

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Hiawatha Coal Company

**Mine:** Hiawatha Mine Comes

**Permit Number:** C/007/011

**Title:** Phase III Bond Release for Slurry Pond 5A East Slope, Phase I Bond Release for Sediment Pond D007

**Description,** Include reason for application and timing required to implement:

The associated areas were reclaimed and the required vegetation monitoring was done.

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

- Yes  No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: 10.17  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach one (1) review copy of the application.**

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.

NJ Finley  
Print Name

NJ Finley V.P. 2-17-2017  
Sign Name, Position, Date

Subscribed and sworn to before me this 17<sup>th</sup> day of February, 2017

[Signature]  
Notary Public

My commission Expires: 02-13, 2019 }  
Attest: State of Utah } ss:  
County of Salt Lake



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>



## **General Contents**

### **Permit Application Format and Contents**

All pages and documents that incorrectly reference Pond 5A instead of Pond 5 have been corrected.

### **Completeness**

Included with this submittal is a copy of the letter sent to landowners and proof of public notice.

## **Reclamation Plan**

### **General Requirements,**

Pages 8-77 and 8-78 that incorrectly reference Pond 5A instead of Pond 5 have been corrected.

In accordance with a telephone conversation between Hiawatha Coal Co. and the Division the entire ditch DD3 is now included in the Phase I application area on Exhibit 2-4A, the contour lines on Exhibit 2-4A have also been modified to correctly show the ditches that have been reclaimed, and the previous location of the ditches are shown and identified as reclaimed ditches. On page 8-78 a statement was made that topsoiling and seeding for ditch DD3 would be completed by June 1, 2017 at which time the Phase II and Phase III reclamation timeline will start.

### **Approximate Original Contour Restoration**

This has been addressed under the General Requirements section.

### **Topsoil and Subsoil**

This has been addressed under the General Requirements section.

**Road System Reclamation**

This has been addressed under the General Requirements section.

**Hydrological Information Reclamation Plan**

The previous submittal meet the requirements. There were no deficiencies to address

**Revegetation Standards for Success**

The previous submittal meet the requirements. There were no deficiencies to address

**Maps Bonded Area**

Exhibit 2-4A has been updated to include all of ditch DD3

**Maps Reclamation Treatment**

Exhibit 2-4A has been updated to include all of ditch DD3

included due to the amount of coal fines in the area.

- Approximately 10.17 acres of the east slope of pond 5 was not included as reclamation of sediment pond D007 was planned for 2016 and HCC was not sure if these activities would affect the slope of the pond.

This bond release was approved on July 19, 2016 and DOGM released \$426,622 of the 2008 Phase I money held back, and left \$52,211 in place to cover the remaining 10.17 acres.

#### **2016 Phase I and Phase III bond release**

In September of 2016 pond D007 was reclaimed. This work did not impact any of the 10.17 acres of pond 5 west slope excluded from the 2015 bond release. In October of 2016 HCC submitted a bond release asking for Phase III release of the 10.17 acres of Pond 5 slope and a Phase I release of pond D007 and the ditch (DD3) leading to it (approx. 1.6 acres). Topsoil and seeding of ditch DD3 will be completed by June 1, 2017 which will start the Phase II and Phase III timeline for the Phase I area included in this bond release.

#### **R645-301-890 TERMS AND CONDITIONS OF LIABILITY INSURANCE**

A copy of Hiawatha Coal Company liability insurance certificate is given in Appendix VIII-3.

## **R645-301-840 GENERAL TERMS AND CONDITIONS OF THE BOND**

The general terms and conditions of the bonds can be determined by review of copies of the bond documents contained in Appendix VIII-2.

## **R645-301-850 BONDING REQUIREMENTS**

See bonding documents in Appendix VIII-2.

## **R645-301-860 FORMS OF BONDS**

Hiawatha Coal Company is currently bonded in the amount of \$2,128,000 in the form of a US Treasury Note with the Division of Oil Gas and Mining held in escrow by the Bank of Utah.

## **R645-301-870 REPLACEMENT OF BONDS**

No response required by applicant.

## **R645-301-880 BOND RELEASE APPLICATION**

If a bond release is requested an application will be filed with the Division at a time appropriate for evaluation of reclamation success. Reclamation time tables are given under R645-301-240 in Chapter II (Soils). Within 30 days after an application for bond release has been filed with the Division a newspaper advertisement will be placed in a local newspaper. The advertisement will contain the permittee's name, permit number and approval date, notification of the precise location of the land affected, the number of acres, the type and amount of the bond filed and the portion sought to be released, the type and appropriate dates of reclamation work performed, a description of the results achieved as they relate to the operator's approved reclamation plan and the name and address of the Division to which written comments, objections, or requests for public hearings and informal conferences on the specific bond release may be submitted pursuant to R645-301-880.600 and R645-301-880.800. In addition, as part of any bond release application, the applicant will submit copies of letters which he or she has sent to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality in which the coal mining and reclamation operation took place, notifying them of the intention to seek release from the bond.

