



GARY R. HERBERT
Governor

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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 12, 2017

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

Subject: Phase I & III Bond Release Approval, Hiawatha Coal Company, Hiawatha Mine, C/007/0011, Task #5300

Dear Mr. Finley:

The application for the Phase I & III Bond Release of the Hiawatha Mine is hereby conditionally approved. A copy of the Division's Decision Document is enclosed for your records. Hiawatha Coal Company's Phase I bond release request is for 1.6 acres and Phase III bond release request is for 10.17 acres. Bond release inspections were conducted on November 15, 2016 and June 13, 2017, which included representatives from the Hiawatha Coal Company, the Bureau of Land Management, the Division of Wildlife Resources and the Division of Oil, Gas and Mining. A Phase III Bond Release decision document was prepared by the Division of Oil, Gas & Mining and distributed to OSM on July 7, 2017 with recommendation for approval.

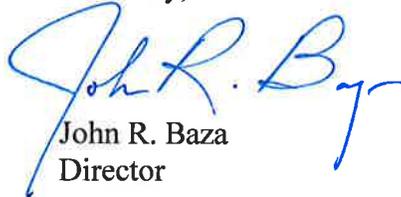
The OSM, Denver Field Division, submitted a letter dated July 10, 2017 which agreed with the Divisions findings and decision document and concurred with the bond release action.

During the bond release inspection it was determined that the topsoil pile east of slurry pond 5 shown on Ex. II-4A was utilized in the 2016 reclamation process. When submitting clean copies of this bond release application, please ensure that Chapter II Table II-12 topsoil volumes is adjusted to show 0 CY in the stockpile and add a statement to the bottom of the description of the stockpile on p. 2-32 that it was consumed in 2016 reclamation. At this time, please submit the two clean copies of the application for incorporation. A stamped incorporated copy will be returned to you for inclusion in your copy of the Mining Reclamation Plan.

With this approval you are authorized for the reduction of \$52,211 in bond amount at the Hiawatha Mine. Please contact Suzanne Steab at (801) 538-5265 to initiate the paperwork necessary to change your bond.

If you have any questions, please contact Daron Haddock at (801) 538-5325.

Sincerely,



John R. Baza
Director

JRB/DRH/sqs
Enclosure

O:\007011.HIA\WG5300 BOND RELEASE\APPROVAL.DOC

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

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DECISION DOCUMENT

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

ACTION

Hiawatha Coal Company has requested Phase I bond release is requested on 1.6 acres of Sediment Pond D007 and has requested Phase III bond release of 10.17 acres of Slurry Pond 5. They have also requested the release of \$52,211 from the bound amount as part of the Phase III bond release.

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 allocated below the town. The area of Phase III bond release (Slurry Pond 5) included in the application was reclaimed in 1998-1999. Sediment Pond D007 was reclaimed in September of 2016.

CHRONOLOGY FOR PHASE III BOND RELEASE

October 18, 2016	Hiawatha Coal Company submits an application to the Division for Phase I and Phase III bond release.
October 25, 2016	The Division determines the application to be administratively complete.
November 4, 2016	The Division sends letters of invitation for the bond release inspection to be held November 15, 2016.
November 1, 8, 15 and 22, 2016	Publicized in the Sun Advocate for four consecutive weeks.
November 15, 2016	Bond release inspection. In attendance: Charles Reynolds, Hiawatha Coal Company Michael Hansen, Division of Wildlife Resources Steve Falk, Bureau of Land Management Daron Haddock, Division of Oil, Gas and Mining Steve Christensen, Division of Oil, Gas and Mining

Joe Helfrich, Division of Oil, Gas and Mining

December 8, 2016	The Division requests Hiawatha Coal Company submit a revised application to address deficiencies.
December 22, 2016	Comment period ends. No comments received.
February 20, 2017	Hiawatha submits a revised application to the Division.
March 29, 2017	Hiawatha submits a revised application to the Division.
June 13, 2017	The Division completes a follow-up inspection of the staked area requested for bond release. In attendance: Charles Reynolds; Hiawatha Coal Company, Daron Haddock, Priscilla Burton, Joe Helfrich, Justin Eatchel; DOGM

SUMMARY OF FINDINGS

The Phase I and 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 November 15, 2016 and a follow-up inspection was conducted on June 13, 2017. No problems were identified.

PHASE I and III BOND RELEASE RECOMMENDATION

The Division recommends approval of Phase III bond release of 10.17 acres of Slurry Pond 5. This will also allow for the reduction of \$52,211 in bond amount. The remaining bond will be \$1,655,789 which is more than the required \$1,592,000. Phase I bond release of 1.6 acres of Sediment Pond D007 is also recommended.



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

PID: C0070011
TaskID: 5300
Mine Name: HIAWATHA MINE
Title: PHASE I & PHASE III BOND RELEASE

General Contents

Permit Application Format and Contents

Analysis:

The application meets the requirements of R645-301-880.300 and R645-301-121.200, because Plate 8-2 shows the Phase III bond release areas by date. These areas include Borrow Area F, the North Fork area, Slurry Pond 4, Slurry Pond 5 Main Cell, and Refuse Pile 2. These areas totaled 83.1 acres, leaving 138.26 disturbed acres within the permit boundary (p. 2-37). Plate 8-2 illustrates the Phase III bond release locations and shows that there has been no reclamation of pond 5A at all. It remains part of the operation plan. The C1C2 form incorrectly refers to the East slope of Slurry Pond 5A in the C1C2 subject line. This is incorrect, but the application is correct.

pburton

Completeness

Analysis:

The application meets the requirements for the State of Utah R645 requirements for Completeness, R645-301-150: The bond release application includes documentation of notification to the land owners.

jhelfric

Reclamation Plan

General Requirements

Analysis:

The amendment meets the State of Utah R645 requirements for Reclamation Activities.

The requirements of R645-301-540 are met within the amendment as the Permittee correctly calls out the 2016 Phase bond releases of a portion of Slurry Pond 5 out as Slurry Pond 5A. The Permittee has amended the text on pages 8-77 and 8-78 to correctly reference Slurry Pond 5. The requirements of R645-301-534 and R645-301-542.600 are met within the amendment as per the Division inspection of the section of the road within the bond release area RA-1 (1.6 acres) as shown on Exhibit 4-A and has been properly ripped/scarified per R645-301-542.630. The Permittee must amend Exhibit 4-A to show the full extent of the road being applied for.

Approximate Original Contour Restoration

Analysis:

The amendment meets the State of Utah R645 requirements for Approximate Original Contour Restoration.

The amendment meets the R645-301-512.200, -553.110 through -553.150, R645-301-534 and R645-301-542.600 per the Division site inspection the section of road within bond release area RA-1 (1.6 acres) is not completely shown on Exhibit 4-A and has not been properly ripped/scarified per R645-301-542.630. The Permittee provided an amended Exhibit 4-A to the Division on March 29, 2017.

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.

cparker

Topsoil and Subsoil

Analysis:

Analysis:

The reclamation of the access road to Pond 7 meets the requirements for Phase I bond release, because it is at grade. The application states that final reclamation of ditch DD3 will occur in June 2017, which will then meet the requirements for Phase II bond release (p. 8-77 and 8-78). Reclamation was completed on May 31, 2017. A Division bond release inspection was completed on June 13, 2017 to observe the reclamation.

