



GARY R. HERBERT  
Governor

SPENCER J. COX  
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

July 15, 2016

Alan Boehms, Field Office Director  
Office of Surface Mining  
1999 Broadway, Suite 3320  
Denver, CO 80202-3050

Subject: Phase III Bond Release, Hiawatha Coal Company, Hiawatha Mine, C/007/0011, Task ID #5114

Dear Mr. Boehms:

Enclosed is the Division's Decision Document for the Phase III bond release of the Hiawatha Coal Company's Hiawatha Mine. The Division finds Hiawatha Coal Company has met the regulatory requirements for Phase III bond release and recommends approval. We request the Office of Surface Mining's concurrence with this determination. A copy of the Phase III bond release inspection report is included in this package along with the documentation of events. Please provide your determination at your earliest convenience.

If you have any questions or need further information, please feel free to call me at (801) 538-5325 or Joe Helfrich at (801) 538-5290.

Sincerely,

Daron Haddock  
Coal Program Manager

DRH/ss  
Enclosure

cc: Elliot Finley, Hiawatha Coal Company  
O:\007011.HIA\WG5114 BOND RELEASE\Decision Document\001 OSM concurrence ltr.doc

Phase III Bond Release  
Hiawatha Coal Company  
Hiawatha Mine  
C/007/0011  
Carbon County, Utah

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# DECISION DOCUMENT

Phase III Bond Release  
Hiawatha Coal Company  
Hiawatha Mine  
C/007/0011  
Carbon County, Utah

## ACTION

Phase III bond release is requested for Slurry Pond 4 and Refuse Pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plant area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres). The bond release includes a total of 83.1 acres of disturbed and reclaimed land at the Hiawatha mine complex. There was an error in the public notice noting that the borrow areas associated the two slurry ponds included 64.4 acres whereas the actual acreage was 14.4. The permittee provided that additional information noting the corrected acreage. The permittee did not apply for a reduction in the bond.

## BACKGROUND

The Hiawatha mine is located approximately 18 miles south west of Price, Utah. Active mining took place in three canyons above the Town of Hiawatha and there was a wash plant and slurry ponds located below the town. The areas included in the application were reclaimed in 1998-99. An application for phase I bond release on these areas was approved in 2008. Hiawatha Coal Company is now seeking phase II & III bond release on these 4 areas.

## **CHRONOLOGY FOR PHASE III BOND RELEASE**

- |                            |  |
|----------------------------|--|
| March 29, 2016             | Hiawatha Coal Company submits the Phase III bond release application for the Hiawatha Mine Area.   |
| April 5, 2016              | Hiawatha Coal Company sends letters to local governments, planning agencies, surface owners, and subsurface owners, notifying them of the proposed bond release:<br>Dave Levanger – Carbon County Planning and Zoning<br>Carbon County Commissioners<br>Phil Palmer – Price River Water Improvement District<br>Patrick Gubbins – Bureau of Land Management<br>Joseph Kingston – ANR Company |
| April 7, 14, 21 & 28, 2016 | Phase III Bond Release Published in the Sun Advocate.  |
| April 13, 2016             | The Division sends letters of invitation for the bond release inspection to be held April 26, 2016.  |

April 26, 2016 Phase III bond release inspection. In attendance: Charles Reynolds and Dana Jenkins from Hiawatha Coal Company, Daron Haddock, Amanda Daniels, Cheryl Parker, Bev Wisser and Joe Helfrich from DOGM, Tom Medlin from OSM

May 30, 2016 Public comment period closes: The Division receives no comments.

June 1, 2016 Remaining reclaimed area (King 4 portal) inspection. In attendance: Charles Reynolds Hiawatha Coal Company, Joe Helfrich DOGM

### **SUMMARY OF FINDINGS**

The Phase III bond release was advertised for four consecutive weeks. No comments were received during the public comment period. A bond release inspection was conducted on April 26, 2016. No problems were identified. The technical analysis for Phase III bond release is attached.

### **PHASE III BOND RELEASE RECOMMENDATION**

The Permittee has demonstrated the establishment of vegetation at the areas. The recommendation is that the Division approve Phase III bond release for the areas. The Permittee has not applied for a reduction in the posted bond at this time.



