



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Natural Resources
Division of Oil, Gas and Mining

BRIAN C. STEED
Executive Director

JOHN R. BAZA
Division Director

March 7, 2022

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

Subject: Approval of Permit Renewal, Hiawatha Mine, Hiawatha Coal Company, C/007/0011, Task ID #6435

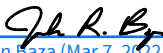
Dear Mr. Finley:

The permit renewal for the Hiawatha Mine is approved effective March 14, 2022. Enclosed are two (2) copies of the renewed permanent program permit for the Hiawatha Mine.

Please read the permit to be sure you understand the requirements and conditions, then have both permits signed by the designated authority and return one signed copy to the Division.

If you have any questions, please call Steve Christensen at (801) 538-5350 or myself at (801) 538-5334.

Sincerely,


John Baza (Mar 7, 2022 14:07 MST)

John R. Baza
Director

JRB/SKC/sqs
Enclosures



**UTAH DIVISION OF OIL, GAS AND MINING
STATE DECISION DOCUMENT
For
PERMIT RENEWAL**

**Hiawatha Coal Company
Hiawatha Mine
C/007/0011
Carbon County, Utah**

March 7, 2022

CONTENTS

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ADMINISTRATIVE OVERVIEW

**Hiawatha Coal Company
Hiawatha Mine
C/007/0011
Carbon County, Utah**

March 7, 2022

PROPOSAL

Hiawatha Coal Company made application to the Division of Oil Gas and Mining for a five-year permit Renewal for the Hiawatha Mine on November 15, 2021.

PERMITTING ACTION

The Hiawatha Coal Mine is a mine permitted by Hiawatha Coal Company. No underground mining is currently occurring, but is planned for sometime in the future. Coal slurry, however is occasionally being mined and shipped from the slurry ponds. (Note: A surface coal royalty is charged on this coal). The permit area is comprised of 12,117 acres with 197 acres of disturbed area. The disturbed acreage is reduced 10 acres from the previous permit since a phase III bond release was granted on July 12, 2017.

This permit was issued March 13, 1987, and successively renewed on March 13, 1992, March 13, 1997, March 14, 2002, March 14, 2007, March 14, 2012 and March 14, 2017.

BACKGROUND

U.S. Fuel Company received initial approval for the Hiawatha Mine by the Division of Oil, Gas and Mining (DOGM) and the Office of Surface Mining Reclamation and Enforcement (OSMRE) on March 13, 1987. The approved permit area consisted of all or parts of federal coal leases, SL-025431, SL-069985, U-058261, U-026583, U-51923 and a large portion of privately owned coal and a large area of surface which does not contain minable coal reserves.

The Hiawatha Mines Complex is a consolidation of the original King, Hiawatha, Black Hawk, and Mohrland coal mines, which began operating in the early 1900's. U. S. Fuel was organized in 1915 and began operations in 1916, when it took over the properties of the Consolidated Fuel Company, Castle Valley Coal Company, and the Black Hawk Coal Company, all of which are located within the current permit boundary.

A permit transfer application was received from American Fuel Corporation on April 3, 1995 and conditionally approved on April 26, 1995, pending insurance and posting of a bond.

This agreement was terminated on November 19, 1996. The permit was, however, transferred from U.S. Fuel Company to Hiawatha Coal Company on December 12, 1997. Since this time, very little mining has occurred. The underground mine has been idle and the only mining has been the recovery of coal fines from the slurry ponds.

PUBLIC NOTICE

The public notice for this permit renewal was published in the ETV News on November 24, December 1, 8 and 15, 2021. No comments were received.