Ditch DD3 is shown on Ex II-4A as Phase I bond release area at the toe of Slurry pond 5. The topsoil berm was replaced along the Pond 7 access roadway, the road was ripped, and the area seeded on May 31, 2017. This reclamation meets the requirements of Phase II bond release in accordance with R645-301-542.630 and R645-301-880.310. Doing so by June 2017 will put ditch 7, pond 7 and the access road to pond 7 on a similar bond release clock.

pburton

Road System Reclamation

Analysis:

The amendment meets the State of Utah R645 requirements for Reclamation of Roads.

The requirements of R645-301-534 and R645-301-542.600 have been met within the amendment as per the Division inspection the section of the road within the bond release area RA-1 (1.6 acres) as shown on Exhibit 4-A and has not been properly ripped/scarified per R645-301-542.630. The Permittee provided an amended Exhibit 4-A to the Division on March 29, 2017.

cparker

Hydrological Information Reclamation Plan

Analysis:

The amendment meets the State of Utah R645 requirements for Phase I and Phase III bond release relative to the hydrology requirements.

The Permittee requested Phase I and III bond release on portions of the Hiawatha Mine site. The Phase III area was actually inspected by Division staff during a Phase III bond release earlier in 2016. However; due to an error in the reported acreages, a portion of that Phase III bond release was removed. The Phase III bond release with this application applies to the east slope of slurry pond 5A and includes 10.17 acres of reclaimed land. The Phase I component of the bond release application is associated with the initial reclamation (backfilling and grading) of sediment pond D007 (approximately 1.6 acres).

On November 15th, 2016, Division staff conducted a bond release inspection of the aforementioned areas. According to the Permittee, sediment pond D007 and two reporting drainage ditch were reclaimed in September of this year. During the inspection, the dispersion of seed on all of the reclaimed areas associated with sediment pond D007 was observed. Properly installed silt fence was observed on the downward slope of the sediment pond. The sediment pond had been backfilled and deeply pocked. Approximately 2' of embankment was left on the south side of the pond in order to retain approximately 10-12 pine trees that had established themselves within the reclaimed sediment pond. Several of the trees exceeded 10' in height and will serve to stabilize the reclaimed area. The two drainage ditches that reported to sediment pond D007 were observed and found to be stable, seeded and at approximate original contour. No evidence of instability or erosion were noted either with the two diversion ditches nor with the reclaimed sediment pond (D007).

The 10.17 acres of slope inspected on the east slope of slurry pond 5A was found to be stable with no evidence of erosion.

The amendment meets the State of Utah R645 requirements for Phase I and Phase III bond release relative to the hydrology requirements.

schriste

Revegetation Standards for Success

Analysis:

The information in the application meets the State of Utah R645 requirements for Vegetation Standards for Success.

On October 18th, 2016 the Division received an application for phase one bond release on sediment pond D007 and the associated diversion ditch(1.6 acres) and phase III bond release for the eastern out-slope of slurry pond 5 (10.17 acres). The phase I area is shown on Exhibit II-4a and the phase III area is shown on Exhibit 4a as well and Plate 8-2.

Phase I bond release (R645-301-880.310) requires back-filling, regrading and drainage control. Phase III bond release (R645-301-880.330, R645-301-356.200 and 357) requires the completion of all mining and reclamation activities, establishment of vegetation over a ten year liability period and a demonstration that the vegetation will equal or exceed the approved success standard during the growing season for the last two years of the of the liability period.

The reclamation work(including seeding) for sediment pond D007 and the associated diversion ditch was completed in September of 2016. Field work for the documentation to meet the requirements of Phase III bond release for the out-slope of slurry pond 5 began in August and continued into September of 2013. The study was repeated an August and September of 2014. The two years of data collection included reclaimed area 2 (RA2) or (slurry pond 5 main cell) and the corresponding reference area. 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 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.

Area RA 2 had 6 species that were at least 3 percent of the relative vegetation cover and had a total of 24 species present. There were 2 woody/shrubs, 1 forb, and 3 cool-season grasses. This area exceeds the requirement of 2 cool-season perennial grasses, but has only 2 of the 3 required woody shrub species.

Diversity:

Reference area 1 had 5 species with relative cover greater than 3 % and a total of 18 species. RA 2 had 7 species with relative cover greater than 3 % and a total of 19 species.

The woody plant density of reclamation area 2 (RA2) reclamation areas averaged 1776.4 plants per acre and the reference areas averaged 4,437 plants per acre. However since the postmining land use identified in the Hiawatha MRP is wildlife habitat and grazing, requisite consultation with DWR determined that 1,100 to 6,500 plants per acre were sufficient for wildlife needs. Therefore RA2 has met the recommended woody species success standards for the post-mining land use.

Production:

Production estimates by the NRCS or reference area one for 2013 and 2014 averaged 909 #'s per acre. Production estimates by the NRCS or RA 2 for 2013 and 2014 averaged 932 #'s per acre.

The percent cover for RA2 (10.18%) exceeded the percent cover (8.02) in the corresponding reference area # 1. RA2 met the life form requirements for species diversity. In 2013, Reclamation Areas 2 and 6 met the species diversity success

standard. RA2 had lower production than Reference Area 1. The data for the two years of consecutive vegetation surveys demonstrate that the standards of success required for phase III bond release have been met or exceeded. The application for phase I and III is recommended for approval.

jhefric

Maps Bonded Area

Analysis:

The amendment meets the State of Utah R645 requirements for Bonded Area.

The requirements of R645-301-800 are met within the amendment as the bonded area map was updated to include the full extent of the road that the Permittee wished to include in the bond release. The Permittee provided an updated map to the Division on March 29, 2017.

cparker

Maps Reclamation Treatments

Analysis:

Analysis:

The application meets the requirements for reclamation maps, because Ex II-4A accurately shows the reclaimed ditch leading to pond 007 on the south toe of Slurry pond 5, as DD2.

pburton

Bonding Determination of Amount

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 has provided complete maps showing the area of expected release. In November of 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 Division was unable to verify the 10.17 acres requested for approval as the area was not survey staked and included additional access roads not shown on the bond release maps. The application was requested a release of 10.17 acres of Phase I and III bond release for \$52,211. The bond amount is correct as the remaining \$52,211 is held in place to cover the remaining 10.17 acres. The release also includes 1.6 acres of Phase I of pond D007 and the ditch leading to it, however, the Permittee also indicated the access road was included. The provided bonding total sheet is correct and can be approved. The Permittee has provided a clearer drawing and description and provided survey stakes in the field.

cparker

Bonding Determination of Amount

Analysis:

The bond release application for Hiawatha, Task 5300 meets the requirements the State of Utah R645-301-830.140 for Determination of Bond Amount.

The bond release application for Hiawatha, Task 5300 meets the requirements for the State of Utah R645-301-830.140 for Determination of Bond Amount.

The direct costs in 2014 dollars is: \$1,142,400.00
Subtotal Indirect Cost is: \$306,163.00
Total Cost in 2014 Dollars is: \$1,448,563.00
Escalation: \$142,942.00
Bond Amount (rounded to nearest \$1000) 2019 Dollars is: \$1,592,000.00

Posted bond October 4, 2016: \$1,708,000.00

bwiser

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.



