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State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 29, 2007

John Gefferth, Environmental Engineer
Consolidation Coal Company
P.O. Box 566
Sesser, Illinois 62884

Subject: Permit Renewal, Consolidation Coal Company, Hidden Valley Mine,
C/015/0007, Task ID #2668, Outgoing File

Dear Mr. Gefferth:

The permit renewal for the Hidden Valley Mine is approved, effective January 29, 2007. Enclosed is the State Decision Document for this Permit Renewal, which includes two (2) copies of the renewed permanent program permit for the Hidden Valley Mine. Please read the permit to be sure you understand the requirements of the permit, then have both copies signed by the appropriate Consolidation Coal Company officer and return one to the Division.

If you have any questions, please call me.

Sincerely,

John R. Baza
Director

an
Enclosures
cc: Jim Fulton, OSM-WRCC
Price Field Office
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**UTAH DIVISION OF OIL, GAS AND MINING
DECISION DOCUMENT**

**Consolidation Coal Company
Permit Renewal
Hidden Valley Mine
C/015/0007
Emery County, Utah**

January 29, 2007

CONTENTS

- * Administrative Overview
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ADMINISTRATIVE OVERVIEW

Consolidation Coal Company
Permit Renewal
Hidden Valley Mine
C/015/0007
Emery County, Utah

January 29, 2007

PROPOSAL

Consolidation Coal Company proposes to renew the reclamation permit for the Hidden Valley Mine.

BACKGROUND

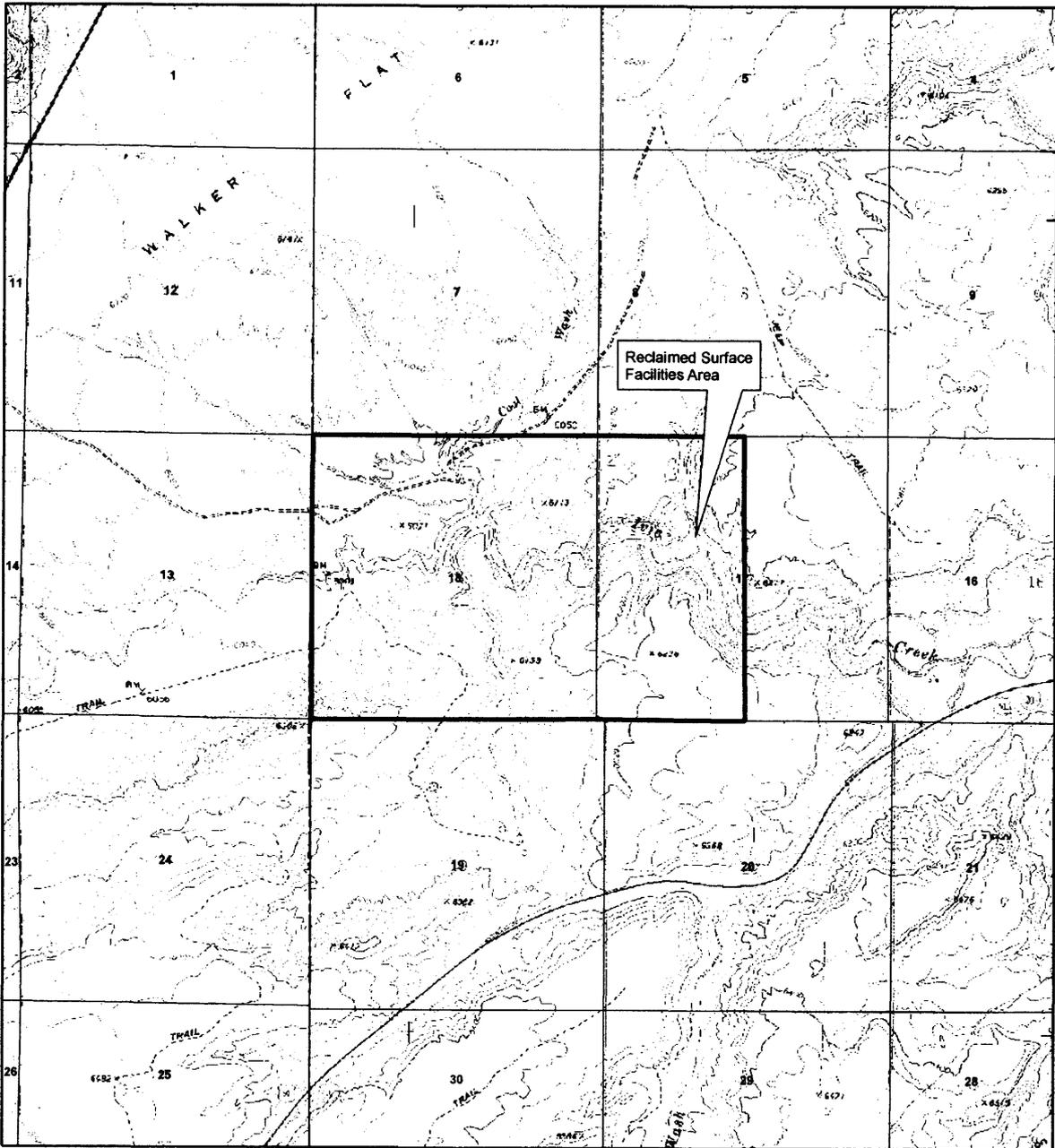
The Hidden Valley Mine is located in Emery County about three miles east of Highway 10 in Township 23 South, Range 6 East, SLBM, Sections 17 and 18. This coal mine never operated as a commercial venture. The original reclamation permit was issued January 29, 1987. Reclamation was performed during that year. Phase I bond release was determined effective on June 17, 1988. The current bond liability at the Hidden Valley Mine is \$95,501.

