



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
 Executive Director

LOWELL P. BRAXTON
 Division Director

OLENE S. WALKER
 Governor

GAYLE F. McKEACHNIE
 Lieutenant Governor

| Representatives Present During the Inspection: | |
|--|---|
| Company | Charles Reynolds Resident Agent |
| OGM | Steve Demczak Environmental Scientist III |

Inspection Report

| | |
|------------------|------------------------|
| Permit Number: | C0070011 |
| Inspection Type: | COMPLETE |
| Inspection Date: | Tuesday, May 25, 2010 |
| Start Date/Time: | 5/25/2010 10:00:00 AM |
| End Date/Time: | 5/25/2010 3:00:00 PM |
| Last Inspection: | Monday, April 05, 2010 |

Inspector: Steve Demczak, Environmental Scientist III

Weather: Sunny, 50's

InspectionID Report Number: 2376

Accepted by: jhelfric
 6/21/2010

Permitee: **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

| | |
|-----------|------------------------|
| 12,177.00 | Total Permitted |
| 290.00 | Total Disturbed |
| 95.90 | Phase I |
| | Phase II |
| | Phase III |

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

No violations were issued.

Inspector's Signature:

Stephen J Demczak
 Steve Demczak, Environmental Scientist III

Date

Tuesday, June 01, 2010

Inspector ID Number: 39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.c Hydrologic Balance: Other Sediment Control Measures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.d Hydrologic Balance: Water Monitoring | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4.e Hydrologic Balance: Effluent Limitations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Protection of Fish, Wildlife and Related Environmental Issues | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Slides and Other Damage | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Contemporaneous Reclamation | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 14. Subsidence Control | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Cessation of Operations | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 16.a Roads: Construction, Maintenance, Surfacing | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 16.b Roads: Drainage Controls | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 19. AVS Check | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Air Quality Permit | <input checked="" 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"/> |

1. Permits, Change, Transfer, Renewal, Sale

SPPC Plan was reviewed and signed by a P.E. on 11/04/2009. The Air Quality Permit is BAQE-502-89. The mining and Reclamation Permit will expire on March 14, 2012. UPDES Permit will expire on December 31, 2014.

2. Signs and Markers

The identification signs are next to the roads to the mine site.

3. Topsoil

The topsoil piles were inspected with no signs of wind or water erosion.

4.a Hydrologic Balance: Diversions

The diversions were spot-checked and would function during a storm event.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment ponds were inspected for the first quarter of 2010. No hazardous conditions were reported. The sediment ponds were inspected on March 25, 2010.

4.d Hydrologic Balance: Water Monitoring

Water Monitoring was reported for first quarter of 2010.

4.e Hydrologic Balance: Effluent Limitations

There was no UPDES discharges for the first quarter of 2010.

7. Coal Mine Waste, Refuse Piles, Impoundments

Refuse piles was inspected for the first quarter on March 26, 2010. No hazardous conditions were reported. I inspected the refuse pile and did not see any hazardous conditions.

8. Noncoal Waste

The permittee is in the process of removing scrap metal from the property.

10. Slides and Other Damage

No slides or other damage was noticed during the inspection.

12. Backfilling And Grading

No backfilling and grading is occurring at the present time.

15. Cessation of Operations

No slurry was being loaded out during the inspection.

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16.b Roads: Drainage Controls

Diversion were open along the road.

18. Support Facilities, Utility Installations

No support facilities were constructed since the last inspection.

21. Bonding and Insurance

The bonding amount is 2.128,000 million dollars. The reclamation agreement was updated but needs both parties signatures. The insurance is by Federal Insurance Agency and expires on March 8, 2011.