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C/015/007 Incoming

CONSOLENERGY™

CONSOLIDATION COAL COMPANY

PO Box 566
Sesser, IL 62884

Phone: (618)625-6847
Fax: (618)625-6844

December 9, 2008

Mr. James D. Smith, Permit Supervisor
Utah Coal Regulatory Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Re: Hidden Valley Mine
Minor Coal Exploration

Dear Mr. Smith:

Please find enclosed six (6) copies of page 8 to the Minor Coal Exploration Application on the Hidden Valley Property. The revision involves the three (3) exploration holes drilled in 2006/2007 to remain open and utilized as monitoring wells for baseline information until December 31, 2009.

JBR Environmental Consultants, Inc. has been collecting data from these three (3) wells for baseline information over the last year for a Major Exploration Permit (MEP) for the Hidden Valley reserve. The three exploration holes currently provide valuable information concerning the areas hydrology. It is anticipated these wells will be included as part of an overall groundwater monitoring application for the Hidden Valley area at some time in the future. Until that time, we request the holes remain open for water collection and monitoring under the exploration permit.

If you have any questions concerning this matter, please call me at (618)625-6847.

Sincerely,

Timothy D. Kirschbaum
Environmental Engineer

RECEIVED
DEC 11 2008
DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☒ Bond Release ☐ Transfer ☐

Permittee: Consolidation Coal Company
Mine: Hidden Valley **Permit Number:** C/015/007
Title: Minor Exploration - Reclamation Time Frame For Sealing Exploration Holes
Description, Include reason for application and timing required to implement:
Modified plan for sealing exploration holes for evaluation as potential groundwater wells of future mining.

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
☐ Yes ☒ No 6. Does the application require or include public notice publication?
☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

Jonathan M. Pachter
Print Name

Jonathan M. Pachter 12/8/08
Sign Name, Position, Date General Manager, Environmental Services

Subscribed and sworn to before me this 8th day of December, 20 08

Janice L Davis
Notary Public
My commission Expires: June 23, 2009
Attest: State of Pennsylvania } } ss:
County of Washington

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Janice L. Davis, Notary Public
Cecil Twp., Washington County
My Commission Expires June 23, 2009
Member, Pennsylvania Association of Notaries

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining
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Form DOGM- C1 (Revised March 12, 2002)

APPLICATION FOR COAL PERMIT PROCESSING
Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Consolidation Coal Company
Mine: Hidden Valley **Permit Number:** C/015/007
Title: Minor Exploration - Reclamation Time Frame For Sealing Exploration Holes 12-08-08

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
☐ Add	☒ Replace	☐ Remove	Page 8
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.	Received by Oil, Gas & Mining
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Archeological Information:

A cultural resource inventory of the drill sites was performed by Montgomery Archeological Consultants (see Appendix B). As indicated, two previously documented archeological sites were identified in the project area. One of these sites (42Em3592) must be crossed to access drill hole HV-06-09. To prevent damage to this site during exploration activities, the area will be flagged and access to the drill hole will be restricted to the existing road that crosses the site as recommended in Appendix B. Site 42Em3600 is located approximately 150 feet from drill hole location HV-06-06. This site will be flagged to prevent its disturbance during exploration activities.

In the unlikely event that additional cultural resources are discovered during operations, all operations which may result in disturbance to these resources will cease and care will be taken cordon off the area and leave it undisturbed.

240. Reclamation Standards

Excavations:

Small shovel and similar cuts may be made for leveling the rig and associated equipment: These will be filled in to approximate original contour as soon as the drilling equipment is removed from each site.

Revegetation:

Areas disturbed under this exploration plan will be revegetated as described above. All drilling areas will be re-seeded as soon as practical upon completion of each hole, removal of equipment, and recontouring of the site. The seed mix consists of native species that are capable of re-establishing in the area, thereby providing cover that will stabilize the soil surface from erosion. No crops are raised in the project area, making crop replacement unnecessary.

Reclamation of Boreholes:

No mine openings or exploration openings will be created. Exploration holes HV-06-01, HV-06-02 and HV-06-03 may be used to collect baseline groundwater data. These holes may be converted to water monitoring wells and included as part of future mining applications; Consol will comply with rules R645-301-738 and R645-301-765 if that decision is made in the future.

Upon completion of down-hole procedures, each drill hole will be sealed with cement from the bottom of the hole to ground level. A brass monument marker will be placed in the top of the cement surface plug with the hole number. All holes will be sealed and the associated disturbed areas reclaimed within two weeks of completion with exception of holes remaining open to collect baseline water data.. These baseline holes may remain open until **December 31, 2009.** As of the **December 31, 2009** date, the holes must be submitted as part of a groundwater monitoring plan within a pending or approved mining reclamation plan or sealed with cement from bottom to top or other sealing methods approved by the Division.