



State of Utah

Department of
Natural ResourcesMICHAEL R. STYLER
Executive DirectorDivision of
Oil, Gas & MiningJOHN R. BAZA
Division DirectorJON M. HUNTSMAN, JR.
GovernorGARY R. HERBERT
Lieutenant Governor

Representatives Present During the Inspection:

Company	Mark Reynolds	Resident Agent
Company	Charles Reynolds	Resident Agent
OGM	Pete Hess	Environmental Scientist III

Inspection Report

Permit Number:	C0150025
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, August 05, 2008
Start Date/Time:	8/5/2008 8:00:00 AM
End Date/Time:	8/5/2008
Last Inspection:	Wednesday, July 09, 2008

Inspector: Pete Hess, Environmental Scientist IIIWeather: Partly sunny; cooler: 80's F.InspectionID Report Number: 1724

Accepted by: jhefric

8/18/2008

Permittee: **CO-OP MINING CO**Operator: **CO-OP MINING CO**Site: **BEAR CANYON MINE**Address: **PO BOX 1245, HUNTINGTON UT 84528**County: **EMERY**Permit Type: **PERMANENT COAL PROGRAM**Permit Status: **ACTIVE**

Current Acreages

10,967.39	Total Permitted
40.46	Total Disturbed
	Phase I
	Phase II
	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 Permittee notified the Division on July 2, 2008 that the first quarter of 2008 surface and ground water monitoring information for the Bear Canyon Mines permit area was in the EDI pipeline, and it was acceptable for uploading into the permanent data base. The Permittee continues to meet this Special Condition of the current State permit. Mr. Shawn Baker represented the Permittee during todays inspection.

Inspector's Signature:

Date

Tuesday, August 05, 2008

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" 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 checked="" 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

The Permittee submitted a permit amendment to the Division on July 28, 2008 to update the ownership and control information for the Bear Canyon operation, which is now a part of Hiawatha Coal Company. The submittal consists of revised / updated pages 1-1 and 1-2 in the MRP. Mr. Joe Helfrich has been assigned as the lead of Task ID # 3022.

2. Signs and Markers

Upon approval of Task ID # 3022, the Permittee will need to install a new Permittee identification sign at the terminus of the County road.

4.a Hydrologic Balance: Diversions

The Permittee received a verbal approval to install an 18 inch CMP beneath the main canyon access where it will dump into pond "B". A Division hydrologist reviewed the flow characteristics of this CMP to determine whether an 18 inch was adequate at this location. Culvert C-14D needs to be installed before the longwall in panel #2 of the Tank seam starts up. This culvert installation was submitted with the parking lot expansion for Bear Canyon (Task ID # 3016). The Permittee anticipates installing this diversion on August 9-10, 2008. The Permittee intends to redefine the ditches at the site in the near future with a road grader.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The second quarter impoundment inspections for ponds A, B, C, and D and catch basins #1, 2, and 3 were conducted on May 13 and 14, 2008. All impounding structures were noted as having no signs of instability or other hazards. Ponds C and D were dry. All ponds have sufficient sediment volume remaining below the 60 % cleanout elevation.

4.d Hydrologic Balance: Water Monitoring

A small amount of flow was observed in Bear Creek this day.

4.e Hydrologic Balance: Effluent Limitations

The Permittee (Hiawatha Coal Company) has applied for and received a modification to the UPDES permit for the site; the modification is the name change to Hiawatha Coal Company. UPDES permit # UTG040006 became effective on August 1, 2008; the date of permit expiration is April 30, 2013.

5. Explosives

The Permittee has filed Mr. Kevin Peterson's Utah Coal Mine surface blaster certification (certificate # 278) which was renewed in April 2008. There have not been any surface blasting activities at Bear Canyon for several years.

7. Coal Mine Waste, Refuse Piles, Impoundments

A large pile of blackened material which appeared to have the consistency of rock dust was observed adjacent to the #4 Mine intake portal. Mr. Baker speculated that the material was cleanup material from the underground workings.

11. Contemporaneous Reclamation

No activity has occurred relative to the reclamation of the #1 Mine Hiawatha belt portal facilities. All activity is being concentrated on getting the longwall up and running (panel #2, Tank seam)..

14. Subsidence Control

A review of the 2007 annual report for the Bear Canyon operation on July 30, 2008 revealed that the submitted subsidence monitoring data is inadequate, in that the submitted deformation information provided for monitoring points SUB500 through SUB543 could not be correlated with the provided PLATE 5-3, SUBSIDENCE MAP. The Permittee was asked to re-submit the data and correlate that information with monitoring points on PLATE 5-3. Revised information was received from the Permittee on 8/5/2008.

16.a Roads: Construction, Maintenance, Surfacing

The Permittee has widened the section of primary haul road adjacent to pond "B" to allow for two lane truck traffic through that area. All drainage into pond "B" is being routed through the concrete box culvert, which will be replaced by C-14D. MSHA has stressed the need for a guard rail along the north and east sides of pond "B".

17. Other Transportation Facilities

The Permittee was installing a conveyor framework at loading point #4 as part of the tiple expansion project. Two lane truck loading will be possible after this segment of the project is completed.

21. Bonding and Insurance

The Permittee's current general liability insurance will remain in effect until January 1, 2009. Coverage for damage incurred from the use of explosives is provided. Coverage amounts for general aggregate and each occurrence are adequate.