



0043

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING Mine Site Evaluation State Program

0015/025 Incoming
cc: Kay



1. Permittee/Person CO-OP MINING CO.		9. Permit Number UT-015-025		10. Permit Type PP	
2. Address P. O. BOX 1245		11. Field Visit Date 10/29/2009 mm - dd - yyyy		12. Purpose O	
3. City HUNTINGTON		4. State UT		13. SRA Present Y	
5. Zip Code 84528		6. Phone Number (435) 687-2450		14. Permit Status A	
7. Operator Name, if Different than Permittee CO OP MINING CO.		15. Site Status AN		16. Facility Type BFG	
8. Mine Name BEAR CANYON		17. OSM Office # 140		18. CCID #	
		19. Land Code SF		20. M.S.H.A ID # 42-00697	
		21. State Abrev. UT		22. County Name EMERY	
		23. AVS Permittee Entity ID Number 089059		24. State Office	

25. Hours		26. Signature Block		27. Reviewing Official:	
4.0	a. Permit Review	<i>Christine Belka</i>		<i>James Fisher</i>	
2.5	b. Site Visit Time	Signature: Christine Belka ID # 182		Signature:	
12.0	c. Travel Time	Printed Name:		Review Date: 11/13/2009 mm - dd - yyyy	
4.0	d. Report Writing	Date: 11/13/2009		Is Supplemental MSE Page Used Y/N Y	

Permit Type — Item 10 IP = Interim Program, PP = Permanent Program, NP = No Permit

Purpose Type Codes Item 12
 Oxx... Oversight Rfx... Reclamation Fees CCR... Citizen Complaint Referral (non site visit)
 Axx... Assistance Fxx... Federal Actions CC... Citizen Complaint (initial site visit)
 CCF... Citizen Complaint Follow-up

Joint Inspection — Item 13 A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

Permit Status — Item 14
 A... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.
 IN... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.
 BR... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)
 AB... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)
 AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and reclamation in progress or not yet commenced.
 AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.
 AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.
 NA... Not Applicable: When site is unpermitted.

Site Status Codes — Item 15
 ND... No Disturbance: No coal mining and reclamation operations have been started.
 EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.
 AP... Active Coal Producing: Coal surface mining activities are occurring.
 AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.
 NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.
 MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.
 TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).
 P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.
 P2... Phase II Release: At least Phase II bond release for the entire permitted area.
 P3... Phase III Release: Reclamation completed and the RA has released all bond.
 NS... Non-Site Visit: Status of site not determined.
 FP... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.
 FR... Forfeited and Reclaimed: Forfeiture reclamation completed.
 FO... Abandoned Site: Abandoned site that is permitted but there is no bond.
 WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes — Item 16

A... Surface	D... Ancillary (Haulroad, Conveyor, and/or Rails)	H... Exploration Permits	L... Remaining site permitted under
B... Underground	E... Refuse and/or Impoundment	I... Notice of Intent to Explore	
C... Preparation Plant	F... Loading Facility and/or Tipple	J... Exempt 16 and 2/3	
	G... Stockpiles	K... Government Financed Construction Exemption	

Small Business Regulatory Enforcement Fairness Act (SBREFA) Your Comments Are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

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DIV. OF OIL, GAS & MIN.

U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

Mine Site Evaluation

State Program

Permittee/
Person CO-OP MINING CO.

