



The State of Utah
Department of
Natural Resources
Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:		
OGM	Karl Houskeeper	Environmental Scientist III
OGM	Steve Demczak	Environmental Scientist III

Inspection Report

Permit Number:	C0150025
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, February 24, 2010
Start Date/Time:	2/24/2010 8:30:00 AM
End Date/Time:	2/24/2010 4:00:00 PM
Last Inspection:	Wednesday, January 13, 2010

Inspector: Karl Houskeeper, Environmental Scientist III

Weather: Overcast, Temp. 16 Deg.

InspectionID Report Number: 2282

Accepted by: jhelfric
3/22/2010

Permitee: **HIAWATHA COAL CO INC**
Operator: **HIAWATHA COAL CO INC**
Site: **BEAR CANYON MINE**
Address: **PO BOX 1240, HUNTINGTON UT 84528**
County: **EMERY**
Permit Type: **PERMANENT COAL PROGRAM**
Permit Status: **ACTIVE**

Current Acreages

10,991.83	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 following individuals were part of the Complete Inspection as specified:

Mark Reynolds (Sub Contractor for Price Mine Service) Present for Paperwork and Field Inspection.
Lynn McCourt (Price Mine Service Sub Contracted by Norwest) Present for Field Inspection.
Mike Weigand (Norwest Sub Contractor for Trustee Kenneth Rushton) Present for Paperwork Inspection.
Steve Demczak (DOGM) Present for Paperwork and Field Inspection.

Enforcement Action taken see item 4.c. Potential for offsite impact. Citation #10047 issued.

Numerous maintenance items and potential violations were observed during the inspection see items 1, 2, 4.a, 4.b, 4.e, 8, and 16a.

Inspector's Signature: _____

Date Wednesday, February 24, 2010

Karl Houskeeper, Environmental Scientist III

Inspector ID Number: 49

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 checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The current DOGM permit C/015/0025 on file was issued effective 04/03/2007 and expires 11/02/2010 to CW Mining. Kenneth Rushton is the assigned Trustee by the Bankruptcy Court. Information found in chapter one of the mining and reclamation plan (MRP) relative to ownership and control needs to be updated to reflect the proper information such as addresses, directors, resident agent to name a few. Any change in ownership requires a permit transfer to be approved by the Division.

-Certificate of Insurance policy number CSPKG00617-00, issued 02/07/2010 and terminates 02/17/2011, Bear Canyon Mining (Trustee Kenneth Rushton).

-UPDES permit # UTG040000(UTG040006) effective 08/01/2008 and expires @ midnight 04/30/2013. Current permit is under Hiawatha Coal company. This permit needs to go through a permit change to reflect the proper permittee.

-Air Quality permit DAQE-145-02, issued February 22, 2002. Current permit is under Hiawatha Coal company. This permit needs to go through a permit change to reflect the proper permittee.

-SPCC Plan dated 09/14/06. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E. This plan needs to be revised to reflect the current persons and personnel in charge. The individuals listed in this plan no longer have any responsibility.

2. Signs and Markers

There is an old dilapidated sign at the point of public access. The information on the sign is not current. The sign should contain the current operator/permittee (Company Name), phone number and address in addition to the permit number (C/015/0025). This information should correlate with the information in chapter one legal and financial section. The information in this section of the mining and reclamation plan (MRP) is no longer accurate and needs to be updated as well through a permit amendment.

4.a Hydrologic Balance: Diversions

The diversion adjacent to the truck scale house has several portions of the diversion that have been impeded by pushing snow into the reaches of the diversion. The snow that has been pushed into the diversion needs to be removed to avoid future compliance action.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Snow has been pushed/dumped into sediment pond B located adjacent to the bath house. This sediment pond is not designed or approved to have snow placed into. The snow needs to be removed immediately to avoid compliance action.

4.c Hydrologic Balance: Other Sediment Control Measures

Snow (approximately 4-5 loader buckets) has been pushed and/or dumped over the large berm by truck load out #4. The berm serves as a protection between the disturbed area and Bear Creek. The snow is sediment laden and may contain noncoal waste. Removal of this material at this time would create the potential for greater environmental harm. Sediment control structures need to be placed in such a manner to prevent any sediment material or noncoal waste from entering Bear Creek. Once the snow melts any sediment, gravel, coal and noncoal waste should be removed by hand. This action (placement of snow and sediment laden snow) has the potential of creating an offsite impact. Citation # 10047 was issued.

4.e Hydrologic Balance: Effluent Limitations

The personnel listed in the summary statement at the beginning of this inspection report were not able to provide the required discharge monitoring reports (DMR) for December 2009. The Division of Environmental Quality (DEQ) requires that the DMR's be submitted by the end of the following month. The December 2009 DMR's should have been submitted and available for review by the end of January 2010. The information to complete these reports was taken in the field and submitted to a Laboratory. Personnel advised that this information is still in possession of the laboratory but has not been released due to non payment. Since the Division has a memorandum of understanding with DEQ compliance action was not taken by the Division at this time. This same information is also required by the Division on a different time scale. Fourth quarter 2009 surface water, ground water and effluent information is required to be submitted electronically to the Division by the end of first quarter 2010. Failure to comply with this time schedule will constitute enforcement action.

8. Noncoal Waste

Several items of noncoal waste is located throughout the mine site. Crib blocks, paper, car batteries, metal, oil cans and drums. These items need to be collected and placed in the approved noncoal storage area prior to removal from the mine site, Oil cans, oil spills and car batteries need to be cleaned up and handled in such a manner to comply with the applicable State and Federal regulations pertaining to them and in accordance with the Spill Prevention Control and Countermeasure Plan (SPCC).

9. Protection of Fish, Wildlife and Related Environmental Issues

See item 4.c.

16.a Roads: Construction, Maintenance, Surfacing

Snow removal along the access road to #4 mine has taken place. There are several designated areas along the road that allow for snow storage. These storage areas require that the runoff be treated by silt fences. Due to the volume of snow and snow placement it is not possible to ascertain if the sediment treatment structures are in place. The personnel maintaining the mine site need to ensure that these structures are in place. During thaw and melting conditions if these sediment structures are not in place enforcement action will be taken.

19. AVS Check

Once Chapter One information is revised and submitted to the Division and AVS check should be done.

20. Air Quality Permit

The current air quality permit is under Hiawatha Coal Company. A permit transfer needs to be done as Hiawatha Coal Company is longer part of this operation.

21. Bonding and Insurance

The information available on site indicates CW Mining has a bond through Lyndon Property Insurance Company NPL-0601-310000 for \$1,825,000. All indications are that this bond is still effective.