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, November 15, 2016
Start Date/Time:	11/15/2016 10:00:00 AM
End Date/Time:	11/15/2016 11:30:00 AM
Last Inspection:	Wednesday, November 02, 2016

Inspector: Joe Helfrich

Weather: Sunny warm 55

InspectionID Report Number: 5706

Accepted by: DHADDOCK
11/30/2016

Representatives Present During the Inspection:	
Company	Charles Reynolds
DWR	Michael Hansen
BLM	Steve Falk
OGM	Daron Haddock
OGM	Steve Christensen
OGM	Joe Helfrich

Permittee: **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

- 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 one bond release inspection on sediment pond D007 and the connecting diversion ditch, 1.6 acres and a Phase III inspection on the 10.17 acre outslope of slurry pond 5. Persons in attendance walked the length of the diversion ditch leading to pond D007, walked around the pond and across the East face of slurry pond 5.

On November 30, 2016, Dana Jenkins, Joe Helfrich and Priscilla Burton returned to the site to field check the Phase I and Phase III areas using GPS. Refer to Ex II-4 for bond release locations.

Inspector's Signature:

Joe Helfrich,

Inspector ID Number: 1

Date Thursday, November 17, 2016



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Permit Number: C0070011
 Inspection Type: BOND RELEASE
 Inspection Date: Tuesday, November 15, 2016

Inspection Continuation Sheet

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 Division received an application for phase I and phase III bond release at the Hiawatha mine on October 18, 2016. The phase I area involves 1.6 acres of disturbance associated with sediment pond D007 which was recently reclaimed. The phase III area includes 10.17 acres associated with the Eastern outslope of slurry pond 5. This area had previously been inspected during the April 26, 2016 bond release inspection covering approximately 83 acres. Because this area had not been noticed at that time a separate application for bond release was required. The applicant has requested a bond reduction of \$52,211 in conjunction with this bond release application. The BLM participated in this inspection, however after viewing the area, they indicated that they had no issues because this bond release covers fee land only.

3. Topsoil

The access road to pond 7 did not appear to have been reclaimed. The topsoil berm had been pocked along half the length of the road shown on Ex II-4A. Mr. Jensen stated that half road had been pocked and seeded several months ago, from the overhead power line to the pond.

4.c Hydrologic Balance: Other Sediment Control Measures

The surface of both bond release areas has been heavily pocked. The phase I bond release area had been recently seeded as evidenced by seed still visible on the surface. There is no indication of water or sediment leaving the sites of disturbance.

4.e Hydrologic Balance: Effluent Limitations

There was no water at the two bond release sites. There was no indication that water had discharged from the two sites either.