RECOMMENDATION

The Division has made the decision to approve the permit renewal for five years based on the fact that:

- 1) The terms and conditions of the existing permit are being satisfactorily met;
- 2) The present coal mining and reclamation operations are in compliance with the environmental protection standards of the State Program;
- 3) The renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas;
- 4) The operator has provided evidence of having liability insurance and a performance bond which will be in effect for the operation and will continue in full force and effect; and
- 5) The permit is conditioned with 1) the requirement to submit water quality data through the Electronic Data Input web site, 2) underground mining within the Bear Canyon LMU is conditioned upon right-of-way reverting back to Hiawatha Coal Company and 3) Hiawatha Coal Company will comply with the Utah Division Order DO-22A.

PERMITTING CHRONOLOGY

Hiawatha Coal Company
Hiawatha Mine
Five-Year Permit Renewal
C/007/0011
Carbon County, Utah

March 7, 2022

November 15, 2021	Hiawatha Coal Company submits a permit renewal application.
November 17, 2021	Determination of Administrative Completeness of permit renewal application.
November 18, 2021	Permit renewal completeness determination sent to applicable state, federal, and local agencies and interested parties.
November 24, December 1, 8 and 15, 2021	Five-year permit renewal published in the ETV News for four consecutive weeks.
January 14, 2022	No comments received.
March 7, 2022	Permit Renewal is issued to Hiawatha Coal Company effective March 14, 2022 with three conditions.

PERMIT RENEWAL FINDINGS

Hiawatha Coal Company
Hiawatha Mine

Five-Year Permit Renewal
C/007/011
Carbon County, Utah

March 7, 2022

1. The permit renewal term will not exceed the original permit term of five years (R645-303-234).
2. The terms and conditions of the existing permit are being met (R645-303-233.110).
3. The present coal mining (removal of coal slurry) and reclamation operations are in compliance with the environmental protection standards of the Act and the Utah State Program (R645-303-233.120).
4. The requested renewal will not substantially jeopardize the operator's continuing ability to comply with the Act and the Utah State Program (R645-303-233.130).
5. The operator has provided evidence of having liability insurance (Federal Insurance Company (Policy 35907576) (R645-303-233.140).
6. The operator has posted a cash bond with the Utah State Treasurer in the amount of \$1,940,000 and has provided evidence that these Securities will remain in full effect for the term of the permit. (R645-303-233.150).
7. The operator has submitted all updated information as required by the Division at this time (R645-233.160).

Steve Christensen

Steve Christensen (Mar 2, 2022 16:39 MST)

Permit Supervisor



Associate Director of Mining

John Baza

John Baza (Mar 7, 2022 14:07 MST)

Director

Division of Oil, Gas & Mining

FEDERAL

**PERMIT
C/007/0011**

March 14, 2022

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801
(801) 538-5340**

This permit, C/007/0011, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

**Hiawatha Coal Company
P. O. Box 1240
Huntington, Utah 84528
(435) 636-0069**

for the Hiawatha Mine. Hiawatha Coal Company is the permit holder and responsible party for this Coal Mining and Reclamation Permit. Reclamation Surety in the form of Treasury Notes is filed with the DOGM in the amount of \$1,940,000, payable to the state of Utah, Division of Oil, Gas and Mining and the Office of Surface Mining Reclamation and Enforcement (OSMRE). DOGM must receive a copy of this permit signed and dated by the permittee.

Sec. 1 STATUTES AND REGULATIONS - This permit is issued pursuant to the Utah Coal Mining and Reclamation Act of 1979, Utah Code Annotated (UCA) 40-10-1 et seq, hereafter referred to as the Act.

Sec. 2 PERMIT AREA - The permittee is authorized to conduct coal mining and reclamation operations, subject to all permit conditions and lease terms on the following described lands (as shown on the map appended as Attachment B) within the permit area at the Hiawatha Mines Complex situated in the state of Utah, Carbon and Emery Counties, and located:

Township 15 South, Range 7 East, SLM

Sec. 13: S1/2;
Sec. 24: All;
Sec. 25: E1/2, E1/2NW1/4;
Sec. 36: E1/2;