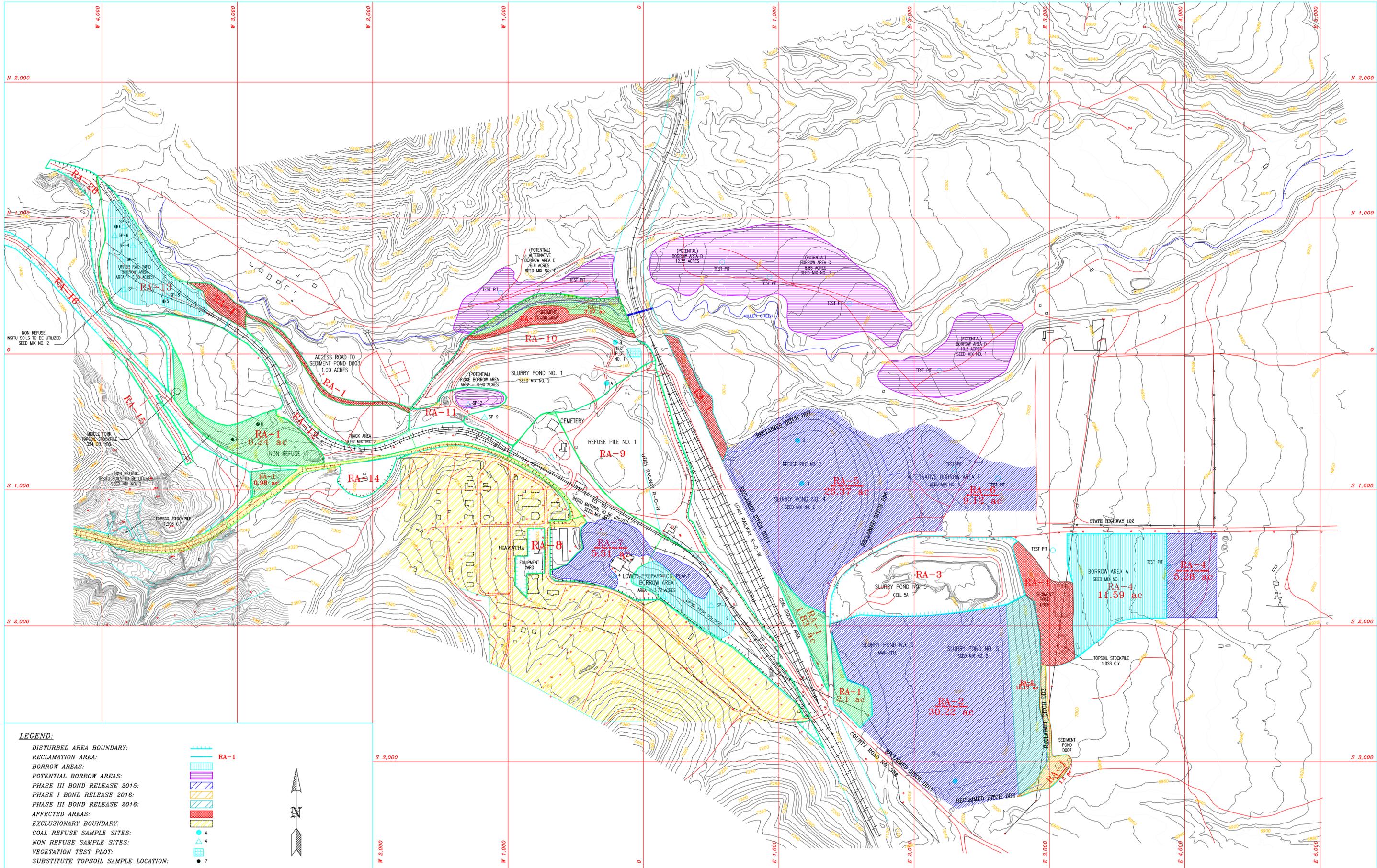
### **2008 Phase I Bond Release**

Over the years there have been several structures removed, and reclamation performed. In December 2007, a Phase I bond release application was submitted to reflect this reclamation. It was approved on February 18, 2009 with a condition that \$478,833 be held back to insure vegetation of the Slurry Pond 4 and Slurry Pond 5 areas.

### **2015 Phase III Bond Release**

Vegetation studies were performed on various areas in 2013 and 2014 (See Appendix VIII-5 and VIII-6). In December 2015 Hiawatha Coal submitted a Phase III bond release. It was for all the areas included in the vegetation study with the following exceptions.

- The two RA-1 areas West of Slurry pond 5 were part of the vegetation study but were not included in the bond release as DOGM personnel had expressed reservations about it being



- LEGEND:**
- DISTURBED AREA BOUNDARY: [Red dashed line]
  - RECLAMATION AREA: [Green shaded area]
  - BORROW AREAS: [Blue shaded area]
  - POTENTIAL BORROW AREAS: [Purple shaded area]
  - PHASE III BOND RELEASE 2015: [Yellow shaded area]
  - PHASE I BOND RELEASE 2016: [Light blue shaded area]
  - PHASE III BOND RELEASE 2016: [Dark blue shaded area]
  - AFFECTED AREAS: [Red shaded area]
  - EXCLUSIONARY BOUNDARY: [Red dashed line]
  - COAL REFUSE SAMPLE SITES: [Blue circle with '4']
  - NON REFUSE SAMPLE SITES: [Blue triangle with '4']
  - VEGETATION TEST PLOT: [Blue square with '4']
  - SUBSTITUTE TOPSOIL SAMPLE LOCATION: [Black dot with '7']



NOTE: WHERE RECLAMATION AREA BOUNDARIES COINCIDE WITH THE DISTURBED AREA BOUNDARIES, ONLY THE DISTURBED AREA BOUNDARIES ARE SHOWN.

REVISION DATE:	
AUG 1998	July 19 2016 Bond Release
JAN 26 1999	Jan 1 2017 Bond Release
JUL 03 2008	
May 18 2013	

HIAWATHA COAL COMPANY  
HIAWATHA, UTAH

HIAWATHA PROCESSING PLANT  
AND WASTE DISPOSAL SITES

RECLAMATION SOILS  
INFORMATION

EXHIBIT  
II-4A

**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 8th day of November, 2016, and that the last publication of such notice was in the issue of such newspaper dated the 29th day of November 2016

*Jenni Fasselin*

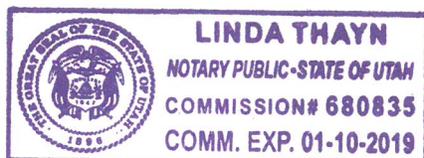
Jenni Fasselin – Publisher

Subscribed and sworn to before me this 29th day of November, 2016.