A revised postmining landuse was approved April 27, 1991. The first permit renewal was approved on January 30, 1992. The reclamation permit was transferred from Hidden Valley Coal Company to Consolidation Coal Company on November 2, 1995. The permit was successively renewed on January 29, 1997 and January 29, 2002.

Consolidation Coal Company submitted a Major Exploration application for the Hidden Valley Mine on March 6, 2006, but this application has been determined incomplete twice to date. A minor exploration was approved and drilling started in August 2006 and drilling commence shortly thereafter.

RECOMMENDATION

The application for permit renewal has met the Division requirements for approval. The permit renewal was advertised in the Emery County Progress on November 7, 14, 21 and 28, 2006. No comments were received. The reclamation permit should be renewed.



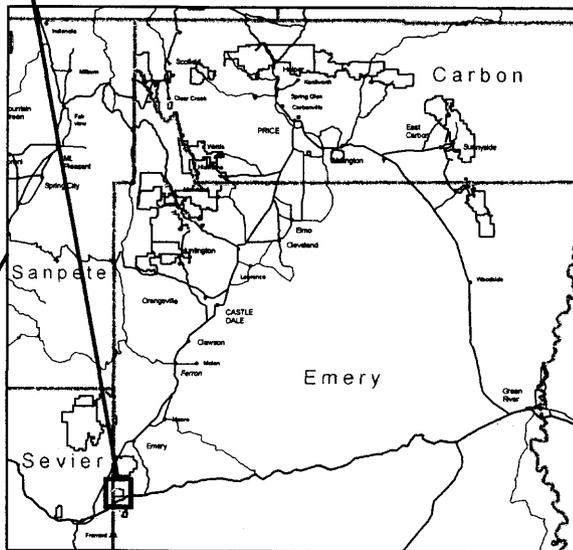
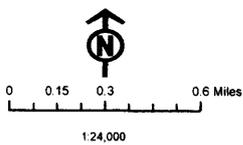
Hidden Valley Mine

C00150007
 Emery County, Utah
 October 2006

Township 23 South Range 6 East

File: N:\gis\coal\coalareamaps\C0150007.pdf

-  Permit Area
-  Proposed Mine Plan Modification (if shown)
-  Federal Lease Areas



Locator Map

PERMITTING CHRONOLOGY

Consolidation Coal Company
Permit Renewal
Hidden Valley Mine
C/015/0007
Emery County, Utah

January 29, 2007

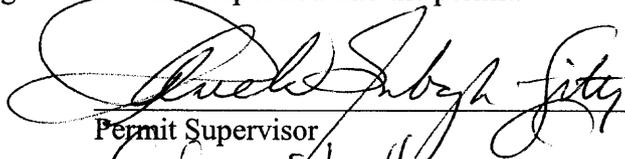
October 11, 2006	Permit renewal application received.
October 25, 2006	Determination of Administrative Completeness.
November 7, 14, 21, 28, 2006	Publication of permit renewal in <u>Emery County Progress</u> .
November 1, 2006	Permit renewal notification sent to federal, state, and local agencies by Division.
December 28, 2006	No comments received.
January 29, 2007	Permit renewed.