**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES  
MICHAEL R. STYLER  
*Executive Director*  
Division of Oil, Gas and Mining  
JOHN R. BAZA  
*Division Director*

## Technical Analysis and Findings

### Utah Coal Regulatory Program

July 15, 2016

**PID:** C0070011  
**TaskID:** 5114  
**Mine Name:** HIAWATHA MINE  
**Title:** PHASE III BOND RELEASE

### General Contents

#### Public Notice and Comment

##### Analysis:

##### Analysis:

A total of 83.1 acres are requested for Phase III bond release as described in the supplemental A & N letter received 7/7/2016. The information provided meets the requirements of 880.100. The public notice was for a larger area (133.1 acres) with no comment received, therefore, the intention of R645-301-880.120 has also been met. This Phase III bond release application should be conditionally approved.

The acreage requested for Phase III bond release was originally stated as 133.1 acres (application dated 3/29/2016). The public notice stated that the 133.1 acres received Phase I bond release in 2008. Records on file at the Division showed that the area which received Phase I bond release in January 2009 was 95.9 acres (refer to 2009 Outgoing documents 0002.pdf and 0006.pdf). Clarification of this discrepancy was requested.

In a supplemental letter, received on June 7, 2016, A & M Engineering explains the discrepancy (2016 Incoming document 06212016.5114.pdf). In short, an error in the bond release application assigned 64.4 acres rather than 14.4 acres to the Borrow Area included the Phase III bond release.

In the letter, A & M Engineering further explains that Phase I and Phase III areas will not directly correlate because Phase I areas include all areas where structures were removed and soil was moved. Phase III includes all revegetated areas, including those that did not require grading. The A & M letter states that that the Phase III bond release acreage "should have claimed 83.1 acres. The borrow acreage should have been 14.4 acres.

The Phase III bond release includes:

- 26.37 acres (Slurry Pond 4 and Refuse Pile 2)
- + 30.22 acres (main cell of Slurry Pond 5)
- + 14.4 acres (Borrow Area for slurry ponds 2, 4 & 5)
- + 5.51 acre portion of the Preparation Plant
- + 6.6 acres at the King 4 Portal and North Fork

(The Division also arrives at a SUM of 83.1 acres for these areas.)

Plate II-4A shows these areas and labels them by Reclamation Area (RA). The portion of each RA included in the bond release is outlined below.

RA -2 Slurry Pond 5 is 40.39 acres. A & M Engineering states that only 30.22 acres will receive Phase III bond release. The

remaining 10.17 acres are associated with the outcrops of Slurry Pond 5, which may be re-disturbed to construct a road for reclamation of Slurry Pond 5A.

RA -5 the entire 26.37 acre Slurry Pond 4 and Refuse Pile 2 is included in the Phase III bond release.

RA 4 shows a 5.28 acre East and 11.59 acre West section of RA 4 designated Borrow Area. Only the 5.28 acre East section is included. (The 11.59 acre West section of RA 4 Borrow Area will remain bonded, to be disturbed for final reclamation of Slurry Pond 5A.)

RA-6 Borrow Area of 9.12 acres is all included in the Phase III bond release.

RA-7 Preparation Plant includes 3.72 acres on the east and 5.51 (undisturbed) acres on the west. Only the 5.51 undisturbed acres on the west are included in the Phase III bond release.

RA-26, RA-27, RA-28 North Fork areas are shown on Plate II-4D. A total acreage of 6.6 acres are all included in the Phase III bond release.

The Division arrives at a TOTAL of 83.1 acres for the RA areas described by A & N.

A total of 83.1 acres are requested for Phase III bond release as described in the supplemental A & N letter received 7/7/2016. Fragments of RA-2, RA-4 and RA-7 remain under bond ( 25.48 acres total). The entire RA-2, RA-4, and RA-7 areas are shown on Plate II-4, but the remaining bonded areas are not.

*Deficiencies Details:*

In accordance with R645-301-121.100 and R645-301-820.113, Conditional Approval is recommended based upon receipt of a revised Plate II-4 showing the outline of the remaining 25.48 acres under bond in RA-2, RA-4, and RA-7.

pburton

## **Reclamation Plan**

### **General Requirements**

*Analysis:*

The bond release application meets the State of Utah R645 requirements for Reclamation Activities.