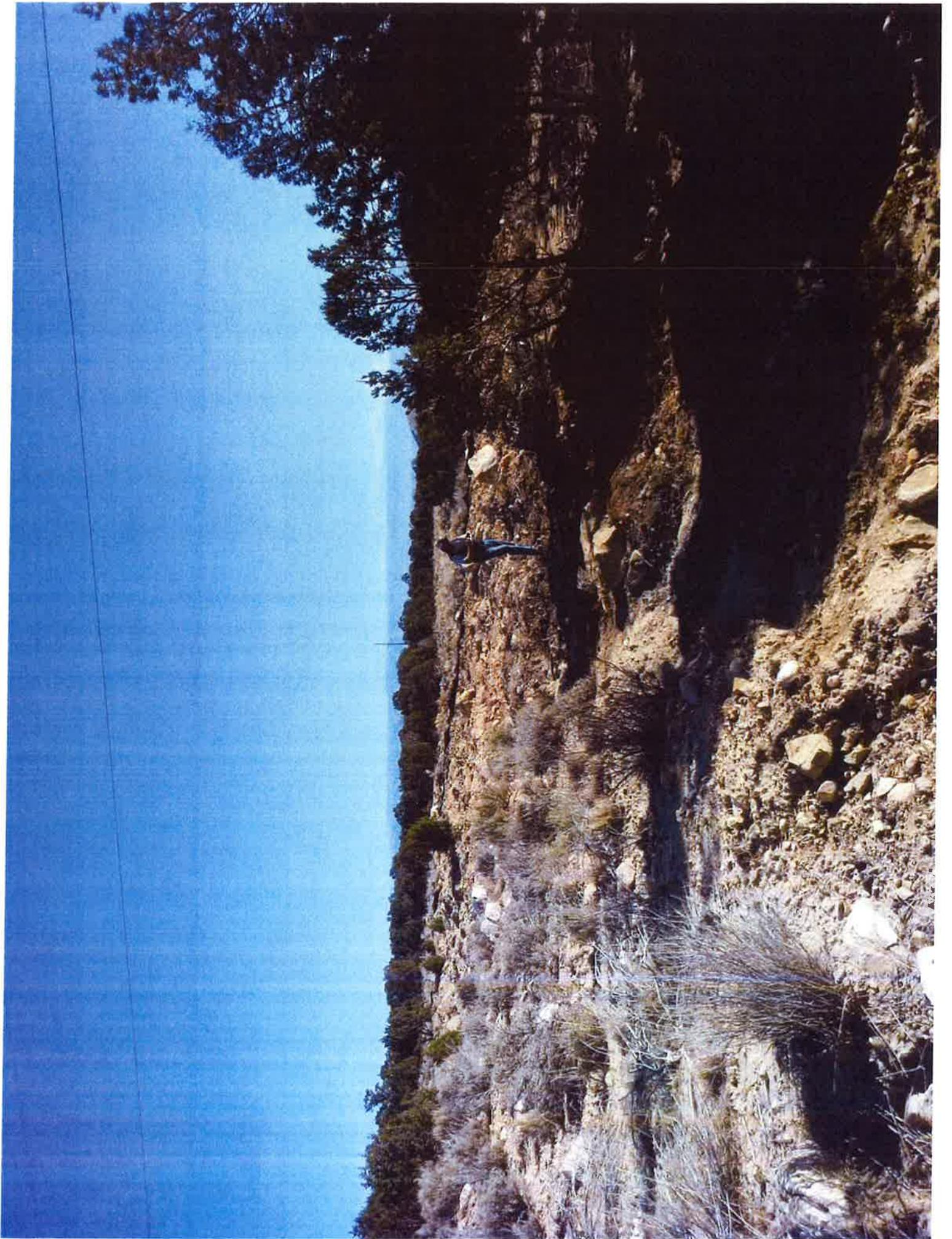
12. Backfilling And Grading

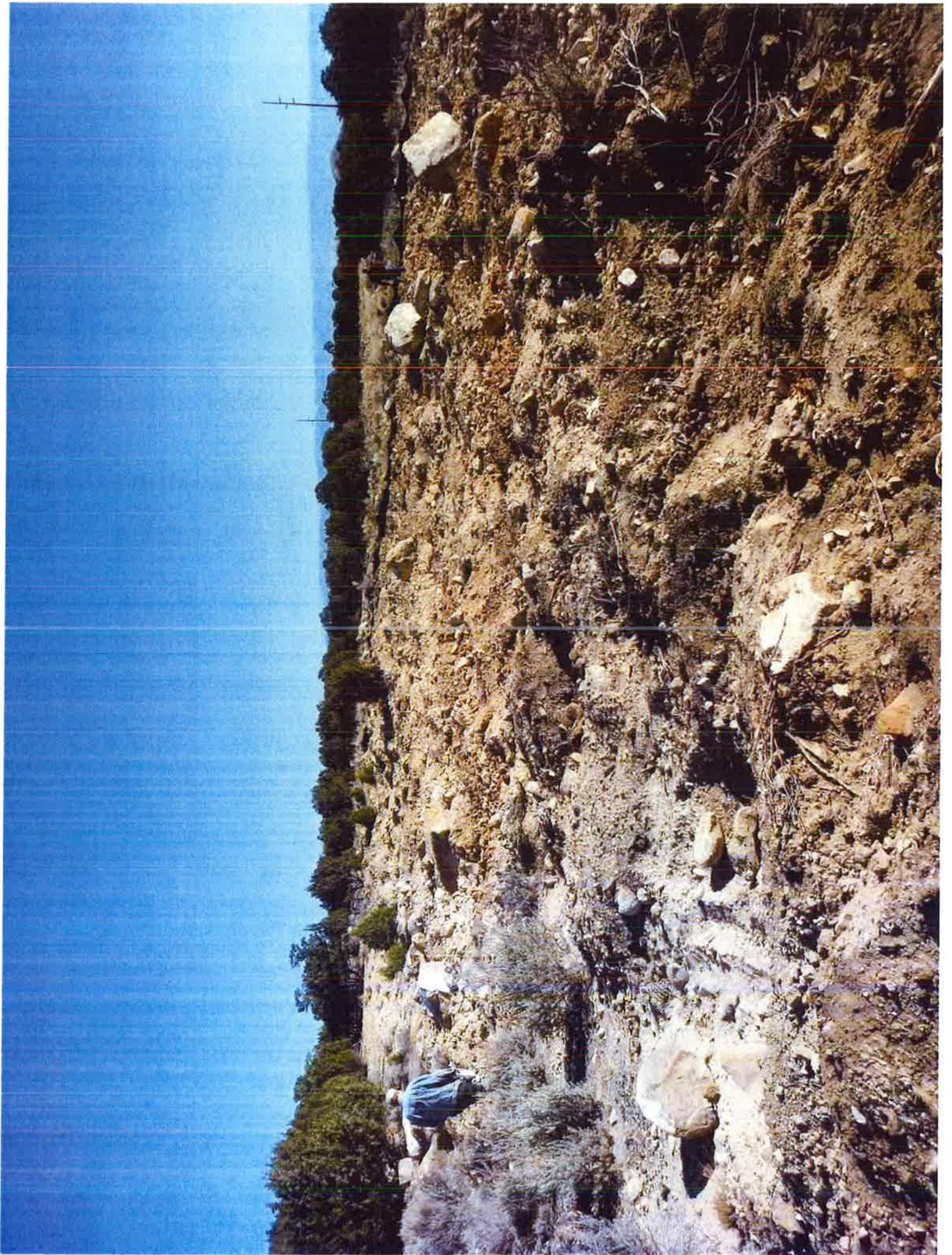
Sediment pond D007 and the connecting diversion ditch, 1.6 acres were backfilled, graded and pocked in September of 2016

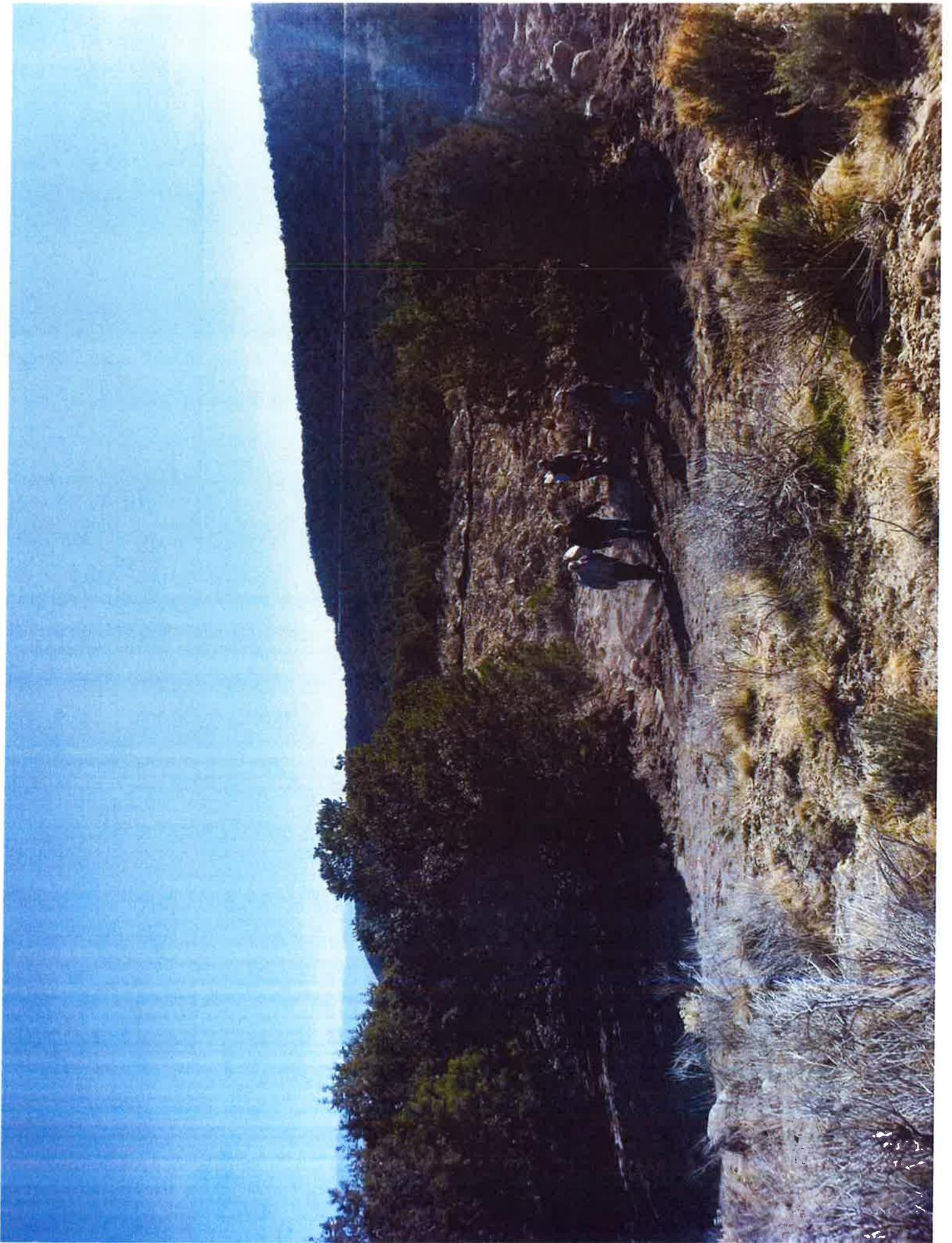
13. Revegetation

Sediment pond D007 and the connecting diversion ditch, 1.6 acres were seeded in September of 2016. This will begin the 10 year liability period.