*Linda Thayne*

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

Publication fee, \$ 403.20



**PUBLIC NOTICE**

Notice is hereby given that Hiawatha Coal Company, P.O. Box 1202, 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 I Bond Release and Phase III Bond Release for portions of the Hiawatha Mine Complex, Permit C/007/011. The Phase III bond release applies to the east slope of Slurry Pond 5A and includes 10.17 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 Phase I bond release applies to sediment pond D007 and includes 1.6 acres of disturbed and reclaimed land.

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 10.17 acres in the amount of \$52,211.

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 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. To be published in the Sun Advocate November 1, 8, 15, 22, 2016.

Published in the Sun Advocate November 8, 15, 22 and 29, 2016.

# HIAWATHA COAL COMPANY

P.O. BOX 1240  
HUNTINGTON, UTAH 84528  
Phone (801) 857-0399

Joseph Kingston  
3212 S State Street  
Salt Lake City, Utah 84115

**Re: Notification of Application for Phase III Bond Release for Slurry Pond 4, Slurry Pond 5, Associated Borrow Areas, and a Portion of the Preparation Plant Area, Hiawatha Mine Complex, C/007/011.**

Dear Mr. Kingston:

Notice is hereby given that Hiawatha Coal Company, P.O. Box 1202, 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 I Bond Release and Phase III Bond Release for portions of the Hiawatha Mine Complex, Permit C/007/011. The Phase III bond release applies to the east slope of Slurry Pond 5 and includes 10.17 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 Phase I bond release applies to sediment pond D007 and includes 1.6 acres of disturbed and reclaimed land.

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 35: Portions of the W1/2 NW1/4

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. 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.

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. Written comments, objections, and requests for informal conferences on this proposal may be addressed to:

Utah Coal Program  
Utah Division of Oil, Gas, and Mining  
1594 West North Temple

If you have any questions, please call me at (801) 857-0399

Thank You,



Charles Reynolds,  
Mine Manager.

# HIAWATHA COAL COMPANY

P.O. BOX 1240  
HUNTINGTON, UTAH 84528  
Phone (801) 857-0399

Utah Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84114-5801

**Re: Phase I & Phase III Bond Releases, Hiawatha Mine Complex, Task ID 5300, C/007/0011.**

Dear Mr. Haddock:

Attached is our response to the Deficiencies dated December 8, 2016. Our response follows the outline and areas of the technical analysis attached to your deficiency letter. The electronic submittal contains two separate files with amended pages. The first file contains the resubmittal of all of the pages which are a part of the bond release application. The second file contains only the revised pages for this second submittal in response to the deficiencies.

If you have any questions, please call Charles Reynolds at (801) 857-0399

Thank You,  
  
Charles Reynolds,  
Mine Manager

## **General Contents**

### **Permit Application Format and Contents**

All pages and documents that incorrectly reference Pond 5A instead of Pond 5 have been corrected.

### **Completeness**

Included with this submittal is a copy of the letter sent to landowners and proof of public notice.

## **Reclamation Plan**

### **General Requirements,**

Pages 8-77 and 8-78 that incorrectly reference Pond 5A instead of Pond 5 have been corrected.

In accordance with a telephone conversation between Hiawatha Coal Co. and the Division the entire ditch DD3 is now included in the Phase I application area on Exhibit 2-4A, the contour lines on Exhibit 2-4A have also been modified to correctly show the ditches that have been reclaimed, and the previous location of the ditches are shown and identified as reclaimed ditches. On page 8-78 a statement was made that topsoiling and seeding for ditch DD3 would be completed by June 1, 2017 at which time the Phase II and Phase III reclamation timeline will start.

### **Approximate Original Contour Restoration**

This has been addressed under the General Requirements section.

### **Topsoil and Subsoil**

This has been addressed under the General Requirements section.

**Road System Reclamation**

This has been addressed under the General Requirements section.

**Hydrological Information Reclamation Plan**

The previous submittal meet the requirements. There were no deficiencies to address

**Revegetation Standards for Success**

The previous submittal meet the requirements. There were no deficiencies to address

**Maps Bonded Area**

Exhibit 2-4A has been updated to include all of ditch DD3

**Maps Reclamation Treatment**

Exhibit 2-4A has been updated to include all of ditch DD3

# APPLICATION FOR COAL PERMIT PROCESSING

Permit Change  New Permit  Renewal  Exploration  Bond Release  Transfer

**Permittee:** Hiawatha Coal Company

**Mine:** Hiawatha Mine Comles

**Permit Number:** C/007/011

**Title:** Phase III Bond Release for Slurry Pond 5A East Slope, Phase I Bond Realse for Sediment Pond D007

**Description,** Include reason for application and timing required to implement:

The associated areas were reclaimed and the required vegetation monitoring was done.

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

- Yes  No 1. Change in the size of the Permit Area? Acres: \_\_\_\_\_ Disturbed Area: 10.17  increase  decrease.
- Yes  No 2. Is the application submitted as a result of a Division Order? DO# \_\_\_\_\_
- Yes  No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes  No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes  No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes  No 6. Does the application require or include public notice publication?
- Yes  No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes  No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes  No 9. Is the application submitted as a result of a Violation? NOV # \_\_\_\_\_
- Yes  No 10. Is the application submitted as a result of other laws or regulations or policies?  
*Explain:* \_\_\_\_\_
- Yes  No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes  No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes  No 13. Does the application require or include collection and reporting of any baseline information?
- Yes  No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes  No 15. Does the application require or include soil removal, storage or placement?
- Yes  No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes  No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes  No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes  No 19. Does the application require or include certified designs, maps or calculation?
- Yes  No 20. Does the application require or include subsidence control or monitoring?
- Yes  No 21. Have reclamation costs for bonding been provided?
- Yes  No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes  No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

**Please attach one (1) review copy of the application.**

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.