The minimum requirements of R645-301-540 are met within the bond release application as there is no change to the existing MRP reclamation details. On April 26, 2016, the Utah Division of Oil Gas & Mining conducted a site visit to assess the bond release application for to the Mining & Reclamation Plan (MRP) of the Hiawatha Mine. The application seeks release of 83.1 acres of Phase III bond release for a no reduction of the bond. The bond release area included acres for the Slurry Pond 4 and Refuse pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plan area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres). The Division staff walked all bond release areas and found the areas to be in a stable state. There were no engineering concerns witnessed at the site at the time of the inspection.

Reclamation work was done in states for the previously stated areas. Phase I and II bond release was approved in 1/13/2009 for these areas. The public notice provided within the application does not fully meet the R645-301-880.120 rules by failing to state the type, posted bond amount, and requested reduction amount. The application did not include any updated bond sheets to request the remaining amount on the 83.1 acres, therefore, the Division approves the release of the 83.1 acres from the Permit Area but does not approve any reduction of bond.

cparker

### **Approximate Original Contour Restoration**

*Analysis:*

The bond release application meets the State of Utah R645 requirements for Approximate Original Contour Restoration.

The bond release application meets the minimum R645-301-512.200 ,-553.110 through -553.150, and -302-270 due to the reclamation of the site meeting the approximate original contour (AOC).

AOC as defined by R645-301-553.100 through -553.150 is achieved when the final grade closely resembles the general surface configuration of the land prior to mining activities and provides a subsurface foundation for vegetative cover capable of stabilizing the surface from erosion.

The bond release application meets the minimum R645-301-512.200 and -553.110 as there is no change in the MRP and all grading will be place back to approximate original contours.

cparker

## Hydrological Information Reclamation Plan

### Analysis:

The bond release application meets the requirements for Hydrologic Information, Reclamation.

On April 26th, the Division conducted a bond release inspection, and walked the area for which bond release is being requested. An upper area was visited by Division employee, Joe Helfrich, on a subsequent inspection due to lack of access on the original inspection date.

During the inspection, it appeared that the area appeared to be stable, and free of any erosion related problems. It appears that sediment and erosion control measures taken during and after reclamation activities successfully protected the reclamation area. The reclaimed areas, slated for phase three bond release appear stable, and should remain stable for a long period of time.

adaniels

## Revegetation Standards for Success

### Analysis:

On March 29th, 2016 the Division received an application for phase III bond release for portions of the Hiawatha Mine Complex. The Phase III bond release applies to the Slurry Pond 4 and Refuse Pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plant area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres). The bond release includes 83.1 acres of disturbed and reclaimed land. The bond release areas are shown on Exhibit 8-2 and the vegetation studies are included in Appendix VIII-6.

The bond release application is based on meeting the vegetation and water quality requirements for Phase III reclamation in accordance with the approved reclamation plan and the Utah Coal Program Regulations. The reclamation work was done in stages and a Phase I bond release for these areas was approved in 2008. Field work for the documentation to meet the requirements of Phase III bond release began in August and continued into September 2013. The vegetation study included 7 reclamation areas and 2 reference areas. Two reference areas were established and described in the mine's Mining and Reclamation Plan (MRP). Since the completion of the MRP, 1 of the reference locations was destroyed in a wildfire. A second reference area remains, however, the majority of vegetation was tall decadent sagebrush with little understory. During an on-site meeting between Utah Division of Oil, Gas, and Mining (DOG M), DWR and mine representatives, the reference area was determined not to have a vegetation community that was desirable for comparison with reclaimed areas. Two new reference areas were chosen during the meeting. One reference area for comparing 6 of the reclamation areas was in a pinion-juniper stand, sagebrush shrubland, and the transition zone between the stand and shrubland and is thought to be representative of the area prior to mining activities. A second reference area for comparing reclamation area RA 27 was the undisturbed area adjacent to RA 27. Data collection included total vegetation cover, percent cover by species, and woody plant density. Indices for the reference areas and reclamation areas were calculated to determine if the reclamation efforts met the bond release requirements. Seven reclamation areas were selected based on timing of reclamation efforts, expected future disturbance, and vegetation establishment. The sites corresponded with reclamation areas in the MRP. Reference Area 2 for comparing reclamation area RA 27 is adjacent undisturbed area on private land. A reference area for comparing the remaining 6 reclamation areas (Reference Area 1) was located private land south of Washboard Wash and southeast of the reclamation areas. The vegetation surveys were conducted according to DOGM Vegetation Information Guidelines (1992) and the MRP Criteria and Tests for Demonstrating Successful Revegetation. Data collected in the reference areas were compared to the reclamation areas to determine similarity. The woody plant density of the reclamation areas averaged 2,819 plants per acre and the reference areas averaged 5,541 plants per acre. Since the postmining land use identified in the Hiawatha MRP is wildlife habitat and grazing, and only 1,500 to 2,000 plants per acre are sufficient for winter wildlife, the reclamation areas should be considered as having met the success standards for the post-mining land use. After discussion and an onsite inspection of the reclamation areas with DOGM and Utah Division of Wildlife Resources representatives, it was decided that the vegetation growth was sufficient and reclamation would meet success standards if the results from the final year study are approximately the same as this 2013

