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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing
C0150025
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cc: Joe

January 28, 2009

Elliot Finley, Resident Agent
Hiawatha Coal Co., Inc.
P.O. Box 1240
Huntington, Utah 84528

Subject: Application for Transfer of Bear Canyon Mine Permit to Hiawatha Coal Company, Task ID #3083, Co-Op Mining Company, Bear Canyon Mine, C/015/0025

Dear Mr. Finley:

The Division staff has completed the review of your application to transfer the Bear Canyon Permit to Hiawatha Coal Company, Inc., There are three deficiencies that need to be addressed before we can approve your application to transfer the Bear Canyon Permit to Hiawatha Coal Company. These deficiencies were identified in our review of your submittal received on November 19, 2008:

R645-303-321.300 and R645-301-114.400, The November 17, 2008 document certifying the departure date for C. Gustafson from Hiawatha Coal Co., Inc. must be signed.

- Provide the end date for Luana Kingston as Director of C.O.P. Coal Development Co. and the end date for J.D. Kingston as President of C.O.P. Coal Development Co. along with Secretary signature certifying the changes.
- Is J.D. Kingston Jr. is the same as Joseph D. Kingston who was previously listed in the AVS database as President of C.O.P. Development Co?.
- Is J.O. Kingston the same J.O. Kingston who is listed in the AVS database as an officer with ANR Company? Is any connection between C.O.P. Coal Develop Co. and ANR Company?•Provide the end date for Carl E. Kingston who is listed in the AVS database as a Member of C.O.P. Coal Development Co. along with Secretary signature certifying the change.

R645-303-321.300 and R645-301-121.200, Chapter 1 makes several references to Co-Op Mining Co. and C.W.Mining with regards to surface ownership, right of entry, violation information, and insurance information. Please complete a word search on these sections of the MRP, Chapter 1 and replace all incorrect references with Hiawatha Coal Co. Inc.



R645-303-321.300 and R645-301-133.300 et seq, The application must include a list of all violation notices pertaining to air or water environmental protection or for any violation of a provision of SMCRA received by the Permittee during the three year period preceding the transfer application date. The violation list must include the information required by R645-301-113.310 through R645-301-113.350, as appropriate.

We are aware that the bankruptcy court has ordered the permit holder to refrain from transferring its permit without the court's consent. Therefore, we will continue our review and issue a decision on the permit transfer application only after Co-Op Mining (1) provides the information listed above and (2) demonstrates that the court will allow the transaction to proceed.

At this time you should submit the information required above as an amendment to your application. Please submit the information by no later than February 11, 2009..

If you have any questions, please call Priscilla Burton at (435) 613-3733 or me at (801)538-5325.

Sincerely,



Daron R. Haddock
Permit Supervisor

DRH/JCH/sqs

cc: Shawn Baker, Hiawatha Coal Co., Inc.
Paul James Toscano, Debtor's Counsel
Russell S. Walker, Woodbury & Kesler
Keith A. Kelly, Ray Quinney & Nebeker, P.C.
Steven W. Call, Ray Quinney & Nebeker, P.C.
Steve Strong, Ray Quinney & Nebeker, P.C.
Conrad H. Johansen, Olsen Skoubye & Nielson
Tyler Foutz, Olsen Skoubye & Nielson
John T. Morgan, U.S. Trustees
Dave E. Leta, Snell & Wilmer
F. Mark Hansen, F. Mark Hansen, P.C.

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