



GARY R. HERBERT
Governor

GREGORY S. 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

Outgoing
C0150007
#3925
OK

December 16, 2011

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 #3925

Dear Mr. Gefferth:

The permit renewal for the Hidden Valley Mine is approved, effective January 29, 2012. 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 Daron Haddock, Coal Program Manager, at (801)538-5325.

Sincerely,


John R. Baza
Director

JRB/DRH/sqs
Enclosures

cc: Kenneth Walker, OSM
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

December 16, 2011

CONTENTS

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- * Permitting Chronology
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ADMINISTRATIVE OVERVIEW

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

December 6, 2011

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 \$112,000.

A revised postmining land use 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, January 29, 2002 and January 29, 2007.

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 October 25 and November 1, 8 and 15, 2011. No comments were received. The reclamation permit should be renewed.

PERMITTING CHRONOLOGY

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

December 16, 2011

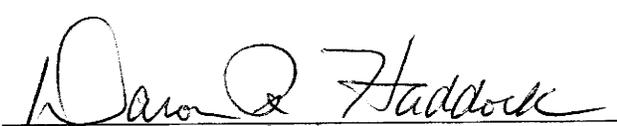
September 21, 2011	Permit renewal application received.
September 23, 2011	The Division determined the permit renewal to be Administratively Complete.
September 23, 2011	Permit renewal notification sent to federal, state, and local agencies by Division.
October 25 and November 1, 8 and 15, 2011	Publication of permit renewal in <u>Emery County Progress</u> .
December 15, 2011	No comments received.
December 16, 2011	Permit renewal approved effective January 29, 2012.

FINDINGS

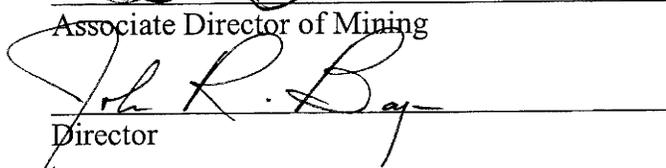
Consolidation Coal Company
Permit Renewal
Hidden Valley Mine
C/015/0007
Emery County, Utah

December 16, 2011

1. Application for a permit renewal was submitted on September 21, 2011 (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 BOG9377207-08) (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/Travelers Casualty and Surety Company of America #331474 in the amount of \$112,000) (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


Associate Director of Mining


Director

NON-FEDERAL

**Permit Number
C/015/0007**

January 29, 2012

**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 (DOGGM) 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 \$112,000, 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, 2017.

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. Bay
Date: 12/19/2011

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

Authorized Representative

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://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>

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 of Utah 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 on the Utah legals.com website; the first publication was on the 25th day of October, 2011, and that the last publication of such notice was in the issue of such newspaper dated the 15th day of November, 2011.



Richard Shaw - Publisher

Subscribed and sworn to before me this 15th day of November, 2011.



Notary Public My commission expires January 10, 2015 Residing at Price, Utah

Publication fee, \$ 456.00

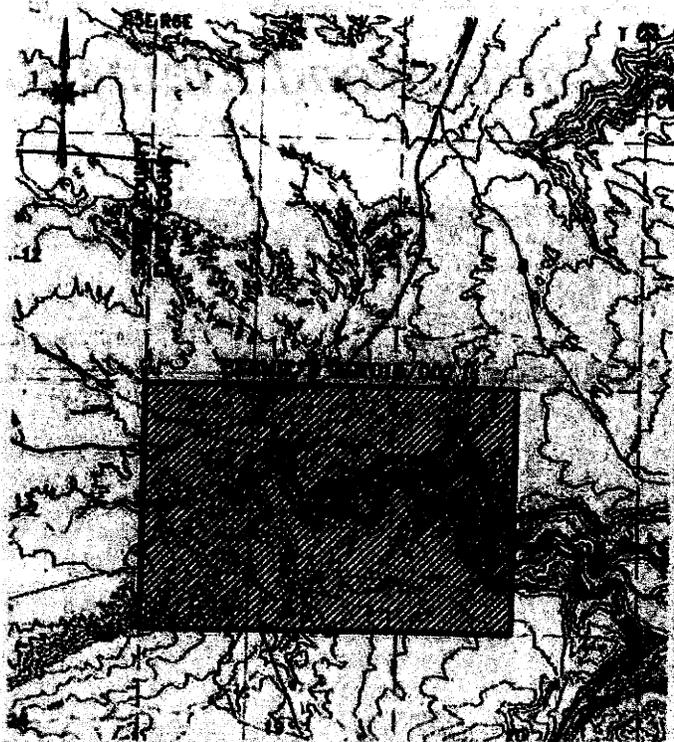


NOTICE

Notice is hereby giving that the Consolidation Coal Company, 1000 Consol Energy Drive, Canonsburg, Pennsylvania 15317, 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. AOT/015/007 to operate the Hidden Valley Mine under 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 Coal, Gas and Mining
Coal Program
1594 West North Temple, Suite 1210
PO. 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 the date of the last publication of this notice.