Permit
Number UT-015-025

Field Visit
Date 10/29/2009

Continuation Page

28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

<p>A. Administrative</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Mining within Valid Permit 2. <input type="checkbox"/> Mining within Bonded Area 3. <input type="checkbox"/> Terms & Conditions of Permit 4. <input checked="" type="checkbox"/> Liability Insurance 5. <input type="checkbox"/> Ownership and Control 6. <input checked="" type="checkbox"/> Temporary Cessation 7. <input type="checkbox"/> AML Rec. Fees -- Non-Respondent 8. <input type="checkbox"/> AML Rec. Fees -- Failure to Pay <p>B. Hydrologic Balance</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> Drainage Control 2. <input checked="" type="checkbox"/> Inspections & Certifications 3. <input checked="" type="checkbox"/> Siltation Structures 4. <input checked="" type="checkbox"/> Discharge Structures 5. <input checked="" type="checkbox"/> Diversions 6. <input checked="" type="checkbox"/> Effluent Limits 7. <input checked="" type="checkbox"/> Ground Water Monitoring 8. <input checked="" type="checkbox"/> Surface Water Monitoring 9. <input checked="" type="checkbox"/> Drainage -- Acid-Toxic Materials 10. <input checked="" type="checkbox"/> Impoundments 11. <input checked="" type="checkbox"/> Stream Buffer Zones <p>C. Topsoil & Subsoil</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> Removal 2. <input checked="" type="checkbox"/> Substitute Materials 3. <input checked="" type="checkbox"/> Storage and Protection 4. <input type="checkbox"/> Redistribution 	<p>D. Backfilling & Grading</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Exposed Openings 2. <input type="checkbox"/> Contemporaneous Reclamation 3. <input type="checkbox"/> Approximate Original Contour 4. <input type="checkbox"/> Highwall Elimination 5. <input type="checkbox"/> Steep Slopes (includes downslope) 6. <input type="checkbox"/> Handling of Acid & Toxic Materials 7. <input type="checkbox"/> Stabilization (rills and gullies) <p>E. Excess Spoil Disposal</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Placement 2. <input type="checkbox"/> Drainage Control 3. <input type="checkbox"/> Surface Stabilization 4. <input type="checkbox"/> Inspections & Certifications <p>F. Coal Mine Waste (Refuse Piles/Impoundments)</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Drainage Control 2. <input type="checkbox"/> Surface Stabilization 3. <input type="checkbox"/> Placement 4. <input type="checkbox"/> Inspections and Certifications 5. <input type="checkbox"/> Impounding Structures <p>G. Use Of Explosives</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Blaster Certification 2. <input type="checkbox"/> Distance Prohibitions 3. <input type="checkbox"/> Blast Survey/Schedule 4. <input type="checkbox"/> Warnings & Records 5. <input type="checkbox"/> Control of Adverse Effects 	<p>H. <input type="checkbox"/> Subsidence Control Plan</p> <p>I. Roads</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Road Construction 2. <input type="checkbox"/> Certification 3. <input type="checkbox"/> Drainage 4. <input type="checkbox"/> Surfacing and Maintenance 5. <input type="checkbox"/> Reclamation <p>J. Signs & Markers</p> <ol style="list-style-type: none"> 1. <input checked="" type="checkbox"/> Signs 2. <input checked="" type="checkbox"/> Markers <p>K. <input type="checkbox"/> Distance Prohibitions</p> <p>L. Revegetation</p> <ol style="list-style-type: none"> 1. <input type="checkbox"/> Vegetative Cover 2. <input type="checkbox"/> Timing <p>M. <input type="checkbox"/> Postmining Land Use</p> <p>N. Other</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">General</td> <td style="width: 40%;">_____ 1) _____</td> </tr> <tr> <td>Performance</td> <td>_____ 2) _____</td> </tr> <tr> <td>Category</td> <td>_____ 3) _____</td> </tr> </table>	General	_____ 1) _____	Performance	_____ 2) _____	Category	_____ 3) _____
General	_____ 1) _____							
Performance	_____ 2) _____							
Category	_____ 3) _____							

Performance Standard Categories 30 CFR Counterpart

A. Administrative.....	(816/817.71-74)
1. Valid Permit.....	773.11
2. Mining within Bonded Area.....	773.11
3. Terms & Conditions of Permit.....	773.17
4. Liability Insurance.....	800.60
5. Ownership and Control.....	778.13
6. Temporary Cessation.....	842.11(e) & 816/817.131
7. AML Rec. Fees -- Non-Respondant.....	870.15(b)
8. AML Rec. Fees -- Failure to Pay.....	870.15(a)
B. Hydrologic Balance.....	(816/817.41-57)
1. Drainage Control.....	45
2. Inspections & Certifications.....	49(a)(10)
3. Siltation Structures.....	46
4. Discharge Structures.....	47
5. Diversions.....	43
6. Effluent Limits.....	42
7. Ground Water Monitoring.....	41(c)
8. Surface Water Monitoring.....	41(e)
9. Drainage--Acid - Toxic Materials.....	41(f)
10. Impoundments.....	49
11. Stream Buffer Zones.....	57
C. Topsoil & Subsoil.....	(816/817.22)
1. Removal.....	22(a)
2. Substitute Materials.....	22(c)
3. Storage and Protection.....	22(c)
4. Redistribution.....	22(d)
D. Backfilling & Grading.....	(816/817.95-107)
1. Exposed Openings.....	816/817.13, 14, 15, & 823.11 & 21
2. Contemporaneous Reclamation.....	100
3. Approximate Original Contour.....	102(a)(1)
4. Highwall Elimination.....	102(a)(2)
5. Steep Slopes (includes downslope).....	107
6. Handling of Acid & Toxic Materials.....	102(c)
7. Stabilization (rills and gullies).....	95(b)

