State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0070011**
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, November 02, 2016
Start Date/Time:	11/2/2016 8:30:00 AM
End Date/Time:	11/2/2016 11:30:00 AM
Last Inspection:	Tuesday, October 25, 2016

Representatives Present During the Inspection:	
Company	Dana Jenkins
OGM	Karl Houskeeper

Inspector: Karl Houskeeper,

Weather: Clear Skies, Temp. 39 Deg. F.

InspectionID Report Number: 5683

Accepted by: DHADDOCK
11/17/2016

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

Current Acreages

12,177.00	**Total Permitted**
207.00	**Total Disturbed**
95.90	**Phase I**
95.90	**Phase II**
83.00	**Phase III**

Mineral Ownership

- [x] Federal
- [x] State
- [ ] County
- [x] Fee
- [ ] Other

Types of Operations

- [x] Underground
- [ ] Surface
- [ ] Loadout
- [ ] Processing
- [ ] Reprocessing

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

Met the company representative Dana Jenkins at the access gate at 9:00 am. Paperwork required for the complete inspection was reviewed and completed first. The field inspection was conducted and the findings are included in this report.. Pictures were taken during the complete inspection and are attached to the PDF version of this inspection report.

Karl R. Houskeeper

Inspector's Signature:

Karl Houskeeper,
Inspector ID Number: 49

Date Wednesday, November 02, 2016

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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UTAH DNR OIL, GAS & MINING

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 performace 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	☑	☐	☑	☐
2.	Signs and Markers	☑	☐	☑	☐
3.	Topsoil	☑	☐	☐	☐
4.a	Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c	Hydrologic Balance: Other Sediment Control Measures	☑	☐	☐	☐
4.d	Hydrologic Balance: Water Monitoring	☑	☐	☐	☐
4.e	Hydrologic Balance: Effluent Limitations	☑	☐	☑	☐
5.	Explosives	☑	☑	☑	☐
6.	Disposal of Excess Spoil, Fills, Benches	☑	☐	☐	☐
7.	Coal Mine Waste, Refuse Piles, Impoundments	☑	☐	☑	☐
8.	Noncoal Waste	☑	☐	☑	☐
9.	Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☐	☐
10.	Slides and Other Damage	☑	☐	☐	☐
11.	Contemporaneous Reclamation	☑	☐	☐	☐
12.	Backfilling And Grading	☑	☐	☐	☐
13.	Revegetation	☑	☐	☐	☐
14.	Subsidence Control	☑	☐	☐	☐
15.	Cessation of Operations	☑	☐	☐	☐
16.a	Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b	Roads: Drainage Controls	☑	☐	☐	☐
17.	Other Transportation Facilities	☑	☐	☐	☐
18.	Support Facilities, Utility Installations	☑	☐	☐	☐
19.	AVS Check	☑	☐	☐	☐
20.	Air Quality Permit	☑	☐	☑	☐
21.	Bonding and Insurance	☑	☐	☑	☐
22.	Other	☑	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

The mining permit issued from the Division of Oil, Gas and Mining (DOGM) is dated March 14, 2012. The mining permit expires on March 14, 2017.

Air Quality Permit BAQE-502-89 on July25, 1989. This permit is still in effect at present date.

UPDES Permit UT-0023094 became effective on February 1, 2016 and expires at midnight on January 31, 2021.

The insurance policy is issued through Liability & Fire Insuracnee Company and is in effect through Arpil 1, 2017.. The minimum required coverage's were reviewed and found to be adequate. The certificate holder is listed as the State of Utah. The cancellation clause has been found to be acceptable. The policy does include explosion coverage as required. .

The Bond is covered by the Bank of Utah. The current bond amount on file is $2,128,000.00.

2. Signs and Markers

The mine identification signs are posted at all points of access from a public road into the mining permit area as required by law. These signs were checked to make sure that they contained the name of the permit holder, address, phone number and Utah mining permit number. The mine identification signs were found to be in compliance. A picture of several signs were taken and are attached to the PDF version of this inspection report.

Slurry Cell #5 has been breached per MSHA's standards for breeching an impoundment. The identification sign is still in place to identify the impoundment area.. A overview picture of this area was taken and is attached to the PDF version of this inspection report.

A picture of the refuse pile identiifcation sign was taken during the inspection. The sign is posted on the outslope of the refuse pile.

4.a Hydrologic Balance: Diversions

The road diversion in middle fork canyon just below the sediment pond contains debris. This debris is scheduled to be removed from the diversion and surrounding areas .

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sedimentation ponds were inspected by a registered P.E. on September 28, 2016. This inspection serves as the third quarter 2016 inspection. The P.E. report shows that cleaning in pond D008 took place until storms events filled the pond with water. Additional cleaning is still needed along with the re-installation of the stand pipe. D003 needs to be cleaned in the spring of 2017 unless weather permits an earlier date.

The sediment pond (D008) in middle fork canyon was cleaned to approximately 70% prior to being hit by another large storm event. The pond is full of water. A picture of this sediment pond was taken and is attached to the PDF version of this inspection report. This particular pond has been impacted for several years due to the forest fires on lands above and surrounding the sediment pond. The removal of vegetation has created increased sediment flows into the pond used to treat the disturbed area of middle fork canyon.

4.e Hydrologic Balance: Effluent Limitations

Second quarter 2016 discharge monitoring reports have been submitted to DEQ as required by this State agency. Only Outfalls 001 and 002 discharged. There were no exceeded parameters

5. Explosives

No explosives are maintained on site.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile was most recently inspected on September 28, 2016. This inspection serves as the third quarter or 2016 inspection. The refuse pile is required to be inspected quarterly.

8. Noncoal Waste

Several items of noncoal waste or debris were observed in middle fork canyon. Some of these items are in the road diversion below the sediment pond area. The items need to be gathered and disposed in the proper containment facility.

16.a Roads: Construction, Maintenance, Surfacing

The access road leading to middle fork canyon has been side cut in 3 to 4 different location from the adjacent road diversion. Some cuts are severe enough that one lane of traffic has been cut off. This damage occurred from high intensity rain events at the end of September and during October 2016. The road cuts need to be fixed.

20. Air Quality Permit

Air Quality Permit BAQE-502-89 on July 25, 1989. This permit is still in effect to present date.

21. Bonding and Insurance

The Bond is covered by the Bank of Utah. The current bond amount on file is $2,128,000.00. The Certificate of Liability Insurance is held with National Liability & Fire Insurance Company and is in effect through Arpil 1, 2017.

Mine Identification Sign

Mine Identification Sign

Sediment Pond Middle Fork Canyon

Middle Fork Canyon

South Fork Canyon

South Fork Canyon

Breached Slurry Pond #5 (MSHA)