Published in Emery County Progress on October 25 and November 1, 8 and 15, 2011.



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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 15, 2011

To: Internal File

From: Daron R. Haddock, Permit Supervisor 

Subject: 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. The recommendation from the Applicant Violator System (AVS) denotes that all violations are under a settlement agreement.

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Permit Evaluation

Permit Number ACT015007 SEQ:1
 Permittee Name 107373 Consolidation Coal Co
 Date Of Narrative 12/15/2011 9:22:32 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.

18 Violations Found.

1: Bond Forfeiture	<u>2985329</u>	KY	Permit:2985329	Outstanding	5/14/1987
Violator 1:	078176 Adkins & Webb Inc				
2: State Civil Penalty	<u>053004</u>	KY	Permit:2985329	Outstanding	3/27/1986
Violator 1:	078176 Adkins & Webb Inc				
3: Bond Forfeiture	<u>2985332</u>	KY	Permit:2985332	Outstanding	8/19/1988
Violator 1:	108056 J & H Coal Co				
4: State Civil Penalty	<u>053764</u>	KY	Permit:2985332	Outstanding	9/18/1987
Violator 1:	108056 J & H Coal Co				
5: State Civil Penalty	<u>054149</u>	KY	Permit:2985332	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
6: Bond Forfeiture	<u>4985319</u>	KY	Permit:4985319	Outstanding	1/20/1989
Violator 1:	034732 Price Coal Co				
7: State Civil Penalty	<u>053671</u>	KY	Permit:4985319	Outstanding	5/22/1987
Violator 1:	034732 Price Coal Co				
8: State Civil Penalty	<u>054020</u>	KY	Permit:4985319	Outstanding	4/26/1988
Violator 1:	034732 Price Coal Co				
9: State Civil Penalty	<u>054058</u>	KY	Permit:4985319	Outstanding	11/20/1987
Violator 1:	034732 Price Coal Co				
10: State Civil Penalty	<u>054148</u>	KY	Permit:4985319	Outstanding	3/24/1988
Violator 1:	034732 Price Coal Co				
11: State Civil Penalty	<u>054323</u>	KY	Permit:4985319	Outstanding	6/15/1988
Violator 1:	034732 Price Coal Co				
12: Bond Forfeiture	<u>6985333</u>	KY	Permit:6985333	Outstanding	1/16/1990
Violator 1:	108056 J & H Coal Co				
13: State Civil Penalty	<u>053568</u>	KY	Permit:6985333	Outstanding	6/5/1987
Violator 1:	108056 J & H Coal Co				
14: State Civil Penalty	<u>053757</u>	KY	Permit:6985333	Outstanding	7/6/1987
Violator 1:	108056 J & H Coal Co				
15: State Civil Penalty	<u>053934</u>	KY	Permit:6985333	Outstanding	10/2/1987
Violator 1:	108056 J & H Coal Co				
16: State Civil Penalty	<u>054316</u>	KY	Permit:6985333	Outstanding	3/28/1988
Violator 1:	108056 J & H Coal Co				
17: State Civil Penalty	<u>054442</u>	KY	Permit:6985333	Outstanding	6/15/1988
Violator 1:	108056 J & H Coal Co				
18: State Civil Penalty	<u>504587</u>	KY	Permit:8985157	Outstanding	8/23/1988
Violator 1:	007928 Past Coal Company Incorporated				