Township 15 South, Range 8 East, SLM

- Sec. 17: S1/2, S1/2N1/2;
- Sec. 18: S1/2S1/2, NE1/4SW1/4(part), NW1/4SW1/4 (part);
- Sec. 19: All;
- Sec. 20: All;
- Sec. 21: All;
- Sec. 26: W1/2SW1/4;
- Sec. 27: S1/2, SW1/4NW1/4;
- Sec. 28: All;
- Sec. 29: All;
- Sec. 30: All;
- Sec. 31: All;
- Sec. 32: All;
- Sec. 33: All;
- Sec. 34: N1/2, SW1/4, N1/2SE1/4 ;
- Sec. 35: NW1/4, NW1/4SW1/4;

Township 16 South, Range 8 East, SLM

- Sec. 3: W1/2;
- Sec. 4: All;
- Sec. 5: All;
- Sec. 6: NE1/4SE1/4, Lots 1 thru 10;
- Sec. 8: E1/2E1/2;
- Sec. 9: All;

This legal description is for the permit area of the Hiawatha Mine. The permittee is authorized to conduct coal mining and reclamation operations on the foregoing described property subject to the conditions of the leases, including all conditions of the permit and all other applicable conditions, laws and regulations.

The designated permit area as described above excludes 55 acres for the town of Hiawatha in:

T. 15 S., R. 8 E., SLM, Secs. 27 and 34

Sec. 3 COMPLIANCE - The permittee will comply with the terms and conditions of the permit, all applicable performance standards and requirements of the State Program.

Sec. 4 PERMIT TERM - This permit expires on March 14, 2027.

Sec. 5 ASSIGNMENT OF PERMIT RIGHTS - The permit rights may not be transferred, assigned or sold without the approval of the Director, DOGM. Transfer, assignment or sale of permit rights must be done in accordance with applicable regulations, including but not limited to 30 CFR 740.13(e) and R645-303.

Sec. 6 RIGHT OF ENTRY - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of OSMRE, without advance notice or a search warrant, upon presentation of appropriate credentials, and without delay to:

- (a) have the rights of entry provided for in 30 CFR 840.12, R645-400-110, 30 CFR 842.13 and R645-400-220; and,
- (b) be accompanied by private persons for the purpose of conducting an inspection in accordance with R645-400-100, R645-400-200 and 30 CFR 842, when the inspection is in response to an alleged violation reported by the private person.

Sec. 7 SCOPE OF OPERATIONS - The permittee shall conduct coal mining and reclamation operations only on those lands specifically designated as within the permit area on the maps submitted in the mining and reclamation plan and permit application and approved for the term of the permit and which are subject to the performance bond.

Sec. 8 ENVIRONMENTAL IMPACTS - The permittee shall minimize any adverse impact to the environment or public health and safety through but not limited to:

- (a) accelerated monitoring to determine the nature and extent of noncompliance and the results of the noncompliance;
- (b) immediate implementation of measures necessary to comply; and
- (c) warning, as soon as possible after learning of such noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.

Sec. 9 DISPOSAL OF POLLUTANTS - The permittee shall dispose of solids, sludge, filter backwash or pollutants in the course of treatment or control of waters or emissions to the air in the manner required by the approved Utah State Program and the Federal Lands Program which prevents violation of any applicable state or federal law.

Sec. 10 CONDUCT OF OPERATIONS - The permittee shall conduct its operations:

- (a) in accordance with the terms of the permit to prevent significant, imminent environmental harm to the health and safety of the public; and
- (b) utilizing methods specified as conditions of the permit by DOGM in approving alternative methods of compliance with the performance standards of the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 11 EXISTING STRUCTURES - As applicable, the permittee will comply with R645-301 and R645-302 for compliance, modification, or abandonment of existing structures.

Sec. 12 RECLAMATION FEE PAYMENTS - The operator shall pay all reclamation fees required by 30 CFR part 870 for coal produced under the permit, for sale, transfer or use.