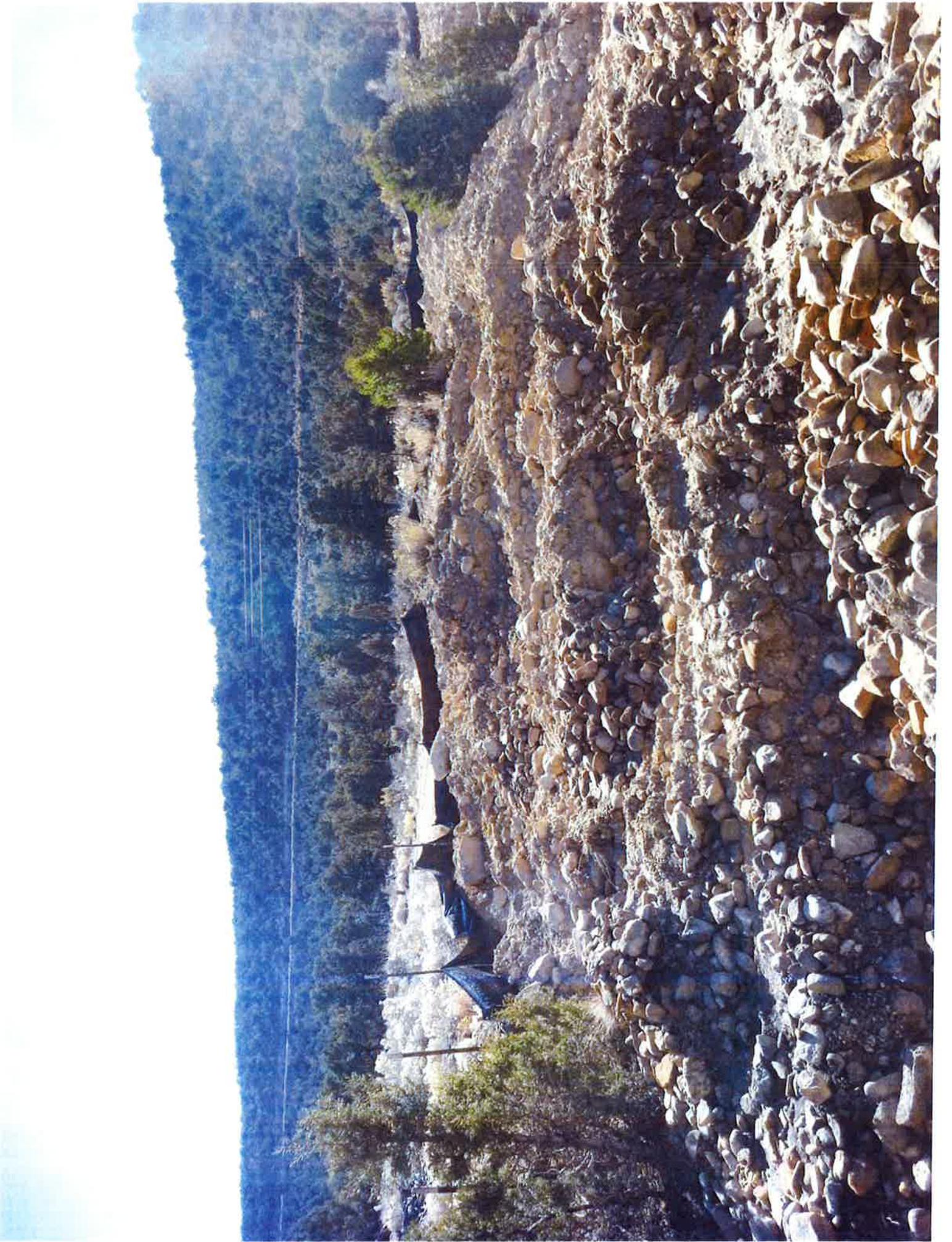


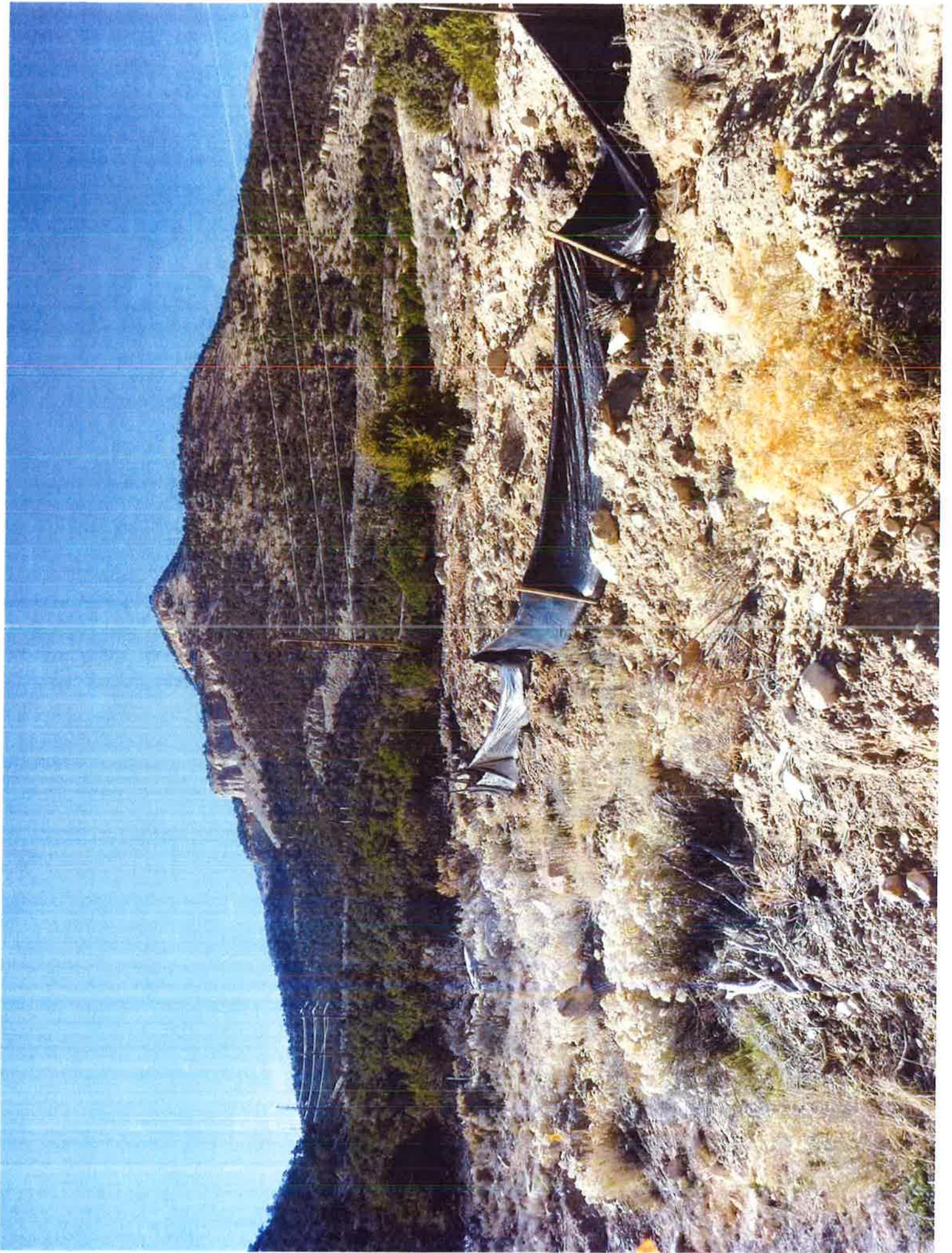


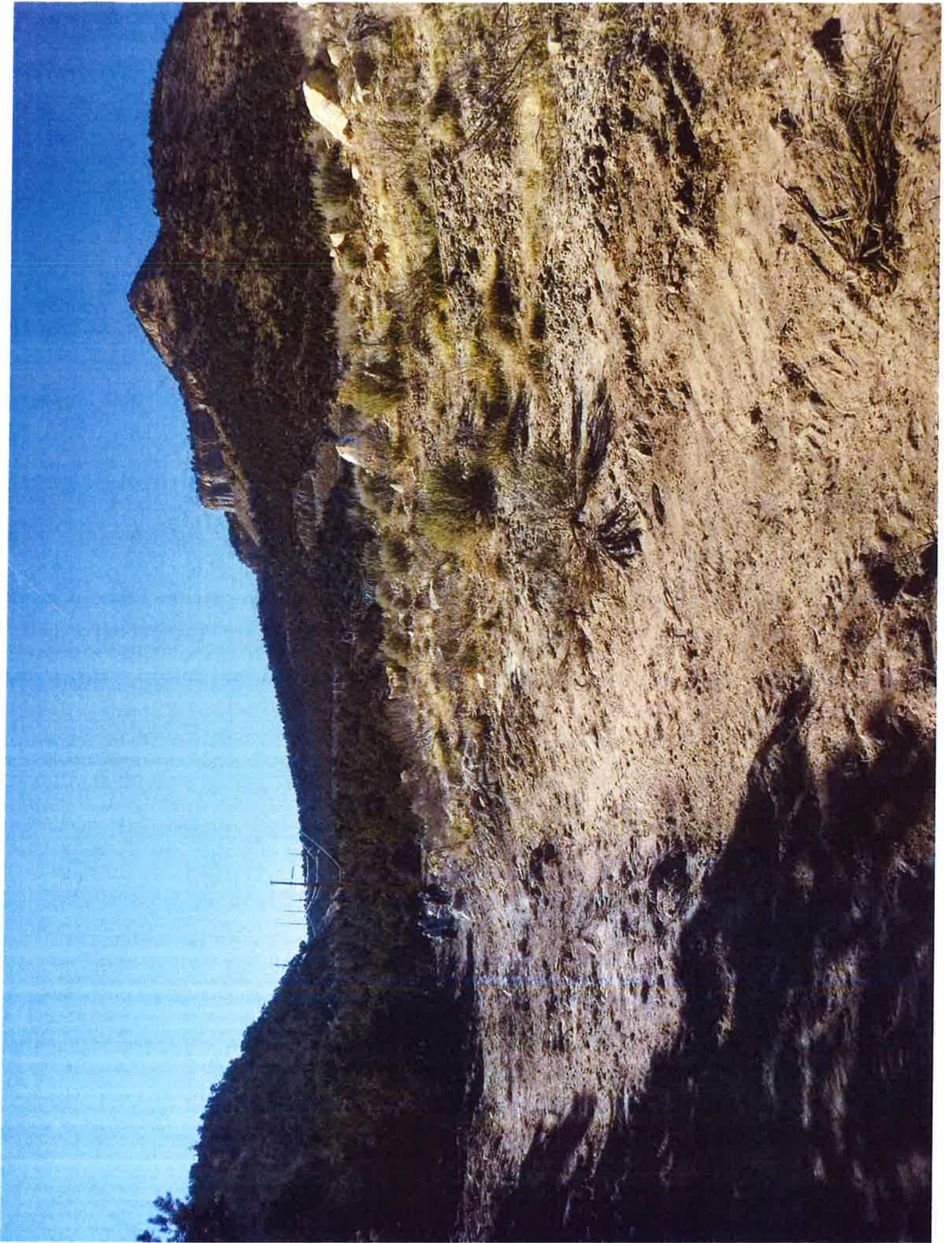




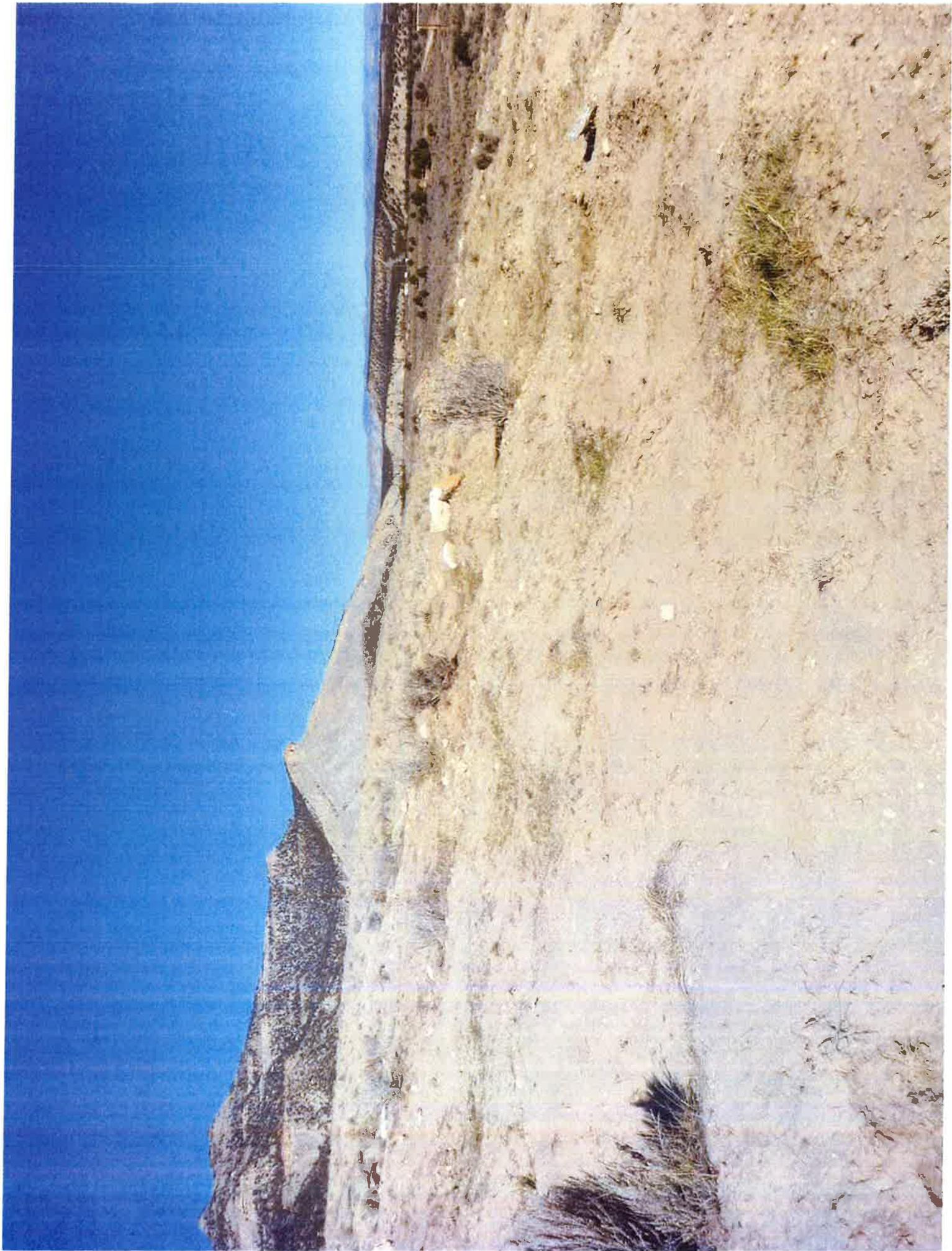


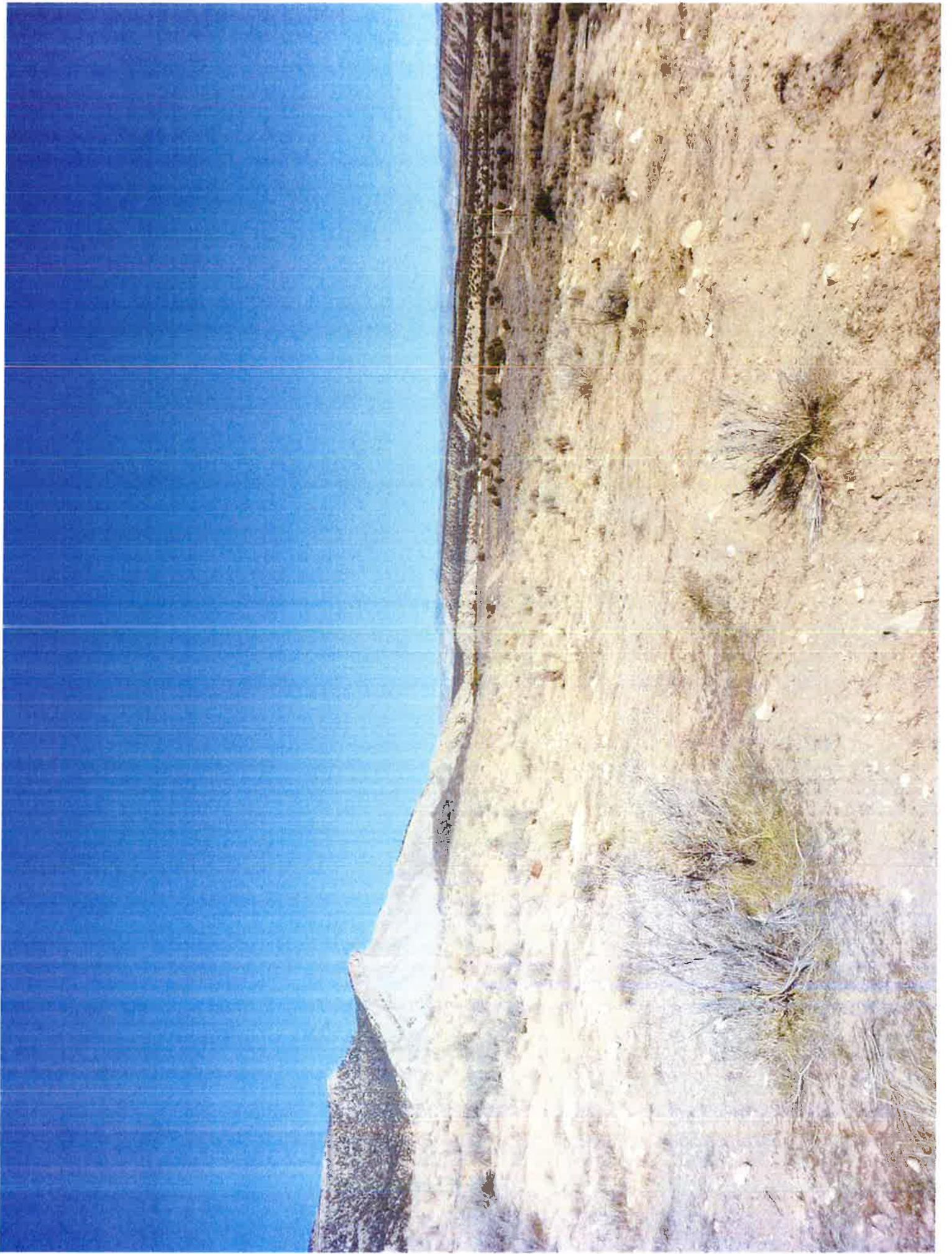


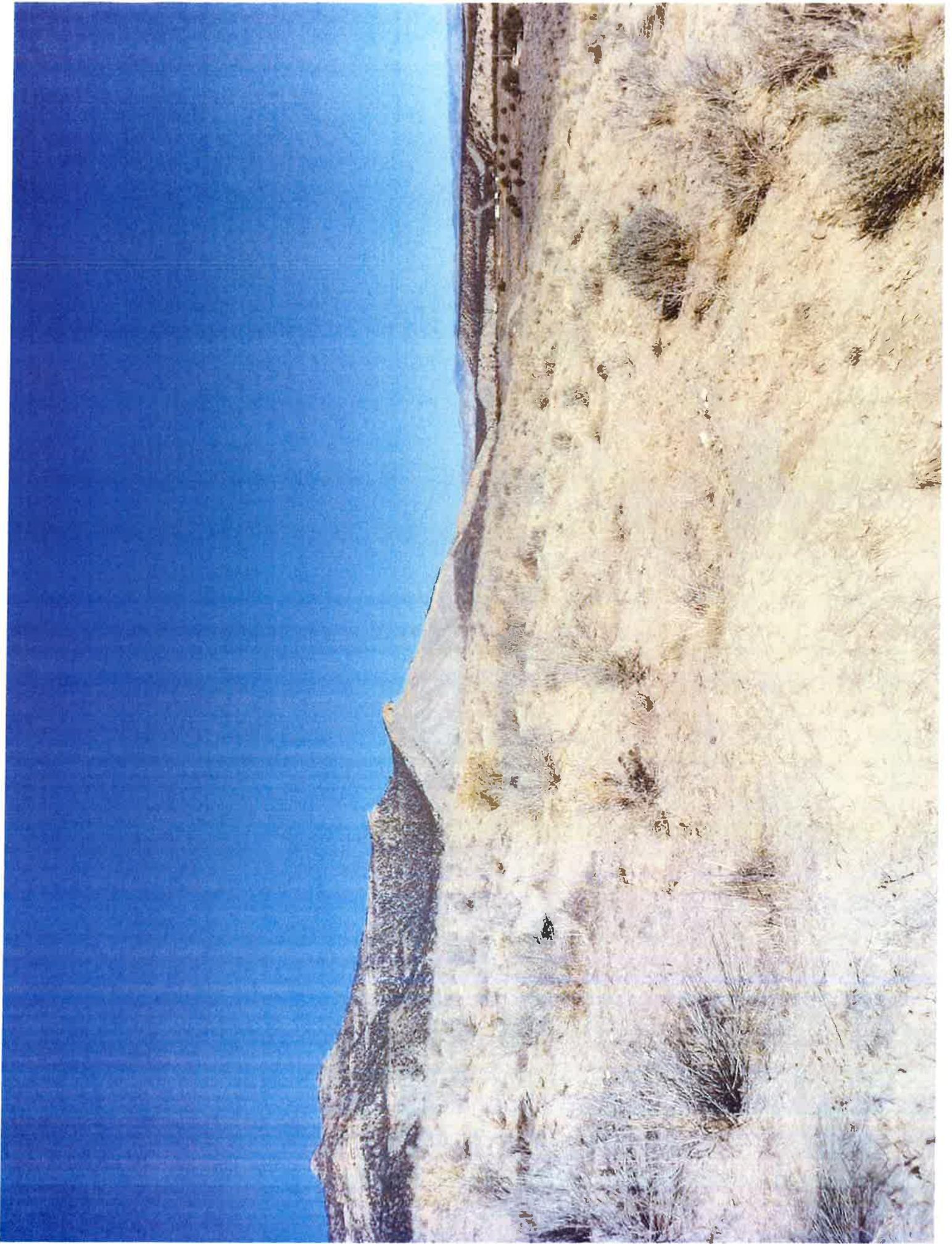




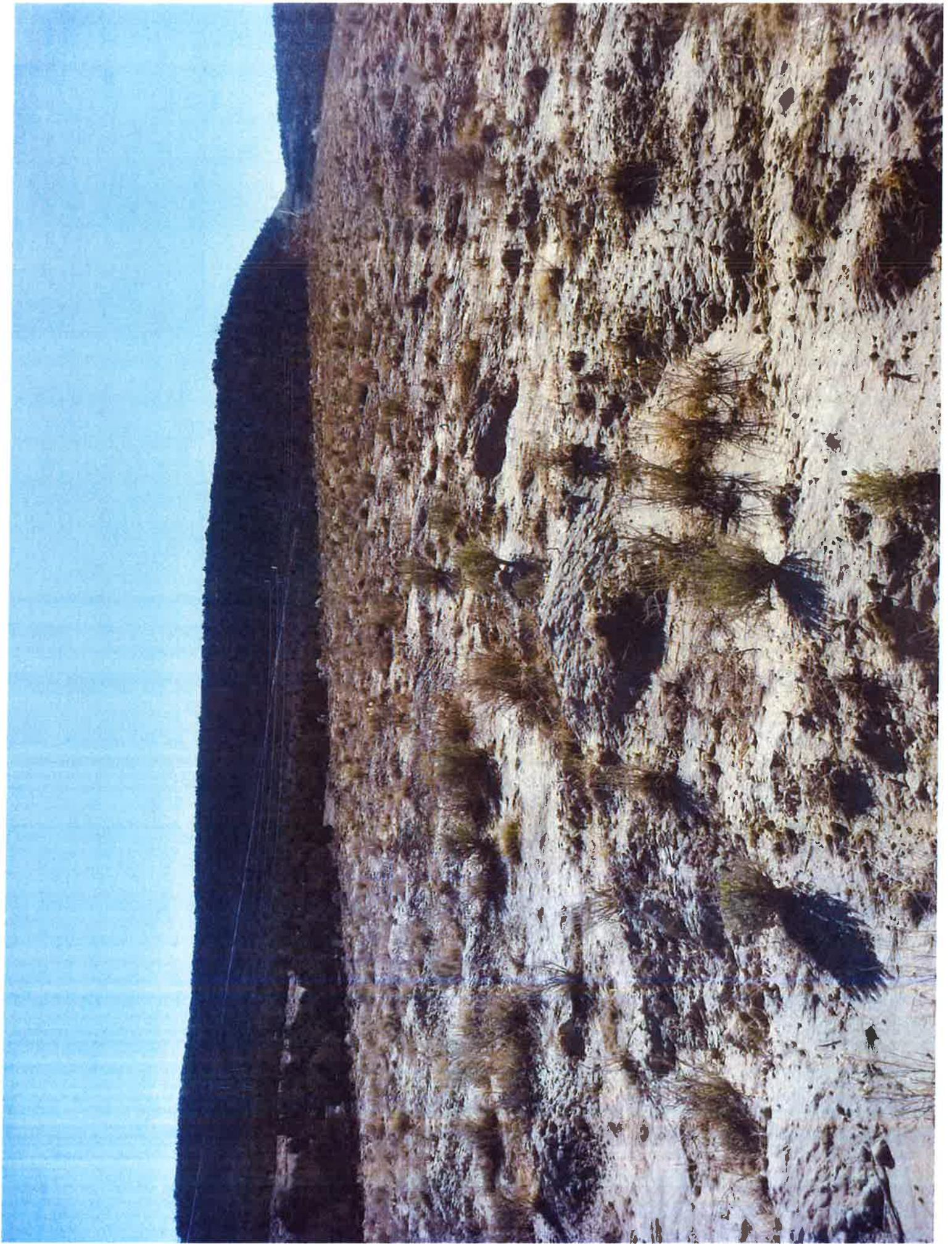
















GARY R. HERBERT
Governor

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, June 13, 2017
Start Date/Time:	6/13/2017 10:30:00 AM
End Date/Time:	6/13/2017 11:45:00 AM
Last Inspection:	Tuesday, May 2, 2017

Inspector: Joe Helfrich

Weather: Sunny, cool 50

InspectionID Report Number: 5874

Accepted by: DHADDOCK
7/3/2017

Representatives Present During the Inspection:

Company	Charles Reynolds
OGM	Daron Haddock
OGM	Priscilla Burton
OGM	Joe Helfrich
OGM	Justin Eatchel

Permittee: **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

- 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 measure the acreage of the reclaimed areas (diversion ditch 7 to sediment pond 7, sediment pond 7, diversion ditch 3 and the associated access road) included in the application for phase 1 bond release, Task 5300. Total area was GPS'd at 1.306 acres