NJ Finley  
Print Name

NJ Finley V.P. 2-17-2017  
Sign Name, Position, Date

Subscribed and sworn to before me this 17<sup>th</sup> day of February, 2017

Roman D Sanchez  
Notary Public

My commission Expires: 02-13, 2019 }  
Attest: State of Utah } ss:  
County of Salt Lake



<b>For Office Use Only:</b>	<b>Assigned Tracking Number:</b>	<b>Received by Oil, Gas &amp; Mining</b>



### **Borrow Areas E and F**

In the spring of 1993, U.S. Fuel Company investigated two potential substitute topsoil borrow sites adjacent to slurry ponds 1 and 4. These sites, identified as alternative substitute borrow areas E and F and shown on Exhibit II-4A, were investigated because of their closer proximity to the slurry ponds and waste disposal areas where topsoil will be required.

EarthFax Engineering Inc. was contracted to conduct field investigations and to determine the feasibility of utilizing these sites. Pedon examinations and soil sample analyses indicate that areas E and F contain soils with physical and chemical properties suitable for use as substitute topsoil material and that there is sufficient material available to justify their use.

Borrow Area "F" was subsequently used to reclaim the Refuse Pile No. 2 and No. 4 Slurry Pond Area. Borrow Area "E" remains designated as a "Potential Borrow Area" (Exhibit II-4A).

### **Potential Borrow Area E**

Borrow area E comprises 6.6 acres and consists of the same Haverdad family of soils as areas B, C and D. See discussion of Haverdad series in Appendix II-4, Section 1. Physical and chemical analyses results from representative test pits in area E are given in Appendix II-4, Table 1.4.

A volume of at least 53,000 cubic yards is available from this site by excavating the 6.6 acres to a depth of 5 feet.

### **Borrow Area F**

This Borrow Area has been utilized and reclaimed at this time. [A Phase III bond release was approved by DOGM on July 19, 2016 \(Task ID#5114\)](#)

Borrow area F comprises 6.7 acres and consists of the same Hernandez family of soils as borrow area A. See Appendix II-4, section 1, for a discussion of the Hernandez series. Physical and chemical analyses results from representative test pits in area F are given in Appendix II-4, Table 1.4. A volume of 42,000 cubic yards is available by excavating the 6.7 acres to a depth of 4 feet. Coal fines were noted in the top 0.2 feet of the soil in this area. Areas containing coal fines will be removed and disposed of in the slurry ponds before the remaining substitute topsoil is recovered.

It is important to note that these volumes indicate the materials that are available on the surface and that the best available material from regrading and reclamation activities of the entire pad area will be temporarily stockpiled until the regrading and reclamation activities are complete. The salvaged materials will then be distributed to achieve a six inch cover according to the reclamation plan for South Fork. Once reclamation starts it will be a continuous operation and will be completed during one growing season. Because the substitute topsoil stockpile will be added to on a continuous basis during regrading and reclamation it is impractical to try to vegetate the topsoil stockpile. The stockpiles will be protected from erosion by diverting channel flows away from the stockpile. Designs for these channels will be submitted to the Division for approval prior to stockpiling activities.

Based on the results of analyses of the soil samples collected in the South Fork area, soils in the area are low in organic matter, nitrogen, phosphorus and potassium (see Appendix II-4, Table 2.1).

Soil amendments which will be required to make the pad soils more suitable for revegetation are provided in Table 2.3 (Appendix II-4).

The coal stockpile area and truck loadout will be reclaimed with topsoil salvaged during construction. The salvaged topsoil has been stockpiled and protected. It is located in the area designated on Exhibit II-4A as the South Fork topsoil stockpile area. The total volume available from these piles are 1,206 cubic yards.

## **North Fork Area**

### **North Fork Substitute Topsoil**

An intake ventilation portal for the King IV mine was constructed in the North Fork area in 1979-80. The disturbed area comprises 1.5 acres (see Exhibit II-4D). Topsoil was salvaged during construction and redistributed on the regraded slopes near the portal. No further topsoiling is required at this site. Table II-12 summarizes the available substitute topsoil volumes for the minesite. [The North Fork area is reclaimed and Phase III bond release was approved by DOGM on July 19, 2016 \(Task ID# 5114\). This area is no longer part of the disturbed area.](#)

## **North Fork Area Reclamation**

The North Fork ventilation portal and stream diversion (Exhibit II-4D) contains 1.5 acres (See Table II-13, RA-26, 27). The ventilation portal (1.0 acres) was reclaimed using in situ soils northeast of the portal. The 0.5 acre area containing the stream diversion and pipeline to the King 2 mine portal was also reclaimed using the in situ soils. [The North Fork area is reclaimed and Phase III bond release was approved by DOGM on July 19, 2016 \(Task ID# 5114\).](#)

## **Middle Fork Area Reclamation**

The Middle Fork mine yard, loadout facility and sediment pond, as delineated on Exhibit II-4C, contains a total disturbed area of 11.8 acres. The storage areas adjacent to the Middle Fork haul road comprises and additional 3 acres. Reclamation area RA-23 (sediment pond) will use the material in the pond bank for reclamation. The area between the bath house and water tank and the area west of the King 5 mine portals (RA-24) will be reclaimed using in situ material. The 3 acre storage areas (RA-25) will also be reclaimed using in situ material. The remaining 9.4 acres (RA-22) will be reclaimed with material from Middle Fork substitute topsoil areas A, B, and C.