study (see Appendix 3, DOGM Inspection Report). Similar results from a consecutive year vegetation study would show that the vegetation has established into a long-term, self-perpetuating community. This was the second study to document the vegetation condition in seven reclamation areas associated with the Hiawatha Mine. The first study was completed in September 2013 and the second study was conducted in the first half of September 2014. The data collected was used to determine if the vegetation community met the requirements for Phase III Bond Release. Two reference areas were selected during an on-site meeting with Utah Division of Oil, Gas, and Mining (DOGM) and mine representatives in 2013. Reference Area 1 was within pinyon-juniper woodland, an adjacent sagebrush shrubland, and the transition zone between them. Reference Area 2 was undisturbed mixed conifer woodland. Data collection included total vegetation cover, percent cover by species, and woody plant density. Indices for the reference areas and reclamation areas were calculated to determine if the reclamation efforts met the bond release requirements. The percent cover for all reclamation areas exceeded the percent cover in the appropriate reference area and met the success standard. The percent cover in this 2014 study remained similar to the percent cover found in 2013. The woody plant density was lower in the reclamation areas than in reference areas in all but RA 7. The same result was found in the 2013 study. The woody plant density in the reclamation areas averaged 2770.63 plants per acre and density in the reference areas 3608.35 plants per acre. Since the post-mining land use identified in the Hiawatha MRP is wildlife habitat and grazing, and only 1,500 to 2,000 plants per acre are sufficient for winter wildlife, the reclamation areas should be considered as having met the success standards for the post-mining land use. Reclamation Areas 2 and 4 met the life form requirements for species diversity. In 2013, Reclamation Areas 2 and 6 met the species diversity success standard. Reclamation Areas 5, 6, and 27 had greater production than the reference area. Reclamation Areas 1, 2, 4, and 7 had lower production than Reference Area 1. In 2013, all reclamation areas except Reclamation Area 4 had greater production values than the reference area. Had production in Reference Area 1 been estimated near the 2013 estimate, production in all reclamation areas except Reclamation Area 4 would have been greater than the reference area. The two years of back to back vegetation surveys meet or exceed the standard of success required for phase III bond release. The application is recommended for approval.

jhelfric

## Maps Bonded Area

### Analysis:

The bond release application meets the State of Utah R645 requirements for Bonded Area.

The minimum requirements of R645-301-800 are met within the bond release application as the bonded area map was updated. The bond release application meets the minimum requirements of R645-301-521.150 as it includes a drawing or plate that clearly calls out the existing surface of the final in Plate 8-2.

cparker

## Bonding and Insurance General

### Analysis:

The bond release application meets the State of Utah R645 requirements for Bonding and Insurance Requirements.

The bond release application meets the minimum requirements of R645-301-800 as the applicant is current on the bond and insurance standings. The application seeks release of 83.1 acres of Phase II and III bond release for a no reduction of the bond. The bond release area included acres for the Slurry Pond 4 and Refuse pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plan area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres).