Inspector's Signature: Joe Helfrich

Joe Helfrich,
Inspector ID Number: 1

Date: Monday, June 13, 2017



Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov

Permit Number: C0070011
 Inspection Type: BOND RELEASE
 Inspection Date: Tuesday, June 13, 2017

Inspection Continuation Sheet

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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

This site visit was a follow up inspection to evaluate the additional work that was needed after the November 15, 2016 inspection. The access road to sediment pond 7 has now been completely reclaimed and seeded. It is recommended that this small area receive phase I bond release as requested.

3. Topsoil

Topsoil pile East of Slurry Pond 5 (described in Chap II on p. 2-32 and Table II-12) was depleted in the process of reclaiming ditch DD3. 1,028 CY in the stockpile were used to cover coal mine waste to a depth of 4 feet at the outflow of the ditch with pond 7 (SE corner of Slurry Pond 5). The depleted stockpile area did not appear to have been seeded last fall and but will be seeded this summer.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment pond 6, East of Slurry Pond 5A was dry. Sandy soil in the pond was supporting foxtail grass. The berm/ditch directing flow around the base of Slurry Pond 5A to pond 6 was in need of maintenance.

11. Contemporaneous Reclamation

Seeding was completed May 31, 2017 on ditch DD3 at the East toe of Slurry Pond 5 (approximately 0.4 acres). Seeding of the remaining Phase I bond release area shown on Ex. 4A was completed in October 2016.

21. Bonding and Insurance

Total Task 5300 Phase I bond release area was GPS'd at 1.306 acres.



United States Department of the Interior



OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050

John Baza, Director
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Phase I and Phase III Bond Release, Hiawatha Coal Company, Hiawatha Mine, (Permit No. C/007/0011),
Task ID #5300

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSMRE), Denver Field Branch's (DFB) receipt and review of the subject Phase I and Phase III Bond Release Decision Document prepared by the Division of Oil, Gas and Mining (DOGM), dated July 7, 2017. DOGM's Proposed Decision documents the applicant's compliance with the Utah Coal Rules at R645-301-880 *et seq.* DFB agrees with the Division's findings and, as such, provides OSMRE concurrence in accordance with 30 CFR § 740.15 (d)(3), and 30 CFR § 944.30, Article IX, Section B of the State-Federal Cooperative Agreement.

This Phase I and Phase III bond release request applies to 11.476 acres, specifically:

1. Sediment Pond D007 (1.306 acres)
2. Slurry Pond 5 (10.17 acres)

OSMRE finds that Hiawatha Coal Company has met or exceeded the requirements for Phase I and Phase III bond release on the 11.476 acres described above. DOGM currently holds a performance bond for the Hiawatha Mine in the amount of \$1,708,000. Based on the subject reclamation work, Hiawatha Coal Company requests a bond reduction of \$52,211. The Division has determined the remaining \$1,655,789 performance bond will be more than sufficient to ensure full reclamation of the Hiawatha Mine in the event of forfeiture.

Thank you and your staff for coordinating this bond release action through DFB. Please contact Tom Medlin, Environmental Protection Specialist, at 303/293-5083 with any questions.

Sincerely,

Howard E. Strand, Manager
Denver Field Branch

c: Daron Haddock, DOGM
Elliot Finley, Hiawatha Coal Company