## **South Fork Area Reclamation**

The South Fork mine yard, conveyor corridor, truck loadout and sediment ponds, as delineated on Exhibit II-4B, contain a total disturbed area of 12.6 acres, excluding the haul road. The 0.6 acre area between the bath house and water tank (RA-20) will be reclaimed utilizing in situ soils. Little, if any, regrading will be required in this area. The 1.87 acre area comprising sediment pond D009 and sediment pond D011 (RA-21) will utilize soil material in the pond embankments. The 6.41 acre mine yard and bath house area (RA-19) will be reclaimed with material from the South Fork substitute topsoil areas A and B. The 1.84 acre conveyor corridor will utilize in situ soil materials contained in its embankment. The 1.94 acre coal stockpile and truck loadout area will be reclaimed with topsoil from the South Fork topsoil stockpile at the mouth of the canyon. A strip of land bounded by the conveyor, the coal stockpile and the haul road (approximately 1 acre) has received interim revegetation and will require only minor reclamation. The South Fork haul road occupies approximately 1.93 acres within the South Fork disturbed area. See Appendix II-3 for a discussion of the soil materials available in the vicinity of the conveyor corridor and truck loadout area.

## **Hiawatha Area Reclamation**

There was ~~are~~ originally a total of 221.36 disturbed area acres within the lower Hiawatha area, excluding the canyon roads. Unfortunately, due to the age of the facilities, there has been very little topsoil or fill material salvaged and stockpiled for reclamation from these areas. Table II-13 shows the acreage by area. Exhibit II-4A shows the locations of the areas. Some of the area has already been reclaimed since it is no longer needed. On July 19, 2016 DOGM approved Phase III bond release on 83.1 acres in this area. (Task ID #5114) The current disturbed acreage in this area is 138.26 acres

The following is a summary of the status of areas which are currently reclaimed at this site as of Spring 2008:

	Area	Total Acres	Reclaimed Acres	Topsoiled Acres	Remaining
RA-5	Slurry Pond 4 / Refuse Pile 2	26.37	26.37	26.37	-0-
RA-1	Affected Areas	29.11	19.83	-0-	9.28
RA-7	Preparation Plant Area	23.87	5.51	-0-	18.36
RA-6	Borrow Area "F"	9.12	9.12	-0-	-0-
RA-2	Slurry Pond 5 Main Cell	40.39	40.39	40.39	-0-
RA-4	Borrow Area "A"	16.87	5.28	-0-	11.59
Total		145.73	106.5	66.76	39.23

A complete description of all of the disturbed areas, acreage and topsoil volumes is found in Table II-13.

Slurry Pond "4" has been completely reclaimed. The area on the northeast corner (approx. 1 acre) required recontouring and topsoiling. The topsoil pile East of Slurry Pond No. 4 was used to reclaim this area. An additional 577 yards of substitute material was needed to complete Pond 4, which came from Borrow Area "A". The affected areas were reclaimed by vacuuming coal fines and/or topsoiling the areas. Areas being topsoiled were ripped to a depth of 18" to 24" before topsoil was placed.

The main cell of slurry pond 5 has been completely reclaimed. The reclamation was completed in 1999. An affected area 1.91 acres in size exists West of Slurry Pond "5". Portions of this area may require additional topsoil, which will come from Borrow Area "A". Following topsoiling activities in 1998, Borrow Area "A" was surveyed for remaining volumes (completed 6-6-08). Any areas in Borrow Area "A" which have reached the maximum depth of substitute topsoil were ripped and seeded with the seed mix No. 1 (Table III-6). The remaining areas were seeded with an interim seed mix as described in R645-301-331. Approximately 5.28 acres of borrow area "A" have been reclaimed. The remaining acreage will be used to reclaim slurry pond 5A. Areas that have received bond release are shown on Exhibit II-4A

## **Non-Refuse Areas**

Approximately 5.51 acres of the preparation plant area have been reclaimed at this time. The remainder of the preparation plant area and affected non-refuse areas will be reclaimed utilizing in-site soils. Where greater than 50% coal (visual estimation) or other contaminants (oil, grease, etc.) are present on the surface, this material will be removed and taken to a Slurry Pond for final burial. The remaining in

since the original bond was established. Through the years, the reclamation bonding requirement was increased when new facilities were approved, but no adjustments were made when facilities were removed. To rectify this flaw the Division approved U. S. Fuel's request to adjust the reclamation bond on February 13, 1995. However, the bond calculation still includes some additional facilities which may no longer exist and are not mentioned in this discussion. These facilities will be removed from the bond calculation after completion of regrading for Phase I bond release or as a result of another bond adjustment. The bond calculations can be found in Chapter 8, Appendix 8-4.

### **NORTH FORK SURFACE FACILITIES**

During 1981, a portal was constructed in the North Fork drainage to provide the King 4 mine with intake ventilation. The plan for the construction of this facility is included in Appendix 5-7 of this chapter. Originally, the plan called for return ventilation warranting the construction of a fan and powerline. However, the area was not developed with power so the portal provided an additional intake airway for the mine. Exhibit 5-4 shows the disturbed area, approximately one and a half acres, for the portal facility. A three mile jeep road from Hiawatha to the ventilation portal is the only access. This site is classified as an alternative sediment control area (see Appendix 5-8). Sediment control is provided as specified in Appendix 5-7. The portal is constructed of 14 foot diameter arched steel beams on 4 foot centers covered with 8 gauge preformed liner plates. The portal has been sealed and the area regraded and reseeded. No future disturbance is proposed for this site. ANR Company intends to extend the jeep trail beyond the portal area as part of timbering, recreation and wildlife post-mining land uses, as described in R645-301-412. ~~It is visited infrequently by mine personnel, only to inspect the reclamation and sediment control structures.~~ [Phase III bond release on this area was approved by DOGM on July 19, 2016 \(Task ID# 5114\).](#)