Reclamation work was done in states for the previously stated areas. Phase I bond release was approved in 1/13/2009 for these areas. The public notice provided within the application does not fully meet the R645-301-880.120 rules by failing to state the type, posted bond amount, and requested reduction amount. The application include any updated detailed bond sheets to request the remaining reclamation amount on the 83.1 acres for \$478,833 , therefore, the Division approves the release of the 83.1 acres from the Permit Area.

cparker

A&M Engineering  
158 N Main St. Suite C  
Pocatello, Idaho 83204

Subject: Acreage Difference Between Hiawatha Phase I and Phase III Bond Release

To: Charles Reynolds

The phase III bond release public notice included 133.1 acres. It should have only claimed 83.1 acres. The borrow area acreage should have been 14.4 acres and not 64.4.

On June 21, 2016 in a phone conversation you mentioned there is approximately a 40-acre discrepancy between the Hiawatha Phase I bond release and the Hiawatha Phase II bond release. The Phase I bond release included 95.9 acres, the Phase III bond release included 133.1 acres, for a difference of 37.2 acres. You had also stated that the legal descriptions appeared to be identical. However, for section 27, phase I was for the SE ¼ SE ¼ Phase III was for S ½ SE ¼. Also the phase I bond included portion of Middle Fork and the Phase III did not.

The Phase I and Phase III bond release acreage will not correlate since Phase I included all areas where structures were removed and where soil was moved. Phase III includes all areas where final vegetation is established, which includes some areas that were never graded. However, it does appear the Phase III bond release public notice area is over stated by 50 acres due to a typing error. The public notice breaks out the acreage into several areas. (I have included the RA areas that each public notice area includes and the acreage claimed for that area.)

- |   |             |   |
|---|-------------|---|
| 1. Slurry Pond 4 and Refuse Pile 2          | 26.37 acres | (RA-5)  |
| 2. Portions of Slurry Pond 5                | 30.22 acres | (RA-2)  |
| 3. Borrow Areas associated with these ponds | 64.4 acres  | (RA-4 (5.28 acres) and<br>RA-6 (59.12 acres)) |
| 4. A portion of the Preparation Plant area  | 5.51 acres  | (RA-7)  |
| 5. King 4 Portal and North Fork Facilities  | 6.6 acres   | (RA-26, RA-27, RA-28)                         |

These areas are primarily shown on Plate II-4A of the Hiawatha MRP and the acreage listed on this plate were the ones used in the bond acreage calculation. A summary of each area calculation is included below.

RA-5

Plate II-4A shows this area as being 26.37 acres and the entire area is reclaimed and included in the Bond Release

RA-2

**AFFIDAVIT OF PUBLICATION**

STATE OF UTAH)

ss.

County of Carbon,)

I, Jenni Fasselin, on oath, say that I am the Publisher of the Sun Advocate, a twice-weekly newspaper of general circulation, published at Price, State of Utah a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and on the Utah legals.com website, the first publication was on the 7th day of April, 2016, and that the last publication of such notice was in the issue of such newspaper dated the 28th day of April 2016

*Jenni Fasselin*

Jenni Fasselin -- Publisher

Subscribed and sworn to before me this 28th day of April, 2016.

*Linda Thayne*

Notary Public My commission expires January 10, 2019 Residing at Price, Utah

Publication fee, \$ 537.60



**PUBLIC NOTICE OF REQUEST FOR PHASE III BOND RELEASE**

Notice is hereby given that Hiawatha Coal Company, P.O. Box 1240, Huntington, Utah 84528, has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas, and Mining pursuant to R645-301-880 for Phase III Bond Release for portions of the Hiawatha Mine Complex, Permit C/007/011.

The Phase III bond release applies to the Slurry Pond 4 and Refuse Pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (64.4 acres), a portion of the preparation plant area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres). The bond release includes 133.1 acres of disturbed and reclaimed land. This bond release application is based on meeting the vegetation and water quality requirements for Phase III reclamation in accordance with the approved reclamation plan pursuant to the Utah Coal Program Regulations.

The reclamation work was done in stages and a Phase I bond release for these areas was approved in 2008.

