

TECHNICAL MEMORANDUM

Utah Coal Regulatory Program

August 20, 2008

TO: Internal File

THRU: Joe Helfrich, Lead *Jeh*

FROM: Priscilla Burton, CPSSc, Environmental Scientist III *PWB by SRS*

SUBJECT: Transfer of Permit, CO-OP Mining Company, Bear Canyon Mine, C/015/0025, Task ID # 3022, Outgoing File

SUMMARY:

On August 4, 2008, the Division received a permit transfer application from Mark Reynolds of CO-OP Mining Company. The following items were found deficient with the application during the initial completeness review:

R645-303-321.100, The name, address and employer identification number of the existing Permittee (Co-Op Mining Company) must be provided.

R645-303-321.200, The C2 form indicates an ownership update, not a permit transfer. The cover letter attached with the application indicates an update of ownership and control, because "the Bear Canyon Mine Complex is no longer owned by Co-Op Mining Company," which implies an ownership transfer. Please clarify whether the application is an update in ownership and control or a transfer of the permit.

R645-303-321.300 and R645-301-123, The application was not notarized by a responsible official of the applicant.

R645-303-321.300 and R645-301-111.400 and R645-301-112.330, The former Secretary/Treasurer (Gustafson) departure date is required, along with the notarized signature of the Secretary of Hiawatha Coal Company.

R645-303-321.300 and R645-301-112.100, The application must provide the name, address, employer identification number and telephone number for CW Mining if they remain responsible for paying the abandoned mine reclamation fee, as stated on page 1-1 of the application.

R645-303-321.300 and R645-301-112.230, The application must state whether Hiawatha Coal Company is a corporation, partnership, association, sole proprietorship or other business entity.

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R645-303-321.300 and R645-301-112.310, The employer identification numbers for the officers and directors for the Applicant (the new Permittee) must be provided.

R645-303-321.300 and R645-301-112.420, An organizational tree showing the relationship between owners and controllers (parent corporations) and percentage ownership of corporations must be provided. (i.e. C.O.P. Development, CW Mining, and Hiawatha Coal Company)•For each organization in the organizational structure, up to and including the ultimate parent entity, all officers, partners, members, directors, and persons owning 10% or more of the Applicant must be listed by name, address, and employee identification number.

R645-303-321.300 and R645-301-121.200, The table on page 1-2 of the application does not indicate which company these officers and directors represent. Hiawatha Coal Company? •The permit number for Hiawatha is incorrectly typed on page 1-2. •Two addresses are provided for the resident agent, please give one contact address, telephone number and employer identification number for the resident agent. •The applicant is listed as Hiawatha Coal Company with a Salt Lake City address, but a telephone number with a 435 prefix... This does not appear to be the accurate contact information. (Similar problem is noted with the resident agent information).

R645-303-322, The public notice serves the purpose of advertising the filing of the application and must run concurrently with the receipt of a complete application by the Division of Oil, Gas and Mining.

R645-303-323 and R645-301-820.100, Bonding information must be described in the application.

R645-303-323 and R645-301-890, Liability insurance coverage for the new Permittee must be included for the Bear Canyon Mine site.

RECOMMENDATIONS:

Return permit amendment with a request for the above information.