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$341,691.00
Subtotal Backfilling and Grading	\$489,751.00
Subtotal Revegetation	\$327,217.00
Direct Costs	\$1,158,659.00

Indirect Costs

Mob/Demob	\$115,866.00	10.0%
Contingency	\$57,933.00	5.0%
Engineering Redesign	\$28,966.00	2.5%
Main Office Expense	\$78,789.00	6.8%
Project Management Fee	\$28,966.00	2.5%
Subtotal Indirect Costs	\$310,520.00	26.8%

Total Cost in 2014 Dollars \$1,469,179.00

Escalation factor		0.019
Number of years		5
Escalation	\$144,977.00	
Reclamation Cost Escalated	\$1,614,156.00	
<del>Phase I Bond Remaining Dollars</del>	<del>\$52,211.00</del>	

Bond Amount (rounded to nearest \$1,000) ~~\$1,666,000~~ \$1,614,000  
 2019 Dollars

Posted Bond 2008 \$2,128,000.00

Difference Between Cost Estimate and Bond ~~\$462,000.00~~ 514,000  
 Percent Difference ~~21.71%~~ 24.15%

## **R645-301-840 GENERAL TERMS AND CONDITIONS OF THE BOND**

The general terms and conditions of the bonds can be determined by review of copies of the bond documents contained in Appendix VIII-2.

## **R645-301-850 BONDING REQUIREMENTS**

See bonding documents in Appendix VIII-2.

## **R645-301-860 FORMS OF BONDS**

Hiawatha Coal Company is currently bonded in the amount of \$2,128,000 in the form of a US Treasury Note with the Division of Oil Gas and Mining held in escrow by the Bank of Utah.

## **R645-301-870 REPLACEMENT OF BONDS**

No response required by applicant.

## **R645-301-880 BOND RELEASE APPLICATION**

If a bond release is requested an application will be filed with the Division at a time appropriate for evaluation of reclamation success. Reclamation time tables are given under R645-301-240 in Chapter II (Soils). Within 30 days after an application for bond release has been filed with the Division a newspaper advertisement will be placed in a local newspaper. The advertisement will contain the permittee's name, permit number and approval date, notification of the precise location of the land affected, the number of acres, the type and amount of the bond filed and the portion sought to be released, the type and appropriate dates of reclamation work performed, a description of the results achieved as they relate to the operator's approved reclamation plan and the name and address of the Division to which written comments, objections, or requests for public hearings and informal conferences on the specific bond release may be submitted pursuant to R645-301-880.600 and R645-301-880.800. In addition, as part of any bond release application, the applicant will submit copies of letters which he or she has sent to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality in which the coal mining and reclamation operation took place, notifying them of the intention to seek release from the bond.

### **2008 Phase I Bond Release**

Over the years there have been several structures removed, and reclamation performed. In December 2007, a Phase I bond release application was submitted to reflect this reclamation. It was approved on February 18, 2009 with a condition that \$478,833 be held back to insure vegetation of the Slurry Pond 4 and Slurry Pond 5 areas.

### **2015 Phase III Bond Release**

Vegetation studies were performed on various areas in 2013 and 2014 (See Appendix VIII-5 and VIII-6). In December 2015 Hiawatha Coal submitted a Phase III bond release. It was for all the areas included in the vegetation study with the following exceptions.

- The two RA-1 areas West of Slurry pond 5 were part of the vegetation study but were not included in the bond release as DOGM personnel had expressed reservations about it being

included due to the amount of coal fines in the area.

- Approximately 10.17 acres of the east slope of pond 5 was not included as reclamation of sediment pond D007 was planned for 2016 and HCC was not sure if these activities would affect the slope of the pond.

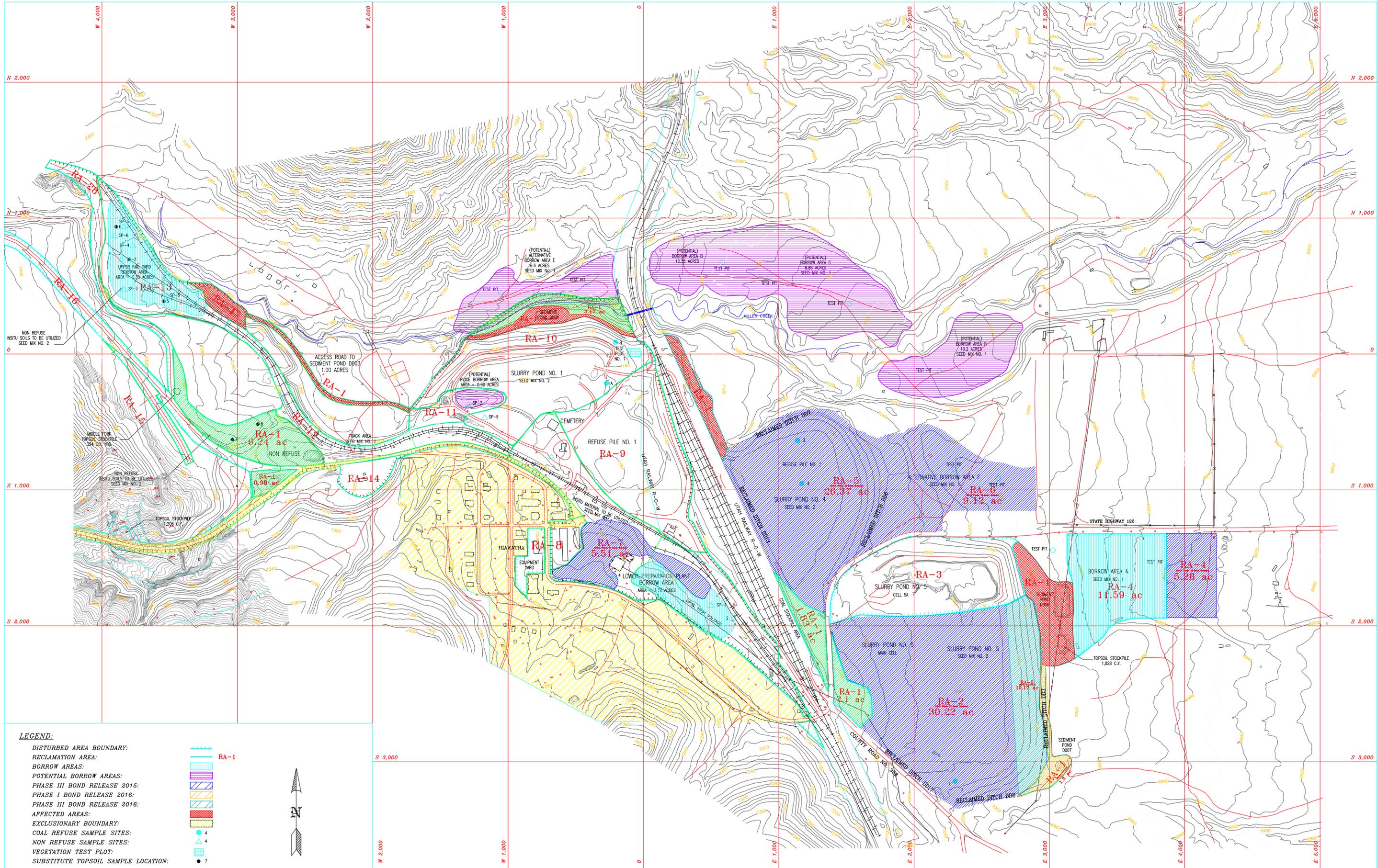
This bond release was approved on July 19, 2016 and DOGM released \$426,622 of the 2008 Phase I money held back, and left \$52,211 in place to cover the remaining 10.17 acres.