Evaluation OFT

124819 Consol Energy Inc - ()
---107373 Consolidation Coal Co - (Subsidiary Company)
---118427 J Brett Harvey - (Chairman of the Board)
---118427 J Brett Harvey - (Chief Executive Officer)
---118427 J Brett Harvey - (Director)
-----127689 Rodney E Ford - (Assistant Secretary)
---132176 William J Lyons - (Director)
-----134273 Robert P King - (Director)
---134273 Robert P King - (Vice President)
-----135906 Bart J Hyita - (Chief Operations Officer)
-----135906 Bart J Hyita - (Director)
---135906 Bart J Hyita - (President)
---139593 Robert F Pusateri - (Director)
-----139593 Robert F Pusateri - (Vice President)
-----140338 Steven R Stroupe - (Assistant Secretary)
-----152005 Nicholas J Deuilis - (Director)
---154545 Jack K Richardson - (Vice President)
---155925 P Jerome Richey - (Director)
-----156239 Lorraine L Ritter - (Assistant Secretary)
---156239 Lorraine L Ritter - (Controller)
---158032 Daniel S Cangilla - (Treasurer)
---158150 Jimmy A Brock - (Vice President)
-----159673 Alexander J Reyes - (Secretary)
-----246813 James C Grech - (Vice President)
---247139 Charles T Shaynak - (Vice President)
---248725 Stephen W Johnson - (Vice President)
-----248744 William D Gillenwater - (Vice President)
---248777 David W Kelly - (Vice President)
---118427 J Brett Harvey - (Chairman of the Board)
---118427 J Brett Harvey - (Chief Executive Officer)
---118427 J Brett Harvey - (Director)
---122200 Randall M Albert - (Chief Operations Officer)
---125002 Phillip W Baxter - (Director)
---125002 Phillip W Baxter - (Shareholder)
---128701 John T Mills - (Director)
---132175 John M Reilly - (Treasurer)
---132175 John M Reilly - (Vice President)
---132176 William J Lyons - (Chief Financial Officer)
---132176 William J Lyons - (Executive Vice President)
---133137 James J Mccaffrey - (Senior Vice President)
---134273 Robert P King - (Executive Vice President)
---135906 Bart J Hyita - (Chief Operations Officer)
---139593 Robert F Pusateri - (Executive Vice President)
---146302 Raj K Gupta - (Director)
---146635 Joseph T Williams - (Director)
---147650 John L Whitmire - (Chairman of the Board)
---147650 John L Whitmire - (Director)
---147650 John L Whitmire - (Shareholder)
---148713 Gary J Bench - (Shareholder)
---151262 Patricia A Hammick - (Director)
---152005 Nicholas J Deuilis - (President)
---152015 Albert A Aloia - (Senior Vice President)
---154540 James Sr E Altmeyer - (Director)
---154541 William E Davis - (Director)
---154543 William P Powell - (Director)
---154545 Jack K Richardson - (Vice President)
---155925 P Jerome Richey - (Corporate Officer)
---155925 P Jerome Richey - (Executive Vice President)
---155925 P Jerome Richey - (Secretary)
---155925 P Jerome Richey - (Vice President)
---156239 Lorraine L Ritter - (Controller)
---156239 Lorraine L Ritter - (Vice President)
---157830 David C Hardesty Jr - (Director)
---158031 Louis Barletta Jr - (Vice President)
---158087 Lu Ann Datesh - (Vice President)
---158110 Stephanie L Gill - (Assistant Secretary)
---158150 Jimmy A Brock - (Chief Operations Officer)
---158931 George F Rosato - (Vice President)
---246806 Donna A Spec - (Assistant Secretary)
---246814 Michael D McLean - (Vice President)
---247137 Steven E Winberg - (Vice President)
---247139 Charles T Shaynak - (Senior Vice President)
---247471 Thomas O Johnson - (Vice President)
---248725 Stephen W Johnson - (General Counsel)
---248725 Stephen W Johnson - (Senior Vice President)
---248744 William D Gillenwater - (Vice President)
---248745 Darryl M Husenits - (Vice President)
---248746 M Charles Hardoby - (Vice President)
---248747 Robert M Belesky - (Vice President)
---248748 J Michael Onifer - (Senior Vice President)
---248777 David W Kelly - (Vice President)
---249573 Daniel Zajdel - (Vice President)
---250342 Richard K Elswick - (Vice President)
---250343 Christopher Powell - (Vice President)
---250939 Brandon R Elliot - (Vice President)
---251248 David K Aloia - (Vice President)
---251249 Katharine A Fredriksen - (Senior Vice President)
---252387 Kurt R Salvatori - (Vice President)

Narrative

12/15/11 - All 18 KY state violations are under Island Creek settlement. Linking entities are the applicant, etc. aw