Sec. 13 AUTHORIZED AGENT - The permittee shall provide the names, addresses and telephone numbers of persons responsible for operations under the permit to whom notices and orders are to be delivered.

Sec. 14 COMPLIANCE WITH OTHER LAWS - The permittee shall comply with the provisions of the Water Pollution Control Act (33 USC 1151 et seq.) and the Clean Air Act (42 USC 7401 et seq), UCA 26-11-1 et seq, and UCA 26-13-1 et seq.

Sec. 15 PERMIT RENEWAL - Upon expiration, this permit may be renewed for areas within the boundaries of the existing permit in accordance with the Act, the approved Utah State Program and the Federal Lands Program.

Sec. 16 CULTURAL RESOURCES - If during the course of mining operations, previously unidentified cultural resources are discovered, the permittee shall ensure that the site(s) is not disturbed and shall notify DOGM. DOGM, after coordination with OSMRE, shall inform the permittee of necessary actions required. The permittee shall implement the mitigation measures required by DOGM within the time frame specified by DOGM.

Sec. 17 APPEALS - The permittee shall have the right to appeal as provided for under R645-300.

Sec. 18 SPECIAL CONDITIONS - There are special conditions associated with these permitting actions as described in Attachment A.

The above conditions (Sections 1-18) are also imposed upon the permittee's agents and employees. The failure or refusal of any of these persons to comply with these conditions shall be deemed a failure of the permittee to comply with the terms of this permit and the lease. The permittee shall require his agents, contractors and subcontractors involved in activities concerning this permit to include these conditions in the contracts between and among them. These conditions may be revised or amended, in writing, by the mutual consent of DOGM and the permittee at any time to adjust to changed conditions or to correct an oversight. DOGM may amend these conditions at any time without the consent of the permittee in order to make them consistent with any new federal or state statutes and any new regulations.

THE STATE OF UTAH

By: 
John Baza (Mar 7, 2022 14:07 MST)

Date: 03/07/2022

I certify that I have read, understand and accept the requirements of this permit and any special conditions attached.

PERMITTEE

Authorized Representative of the Permittee

Date: _____

Attachment A

SPECIAL CONDITIONS

1. Hiawatha Coal Company will submit water quality data for the Hiawatha Mine in an electronic format through the Electronic Data Input web site, <https://www.ogm.utah.gov/coal/wqdb.php>
2. Underground coal mining within the Bear Canyon LMU is conditioned upon right-of-entry reverting back to Hiawatha Coal Company. Until Hiawatha Coal Company has appropriate right-of-entry, no coal mining may occur in the Bear Canyon LMU under this permit.
3. Hiawatha Coal Company will comply with Utah Division Order DO-22A (Attached).

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

PERMITTEE

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

PERMIT NUMBER C/007/0011
DIVISION NUMBER DO-22A

ORDER & FINDINGS OF PERMIT DEFICIENCY

PURSUANT to R645-303-212, the DIVISION ORDERS the PERMITTEE, Hiawatha Coal Company (the Permittee) to make the requisite permit changes enumerated in the findings of Permit Deficiency to be in compliance with the State Coal Program. These findings are to be remedied in accordance with R645-303-220.

FINDINGS OF PERMIT DEFICIENCY

Upon review of the current Hiawatha Complex Mining and Reclamation Plan (MRP), the Division of Oil, Gas and Mining (the Division) has determined that the information presented does not reflect conditions that have developed at the site and is therefore deficient. The Utah Admin. Code requires these conditions to be addressed in the MRP.