#### **2016 Phase I and Phase III bond release**

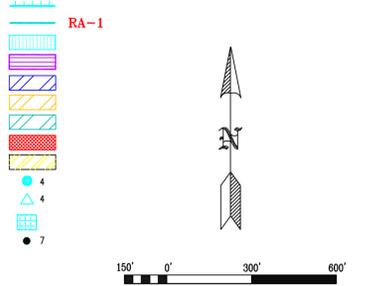
In September of 2016 pond D007 was reclaimed. This work did not impact any of the 10.17 acres of pond 5 west slope excluded from the 2015 bond release. In October of 2016 HCC submitted a bond release asking for Phase III release of the 10.17 acres of Pond 5 slope and a Phase I release of pond D007 and the ditch (DD3) leading to it (approx. 1.6 acres). Topsoil and seeding of ditch DD3 will be completed by June 1, 2017 which will start the Phase II and Phase III timeline for the Phase I area included in this bond release.

#### **R645-301-890 TERMS AND CONDITIONS OF LIABILITY INSURANCE**

A copy of Hiawatha Coal Company liability insurance certificate is given in Appendix VIII-3.



- LEGEND:**
- DISTURBED AREA BOUNDARY: [Red dashed line]
  - RECLAMATION AREA: [Green shaded area]
  - BORROW AREAS: [Blue shaded area]
  - POTENTIAL BORROW AREAS: [Purple shaded area]
  - PHASE III BOND RELEASE 2015: [Yellow shaded area]
  - PHASE I BOND RELEASE 2016: [Orange shaded area]
  - PHASE III BOND RELEASE 2016: [Red shaded area]
  - AFFECTED AREAS: [Red shaded area]
  - EXCLUSIONARY BOUNDARY: [Red dashed line]
  - COAL REFUSE SAMPLE SITES: [Blue circle]
  - NON REFUSE SAMPLE SITES: [Red triangle]
  - VEGETATION TEST PLOT: [Green square]
  - SUBSTITUTE TOPSOIL SAMPLE LOCATION: [Black dot]



NOTE: WHERE RECLAMATION AREA BOUNDARIES COINCIDE WITH THE DISTURBED AREA BOUNDARIES, ONLY THE DISTURBED AREA BOUNDARIES ARE SHOWN.

REVISION DATE:	
AUG 1998	July 19 2016 Bond Release
JAN 26 1999	Jan 1 2017 Bond Release
JUL 03 2008	
May 18 2013	

HIAWATHA COAL COMPANY  
HIAWATHA, UTAH

HIAWATHA PROCESSING PLANT  
AND WASTE DISPOSAL SITES

RECLAMATION SOILS  
INFORMATION

EXHIBIT  
II-4A

# HIAWATHA COAL CO.

HIAWATHA, UTAH

## PHASE III BOND RELEASE AREAS

SCALE:

1" = 1500'

DRAWN BY:

M. REYNOLDS

DATE:

