1) digital copy of this response to the Price Office.

If you have any questions, please call me at (435) 687-9206.

Sincerely,



Charles Reynolds  
Mine Manager

File In C 0070011, Incoming  
Date: 07272010, Refer to:

- Confidential
- Shelf
- Expandable

RECEIVED

JUL 27 2010

DIV. OF OIL, GAS & MINING

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** HIAWATHA COAL CO.

**Mine:** HIAWATHA COMPLEX

**Permit Number:** ACT/007/011

**Title:** Midterm Review Response Task 3459

**Description,** Include reason for application and timing required to implement:  
Submittal in response to Midterm Review deficiencies

**Instructions:** If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?                                     |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication?   |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?<br><i>Explain:</i> _____                                   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)                                |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures?  |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided?   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities?   |

**Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you.** (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

N J Finley  
 Print Name

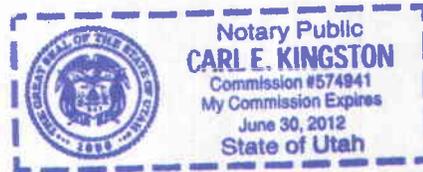
N J Finley, Vice President, 7/26/10  
 Sign Name, Position, Date

Subscribed and sworn to before me this 26 day of July, 2010

Notary Public

My commission Expires: \_\_\_\_\_, 20\_\_\_\_

Attest: State of Utah ) ss:  
 County of Salt Lake



**For Office Use Only:**

Assigned Tracking Number:

Received by Oil, Gas & Mining

**RECEIVED**

**JUL 27 2010**

**DIV. OF OIL, GAS & MINING**



**Deficiency Response  
Task ID #3459  
Midterm Review**

**R645-301-112.300**

**D. See October 21, 2009 letter (Task # 3352).**

R. The MRP has been updated to show current address and phone # for Hiawatha Coal Company and Elliot Finley, Fed ID #'s for each entity and the last 4 digits of SS #'s for each officer. Also included is a telephone # for ANR and notarized secretary signatures for all changes in corporate officers and their begin and end dates (Appendix I-8).

**R645-301-114.100**

**D. See October 21, 2009 letter (Task # 3352).**

R. With the ongoing proceedings in the C. W. Mining bankruptcy, this information will need to be revised based on court decisions which are expected in July or August. This information will be updated in conjunction with the final update as a result of the court decisions.

**R645-301-121.100, 112.500, 112.600**

**D. See October 21, 2009 letter (Task # 3352).**

R. The requested information has been added to Exhibits IV-1 and IV-2. Further updates to these Exhibits may be required with the ongoing proceedings in the c. W. Mining bankruptcy. This information will be updated in conjunction with the final update as a result of the court decisions.

**R645-301-331**

**D. If the Permittee has plans for future mining activities in areas that are presently not being used to facilitate the current mining operations the MRP should be revised accordingly.**

R. It is still the intent of Hiawatha Coal Company to have a future operation here. However, the ongoing proceedings in the C. W. Mining bankruptcy will have an influence on this plan, so HCCI requests that the Division wait for a response to this plan until the court settles the bankruptcy issues. There are currently no plans for any areas beyond the existing disturbed areas.

**R645-301-528.330, 528.332 and 528.334**

**D. Exhibits V-5, V-6 and V-7 need to be updated to show the current waste storage conditions.**

R. All abandoned mining machinery, waste and supplies which were stored in the Middle Fork and South Fork areas have been removed. V-5 depicts the current status of surface facilities for the Middle Fork yard, and no updates are necessary. V-6 and V-7 depict the storage and waste facilities for the Middle Fork and South Fork yards, respectively. Currently, the only coal waste present is the remaining

coal located at the truck loadout points. V-6 and V-7 have been updated to show the correct locations of the temporary coal waste storage areas in the coal stockpile areas and the current locations of non-coal waste storage. Although all non-coal waste has been removed from the area, storage areas have still been designated since it is anticipated that these areas will still be needed in the future. Equipment and supply storage areas have also been updated.

**R645-301-742.113**

- D. A follow-up inspection of the Railway Yard catch basin is recommended to ensure that coal fines are not migrating off the disturbed area boundary.**
- R. A follow-up inspection has been completed. The berm adjacent to the catch basin has received additional work and reinforcement to prevent erosion.

**R645-301-860**

- D. Information provided on page 8-77, FORMS OF BOND, contains some incorrect information.**
- R. Page 8-77 has been updated to describe the escrow agreement signed with the Division on May 13, 2010.