In June of 2012, the Seeley Fire severely impacted large swaths of land in the undisturbed watersheds that contribute stormwater runoff to the Hiawatha Mine. As a result, the watershed's response to precipitation events has caused significant increases to peak runoff volumes and sedimentation rates. These increased volumes have led to well documented instances of plugged bypass culverts which produce damaging effects to the mine site, the disturbed and undisturbed stormwater conveyance systems and raise the potential for off-site impacts. The effects of the Seeley Fire to the contributing undisturbed watershed characteristics of the site are not contemplated in the current MRP. Given the numerous documented observations and evidence compiled by Division staff and the Office of Surface Mining and Reclamation Enforcement (OSMRE), the current hydrologic designs of the undisturbed stormwater conveyance system in the MRP are inadequate and necessitate a revision to the narrative, designs, and drawings of

Chapter VII. It follows that components of the undisturbed stormwater conveyance system may need to be re-sized and replaced to meet the performance standards identified in the State of Utah R645 Rules (R645 Rules).

Additionally, in response to subsequent precipitation events and resulting sedimentation reporting to the Hiawatha Mine, impoundments and other disturbances have been constructed. The impoundments/disturbances are not contemplated or identified within the MRP. As they are in direct connection with the existing stormwater conveyance system for the mine site, they must be permitted to ensure they meet the performance standards of the R645 Rules and are adequately bonded for final reclamation.

R645-300-133.400 requires the Division to make an assessment and written findings of the *“probable cumulative impacts of all anticipated coal mining and reclamation operations on the hydrologic balance in the cumulative impact area and has determined that the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.”*

The Division finds the current Hiawatha Mine MRP deficient per R645-301-520 through R645-301-540, R645-301-730 through R645-301-760, and R645-301-810 through R645-301-830.

Division Order DO-22A (DO-22A) is hereby attached as a special condition to the Hiawatha Mine’s State of Utah Coal Mining and Reclamation Permit (Permit Number C/007/0011).

ORDER

Hiawatha Coal Company is hereby ordered to revise the Hiawatha Mine MRP in accordance with R645-303-220 and submit to the Division a complete and adequate application for permit change to address the findings of permit deficiency. The following amendment content considerations and allotted time frames must be adhered to:

- 1) Provide an amendment to the Hiawatha Mine MRP with updated peak runoff and soil loss calculations for all undisturbed watersheds (including those not currently contemplated in the MRP) that contribute stormwater runoff to the Hiawatha Mine site by no later than June 13th, 2022.
- 2) Based on the updated peak runoff and soil loss calculations, provide an amendment to the Hiawatha Mine MRP with updated designs, supporting calculations, supporting narrative, detailed drawings, and updated reclamation costs for any undisturbed watershed stormwater conveyance system component (i.e., diversion, impoundment) that no longer meets the R645 performance standards by no later than June 13th, 2022.

- 3) Provide an amendment to the Hiawatha Mine MRP with the designs, supporting calculations, supporting narrative, detailed drawings and reclamation costs for all impoundments and disturbances not identified in the MRP by no later than June 13th, 2022.
- 4) Complete construction, installation, earthwork, improvements etc. identified in Items 1-3 within one calendar year of receipt of final Division approval of the amendment.

Ordered this 2nd day of March 2022 by the Division of Oil, Gas and Mining.



Dana Dean, Deputy Director
Division of Oil, Gas and Mining

PROOF OF PUBLICATION AFFIDAVIT

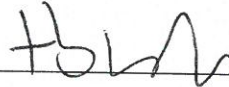
I, Traci Bishop, being first duly sworn, state that I am the Associate Editor of ETV News, a weekly newspaper of general circulation published at Price, County of Carbon, State of Utah; and that the advertisement or notice, a printed copy of which is attached hereto, was printed and published in said newspaper for four issues and on www.utahlegals.com website as follows:

November 24, 2021

December 1, 2021

December 8, 2021

December 15, 2021



Traci Bishop, Associate Editor

Subscribed to and sworn before me this 15th day of December, 2021.