12/21/15

HIAWATHA MINE

PLATE 8-2

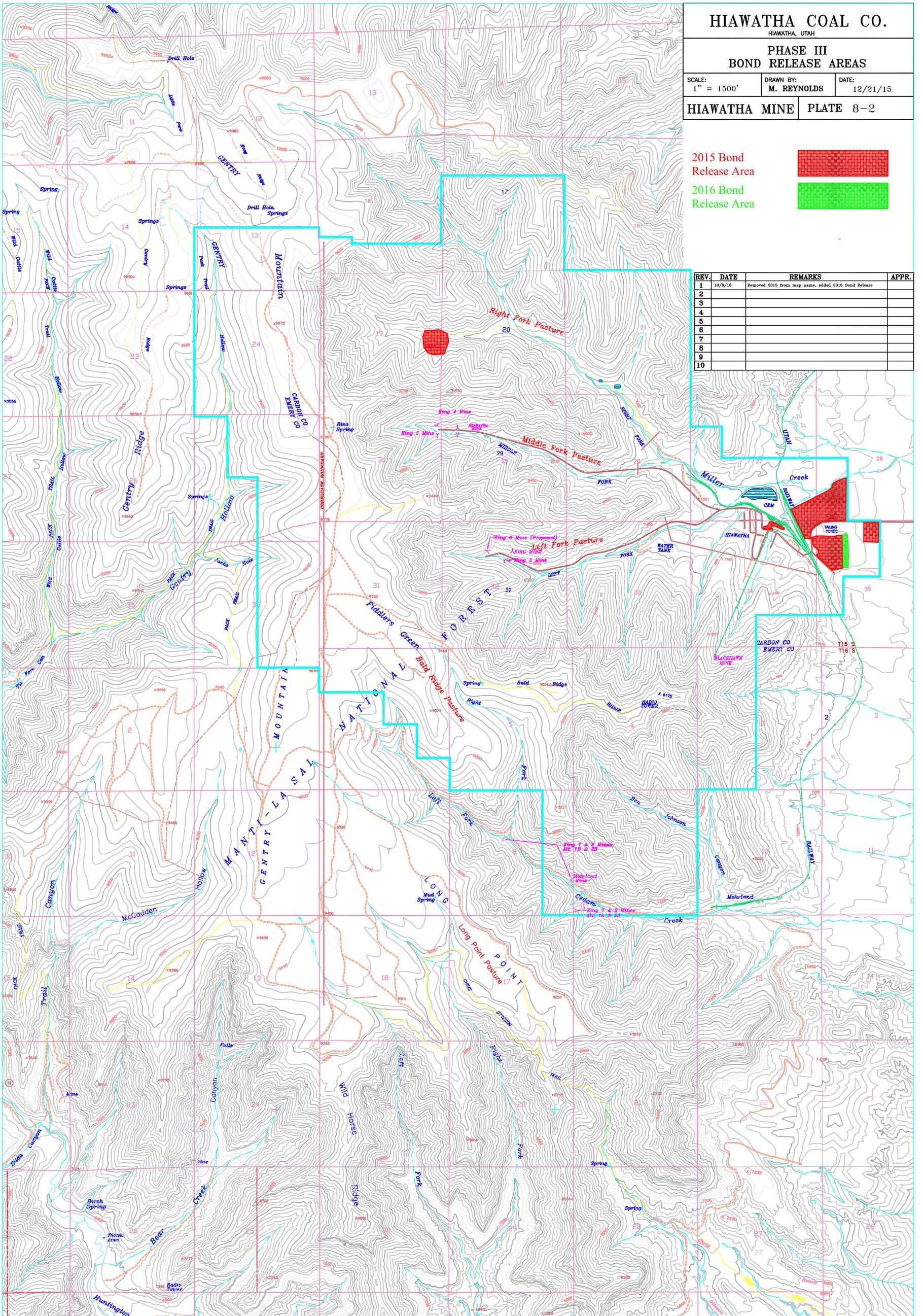
2015 Bond  
Release Area



2016 Bond  
Release Area



REV.	DATE	REMARKS	APPR.
1	10/4/16	Removed 2015 from map name, added 2016 Bond Release	
2			
3			
4			
5			
6			
7			
8			
9			
10			



**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 8th day of November, 2016, and that the last publication of such notice was in the issue of such newspaper dated the 29th day of November 2016

*Jenni Fasselin*

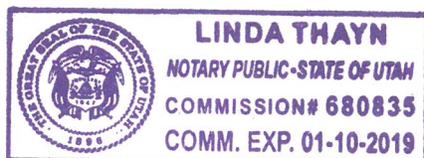
Jenni Fasselin – Publisher

Subscribed and sworn to before me this 29th day of November, 2016.

*Linda Thayne*

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

Publication fee, \$ 403.20



**PUBLIC NOTICE**

Notice is hereby given that Hiawatha Coal Company, P.O. Box 1202, 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 I Bond Release and Phase III Bond Release for portions of the Hiawatha Mine Complex, Permit C/007/011. The Phase III bond release applies to the east slope of Slurry Pond 5A and includes 10.17 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 Phase I bond release applies to sediment pond D007 and includes 1.6 acres of disturbed and reclaimed land.

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 10.17 acres in the amount of \$52,211.

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 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. To be published in the Sun Advocate November 1, 8, 15, 22, 2016.

Published in the Sun Advocate November 8, 15, 22 and 29, 2016.

# HIAWATHA COAL COMPANY

P.O. BOX 1240  
HUNTINGTON, UTAH 84528  
Phone (801) 857-0399

Joseph Kingston  
3212 S State Street  
Salt Lake City, Utah 84115

**Re: Notification of Application for Phase III Bond Release for Slurry Pond 4, Slurry Pond 5, Associated Borrow Areas, and a Portion of the Preparation Plant Area, Hiawatha Mine Complex, C/007/011.**

Dear Mr. Kingston:

Notice is hereby given that Hiawatha Coal Company, P.O. Box 1202, 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 I Bond Release and Phase III Bond Release for portions of the Hiawatha Mine Complex, Permit C/007/011. The Phase III bond release applies to the east slope of Slurry Pond 5 and includes 10.17 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 Phase I bond release applies to sediment pond D007 and includes 1.6 acres of disturbed and reclaimed land.

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 35: Portions of the W1/2 NW1/4

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. 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.

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. Written comments, objections, and requests for informal conferences on this proposal may be addressed to:

Utah Coal Program  
Utah Division of Oil, Gas, and Mining  
1594 West North Temple

If you have any questions, please call me at (801) 857-0399

Thank You,



Charles Reynolds,  
Mine Manager.