FINDINGS

Consolidation Coal Company
Permit Renewal
Hidden Valley Mine
C/015/0007
Emery County, Utah

January 29, 2007

1. Application for a permit renewal was submitted on October 11, 2006 (R645-303-232.100).
2. The terms and conditions of the existing permit are being satisfactorily met. (R645-303-233.110)
3. The reclamation operations are in compliance with the environmental protection standards of the State Program. (R645-303-233.120)
4. The requested renewal does not substantially jeopardize the operator's continuing ability to comply with the State Program on existing permit areas. (R645-303-233.130)
5. The operator has provided evidence of having liability insurance. (Steadfast Insurance Company/Policy Number BOG9377215-01) (R645-303-233.140)
6. The operator has provided evidence that a performance bond is in effect and will continue in full force and effect for the proposed period of renewal. (Surety Bond/Seaboard Surety Company - #331474 in the amount of \$95,501) (R645-303-233.150)
7. For the most recent permit term, permit changes ordered by the Division and notices of violation requiring a permit change have been incorporated into the permit.



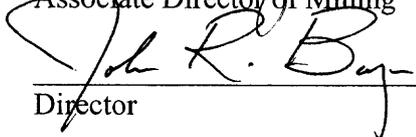
Permit Supervisor



Permit Supervisor



Associate Director of Mining



Director

NON-FEDERAL

Permit Number
C/015/0007

January 29, 2007

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/015/0007, is issued for the state of Utah by the Utah Division of Oil, Gas and Mining (DOGM) to:

Consolidation Coal Company
P.O. Box 566
Sesser, Illinois 62884
(618) 625-6844

for the Hidden Valley Mine. A Surety Bond is filed with the Division in the amount of \$95,501, payable to the State of Utah, Division of Oil, Gas and Mining. 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 reclamation activities on the following described lands within the permit area at the Hidden Valley Mine, situated in the state of Utah, Emery County, and located:

Township 23 South, Range 6 East, SLBM

Section 17: W1/2

Section 18: All

This legal description is for the permit area of the Hidden Valley Mine. The permittee is authorized to conduct reclamation activities on the foregoing described property subject to the conditions of all applicable conditions, laws and regulations.

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 January 29, 2012.

- Sec. 5 ASSIGNMENT OF PERMIT RIGHTS** - The permit rights may not be transferred, assigned or sold without the prior written 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 R645-303-300.
- Sec. 6 RIGHT OF ENTRY** - The permittee shall allow the authorized representative of the DOGM, including but not limited to inspectors, and representatives of the 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 R645-400-210 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 reclamation activities only on those lands specifically designated as within the permit area on the maps submitted in the approved plan and approved for the term of the permit and which are subject to the performance bond.
- Sec. 8 ENVIRONMENTAL IMPACTS** - The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including, but not limited to:
- (a) Any accelerated or additional monitoring necessary 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 court of treatment or control of waters or emissions to the air in the manner required by the approved Utah State 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 and the approved Utah State 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 and the approved Utah State Program.
- Sec. 16 CULTURAL RESOURCES** - If during the course of reclamation 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 this permitting action as described in Attachment A.

The above conditions (Secs. 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 federal or state statutes and any new regulations.

THE STATE OF UTAH

By: John R. By

Date: 1/29/07

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

Authorized Representative of the Permittee

Date: _____

ATTACHMENT A

Special Conditions

1. Consolidation Coal Company must submit water quality data for the Hidden Valley Mine in an electronic format through the Electronic Data Input web site, <http://hlunix.hl.state.ut.us/cgi-bin/appx-ogm.cgi>.

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AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Richard Shaw, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 4 (Four) consecutive issues, and that the first publication was on the 7th day of November, 2006 and that the last publication of such notice was in the issue of such newspaper dated the 28th day of November, 2006.

Richard Shaw

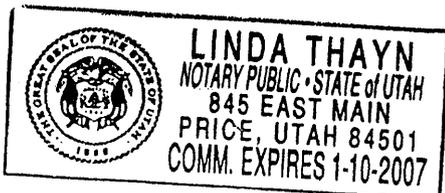
Richard Shaw - Publisher

Subscribed and sworn to before me this 28th day of November, 2006.