Notary Public

NOTICE

Hiawatha Coal Company, P.O. Box 1240, Huntington, Utah, 84528, hereby announces its intent to renew its coal mine and reclamation permit for coal mining activities at the Hiawatha Mine Complex, Permit No. C/007/0011. The Hiawatha Mine Complex is located in Hiawatha, Utah, approximately 18 road miles south of Price, Utah. The permit area, found on the USGS Hiawatha Quadrangle map, is described as follows:

Township 15 South, Range 7 East, SLM

Sect 13: S1/2
Sect 24: All
Sect 25: E1/2, E1/2NW1/4
Sect 36: E1/2

Township 15 South, Range 8 East, SLM

Sect 17: S1/2, S1/2N1/2
Sect 18: S1/2S1/2, NE1/4SW1/4 (part), NW1/4SW1/4 (part)
Sect 19 thru 21: All
Sect 26: W1/2SW1/4
Sect 27: S1/2, SW1/4, NW1/4
Sect 28 thru 33: All
Sect 34: N1/2, SW1/4, N1/2SE1/4
Sect 35: NW1/4, NW1/4SW1/4

Township 16 South, Range 8 East, SLM

Sect 3: W1/2
Sect 4 and 5: All
Sect 6: NE1/4SE1/4, Lots 1 thru 10
Sect 8: E1/2E1/2
Sect 9: All

Excluding 55 acres for the town of Hiawatha in T15S, R8E, SLM, Sects 27 and 34, as shown on Exhibit IV-3 of the Mining and Reclamation Plan. Written comments, objections, or requests for informal conferences should be directed to the Utah Division of Oil Gas, & Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah, 84114-5801. Copies of the renewal application are available for public inspection at the office of the Utah Division of Oil, Gas & Mining in Salt Lake City.

Published in the ETV Newspaper November 24, December 1, December 8 and December 15, 2021.



State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Natural Resources
Division of Oil, Gas and Mining

BRIAN C. STEED
Executive Director

JOHN R. BAZA
Division Director

March 1, 2022

TO: Internal File

FROM: Steve Christensen, Coal Program Manager

RE: Compliance Review for Section 510 (c) Findings, Hiawatha Coal Company

As of the writing of this memo, there are no NOVS or COs which are not corrected or in the process of being corrected. There are no finalized Civil Penalties, which are outstanding and overdue in the name of Hiawatha Coal Company. Hiawatha Coal Company does not demonstrate a pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

The recommendation from the Applicant Violator System (AVS) denotes that all connected entities either do not have any civil penalties or are under a settlement agreement (attached).



Application Evaluation

There were no violations retrieved by the system

Application Number: C0070011 SEQ:8
 Applicant Name: 144578 Hiawatha Coal Company Incorporated
 Date of Request: 3/1/2022 11:52:48 AM
 Requestor: Suzanne.Steab

CAUTION: The Applicant/Violator System (AVS) is an informational database. Permit eligibility determinations are made by the regulatory authority with jurisdiction over the permit application not by the AVS. Results which display outstanding violations may not include critical information about settlements or other conditions that affect permit eligibility. Consult the AVS Office at 800-643-9748 for verification of information prior to making decisions on these results.

Violation Type	Violation Number	Violation Entities	Permit Number	Permitted State	Violation Status	Violation Date
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Evaluation OFT

Entities: 10

247907 ANR Company Incorporated - ()
 ---134509 C W Mining Co - (Subsidiary Company)
 -----071172 John A Gustafson - (Vice President)
 -----137875 Dorothy J Sanders - (Director)
 -----144578 Hiawatha Coal Company Incorporated - (Subsidiary Company)
 -----144579 Elliot Finley - (President)
 -----144580 Nathaniel Finley - (Secretary)
 -----144580 Nathaniel Finley - (Treasurer)
 -----144580 Nathaniel Finley - (Vice President)
 -----247904 Charles W Reynolds - (Director)
 -----247904 Charles W Reynolds - (President)
 -----250505 Maurine O Gustafson - (Secretary)
 -----250505 Maurine O Gustafson - (Treasurer)
 ---247908 J O Kingston - (Director)
 ---247908 J O Kingston - (President)

Narrative