In accordance with the provisions of R645-301-880, of the Utah R645 Coal Mining Rules, notice is hereby given that Hiawatha Coal Company is applying for full release of performance bond posted for these select areas.

The areas of requested bond release are located in and around the town of Hiawatha, Carbon County, Utah. The bond release area can be found on the Hiawatha and Poison Spring Bench, U.S. Geological Survey 7.5 minute quadrangle maps on the following described lands:

- Township 15 South, Range 8 East, SLB&M, Utah
- Section 19: Portions of the NE1/4 NW1/4
- Section 20: Portions of the NW1/4 SW1/4
- Section 26: Portions of the SW1/4 SW1/4
- Section 27: Portions of the S1/2 SE1/4
- Section 34: Portions of the NE1/4 NE1/4
- Section 35: Portions of the W1/2 NW1/4

The Utah Division of Oil, Gas, and Mining will now evaluate the proposal to determine whether it meets all the criteria of the Permanent Program Performance Standards according to the requirements of the Utah Coal Mining rules.

A copy of the Phase III bond release application may be examined at the office of Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801. Any written comments, objections, or requests for an informal conference may be submitted to the Salt Lake City address. Said comments must be submitted thirty (30) days from the date of the last publication of this notice.

Published in the Sun Advocate April 7, 14, 21 and 28, 2016.



GARY R. HERBERT  
Governor

GREG BELL  
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

# Inspection Report

Permit Number:	C0070011
Inspection Type:	BOND RELEASE
Inspection Date:	Tuesday, April 26, 2016
Start Date/Time:	4/26/2016 1:30:00 PM
End Date/Time:	6/1/2016 4:30:00 PM
Last Inspection:	

Inspector: Joe Helfrich

Weather: cool windy slight rain

InspectionID Report Number: 5543

Accepted by: JHELFRIC  
6/15/2016

Representatives Present During the Inspection:	
OGM	Wiser Beverly
OSM	Tom Medlin
Company	Charles Reynolds
Company	Dana Jenkins
OGM	Daron Haddock
OGM	Amanda Daniels
OGM	Joe Helfrich

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	<b>Total Permitted</b>
290.00	<b>Total Disturbed</b>
95.90	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

#### 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:

The purpose of this site visit was to conduct a phase III bond release inspection on reclaimed portions of the Hiawatha mine property. On March 29, 2016 the Division received an application for phase three bond release on the following areas: Slurry Pond 4 and Refuse Pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plant area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres). The bond release includes 83.1 acres of disturbed and reclaimed land. The lower elevation areas were inspected on the 26th of April and the King 4 mine portal was not accessible until June 1.

Inspector's Signature

Joe Helfrich,  
Inspector ID Number: 1

Date

Thursday, June 16, 2016



**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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input 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**

The application for phase III has been reviewed by the staff assigned to the project. The current status is a recommendation for approval and the decision document is being prepared.

**12. Backfilling And Grading**

All backfilled areas within the bond release areas were stable and showed no signs instability.

**13. Revegetation**

The reclaimed areas are well vegetated, this is supported by the data compiled in the application demonstrating that the standard of success has been met. There was a small amount of variation in the composition of grasses and forbs among the lower elevation reclaimed areas.

**21. Bonding and Insurance**

The bond release application meets the State of Utah R645 requirements for Bonding and Insurance Requirements.

The bond release application meets the minimum requirements of R645-301-800 as the applicant is current on the bond and insurance standings. The application seeks release of 133.1 acres of Phase III bond release for a no reduction of the bond. The bond release area included acres for the Slurry Pond 4 and Refuse pile 2 (26.37 acres), portions of Slurry Pond 5 (30.22 acres), borrow areas associated with these two ponds (14.4 acres), a portion of the preparation plan area (5.51 acres), and the King 4 mine portal and North Fork facilities (6.6 acres).

Reclamation work was done in states for the previously stated areas. Phase I and II bond release was approved in 1/13/2009 for these areas. The public notice provided within the application does not fully meet the R645-301-880.120 rules by failing to state the type, posted bond amount, and requested reduction amount. The application includee any updated detailed bond sheets to request the remaining reclamation amount on the 83.1 acres for \$478,833, therefore, the Division approves the release of the 83.1 acres from the Permit Area.