Linda Thayne

Notary Public My commission expires January 10, 2007 Residing at Price, Utah

Publication fee, \$ 452.96

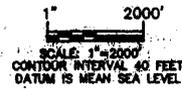
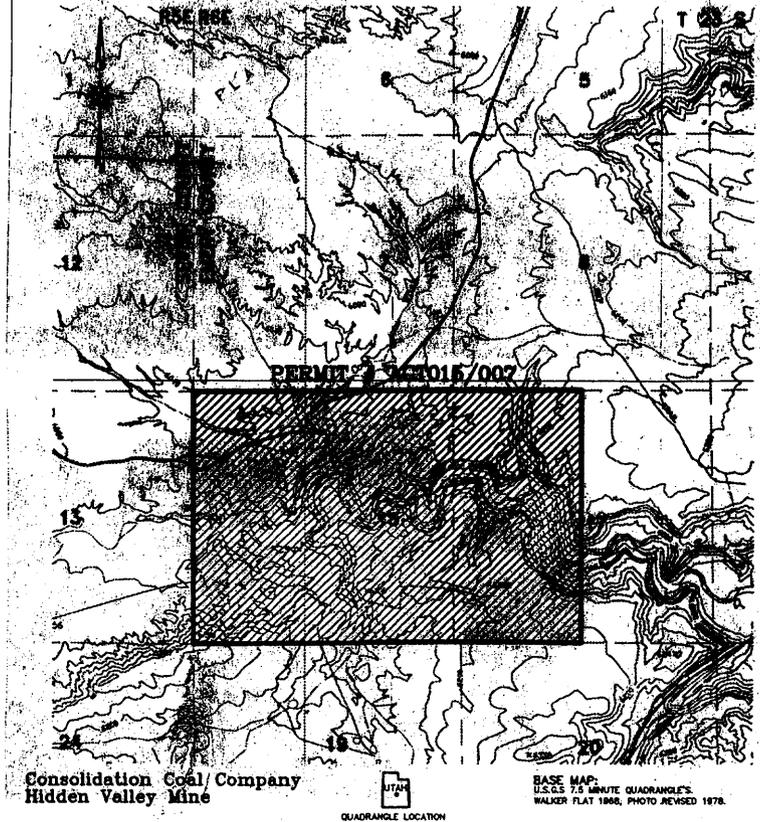


NOTICE

Notice is hereby given that Consolidation Coal Company, 1800 Washington Road, Pittsburgh, Pennsylvania 15241, has filed application with the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining for a five-year permit renewal of Permit No. ACT/O15/007 to operate the Hidden Valley Mine under the provisions of the Utah Coal Mining and Reclamation Act and the Utah R645 Coal Mining Rules.

The permit area, as shown on the map below, is located on U.S. Geological Survey 7.5 minute quadrangle map as follows:

Sections 18 and the W 1/2 of Section 17, Township 23S, Range 6E, of the Walker Flat Quadrangle;



Copies of the application for this permit are available for inspection at:

- Emery County Recorder's Office
- Emery County Courthouse
- Castle Dale, Utah 84513
- Utah Division of Oil, Gas and Mining Coal Program
- 1594 West North Temple, Suite 1210
- P.O. Box 145801
- Salt Lake City, Utah 84114-5801

Written comments on this application should be submitted to the State of Utah, Division of Oil, gas & Mining at the above address. Such comments should be filed within thirty (30) days from the date of the last publication of this notice. Published in the Emery County Progress November 7, 14, 21 and 28, 2006.



State of Utah

**Department of
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**Division of
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Governor

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January 26 2007

To: Compliance File

From: Pamela Grubaugh-Littig, Permit Supervisor 

Re: 510 (c) Recommendation for Consolidation Coal Company, Hidden Valley Mine, C/015/0007

As of this writing of this memo, there are no NOV's or CO's which are not corrected or in the process of being corrected for the Hidden Valley Mine. There are no finalized civil penalties, which are outstanding and overdue in the name of Consolidation Coal Company. Consolidation Coal Company does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Hidden Valley Mine that states there are no outstanding violations.

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Application Evaluation Report Applicant Violator System 25-Jan-2007 17:03:57

State : DE Applicant : 2071-2007 App ID : 2071-2007
Applicant : DEPARTMENT OF CORRECTIONS AND REFORMATORY SERVICES
Applicant : DEPARTMENT OF CORRECTIONS AND REFORMATORY SERVICES
Applicant : DEPARTMENT OF CORRECTIONS AND REFORMATORY SERVICES
Applicant : DEPARTMENT OF CORRECTIONS AND REFORMATORY SERVICES

SPR Comments/Analysis: Date : 25-Jan-2007 Mode : UPD&H

SAVE(F5) DEL(F8)
F10 SCR(F2) QUIT(F4) CHOICES(F10)