E. Excess Spoil Disposal.....	(816/817.71-74)
1. Placement.....	71(e)
2. Drainage Control.....	71(f)
3. Surface Stabilization.....	71(g)
4. Inspections & Certifications.....	71(h)
F. Coal Mine Waste (Refuse Piles/Impoundments)	(816/817.81-84)
1. Drainage Control.....	83(a)
2. Surface Stabilization.....	83(b)
3. Placement.....	83(c)
4. Inspections and Certifications.....	83(d)
5. Impounding Structures.....	84
G. Use of Explosives.....	(816/817.61-68)
1. Blaster Certification.....	61(c)
2. Distance Prohibitions.....	61(d)
3. Blast Survey/Schedule.....	62-64
4. Warnings & Records.....	66 & 68
5. Control of Adverse Effects.....	67
H. Subsidence Control Plan.....	(817.121-122)
I. Roads.....	(816/817.150-151)
1. Road Construction.....	150(c)
2. Certification.....	151(a)
3. Drainage.....	150(b)-151(d)
4. Surfacing and Maintenance.....	150(e)-151(d)
5. Reclamation.....	150(f)
J. Signs & Markers	(816/817.11)
1. Signs.....	11(a),(b),&(c)
2. Markers.....	11(a),(b),(d),(e),&(f)
K. Distance Prohibitions.....	(761.11)
L. Revegetation.....	(816/817.111-116)
1. Vegetative Cover.....	111 & 116
2. Timing.....	113
M. Postmining Land Use.....	(816/817.133)

Bear Canyon Mine Complete Joint Inspection

Utah Permit ID #C-0150025

October 29, 2009 8:30 - 11:00

Weather conditions: cold, clear

Participants:

Karl Housekeeper (DOGGM)

Mark Reynolds, Hiawatha Coal Company (HCC)

Christine Belka (OSM Badge ID #182)

This was a complete inspection of the Bear Canyon mine.

Records Review: Lyndon Property Insurance Co. holds surety bond #L-0601-C-015-025 in the amount of \$1,825,000. The DOGM permit was renewed on 4/3/07, listing the same bond amount. Acord Insurance policy in effect from 1/1/09 - 1/1/10 contains all required coverage.

The SPCC plan (last updated in 2003) has been certified by Mark Reynolds, P.E. Discharge monitoring reports from 8/1/09 showed TSS was elevated above regulatory limits. The company self-reported to Water Quality (UPDES permit UTG040006).

Pond inspections have been completed, but records have not been updated. Mark committed to emailing the quarterly and certified annual pond inspection reports to Karl.

Field evaluation: The Bear Canyon mine is not producing coal. Co-op Mining is continuing with legal negotiations to sell the mine to Hiawatha Coal Company and hopes the sale will go through within one or two months. New longwall shields have been purchased and are stored on-site.

Pond B was recently cleaned and appears stable. Pond A is well below the required clean-out level, but cleanout has begun. Water / ice are now impeding cleanout. Pond D was also below the required clean-out level.

All required signs and markers are in place (mine ID, stream buffer zone, topsoil (TS), substitute topsoil, disturbed area markers). The mine ID sign is worn and will need to be replaced after the pending sale is resolved. The substitute topsoil pile serves as the base for the coal pile. Coal fines are spilling over the edge and mixing with substitute TS material. The permit allows substitute TS material to contain no more than 10% coal when placed for final reclamation.

Explosive containment sheds are marked. Material storage areas are orderly and well-maintained. The SPCC containment structure is in place under the diesel storage tank.