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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
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July 28, 2011

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

Subject: Right of Entry Issues, Hiawatha Coal Company, Hiawatha Mine, C/007/0011, Outgoing File

Dear Mr. Finley:

The Division has been made aware of changes that have occurred to the Right-of-Entry information that was used by Hiawatha Coal Company in the application for a SMCRA permit at the Hiawatha Mine. The lease/operating agreement between ANR Company, Inc. and Hiawatha Coal Company appears to no longer be in effect or it has been reassigned to another entity. As a result, the ability for Hiawatha Coal Company to operate within the boundaries of portions of the Hiawatha mine permit is in question. Because you are still responsible for all mining disturbances within the Hiawatha Mine permit boundary, you must obtain the needed documentation that would allow surface occupancy to all disturbed areas (Middle and South Fork facilities) in order to perform maintenance or other monitoring that is required by your SMCRA permit. Should you fail to acquire the right of surface occupancy, you will need to immediately complete the reclamation of these areas as outlined in your approved mining and reclamation plan.

In addition, the Division is also awaiting receipt of the following information:

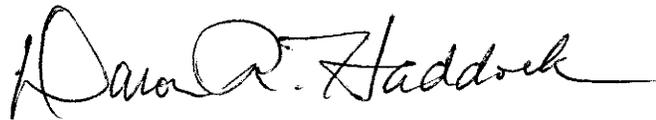
- Historical subsidence data as identified in the 2010 annual report review and documented in a letter to Hiawatha Coal Company dated May 19, 2011. There needs to be scientific data documenting that subsidence is not occurring, not just a statement that there is no subsidence. Also in order to stop subsidence monitoring, an amendment to the current plan must be approved.



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Please provide the required right-of-entry information as an amendment to your MRP within 60 days of the receipt of this letter. Failure to do so may result in an order to commence reclamation. Also at this time, you should provide the required subsidence monitoring data as well as an amendment to your plans that would allow you to suspend the subsidence monitoring if it is your intention to do so. If you have any questions, please feel free to call me at (801) 538-5325 or April Abate at (801) 538-5214.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with a long horizontal stroke at the end.

Daron R. Haddock
Coal Program Manager

DRH/sqs
cc: Price Field Office
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