

0007

INCOMING
00250005
cc: wayne +
Pam G

TALON RESOURCES INC

June 16, 2006

Refer to Confidential 06162006
file in 00250005. 2006.
for additional information

Ms. Pamela Grubaugh-Littig
Utah Division of Oil, Gas and Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Refer to Expandable 06162006
file in 00250005. 2006. INCOMING
for additional information

Re: *Application for Mining and Reclamation Permit - Coal Hollow Project*

Dear Ms. Littig:

On behalf of the permitte, Alton Coal Development, LLC, we hereby submit an application for a mining and reclamation permit for the Coal Hollow Project located in Kane County, Utah. Also enclosed is the C-1 form application for coal permit processing and the application fee.

As a note to the reviewer, please see the attached Exhibit A (Coal Hollow -2006 Field Projects), defining field studies that are in progress at the project area.

We appreciate your consideration of our application

Sincerely,



Allen P. Childs

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JUN 27 2006

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Alton Coal Development, LLC

Mine: Coal Hollow

Permit Number: C/025/005

Title: Manager

Description, Include reason for application and timing required to implement:

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.

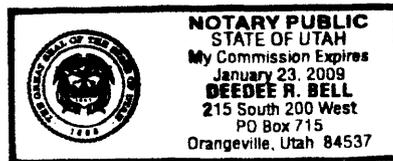
ALTON CHILDS
Print Name

[Signature]
Sign Name, Position, Date

Subscribed and sworn to before me this 23 day of June, 2006

[Signature]
Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="font-size: 1.5em; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.2em; font-weight: bold;">JUN 27 2006</p> <p>DIV. OF OIL, GAS & MINING</p>
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Exhibit A

Coal Hollow 2006 Field Projects

Coal Hollow 2006 Scheduled Field Projects

1. Drilling of a water monitor well
2. Core drilling
 - a. Collect additional fault zone data
 - b. Additional core analysis
3. Ground survey for T&E
4. Mining and reclamation research project
 - a. Exploration permit package
 - b. Soils test pit
 - c. Reclamation vegetation plot
 - d. Stabilization of slopes
 - i. Stockpiles
 - ii. Highwall slopes
 - e. Groundwater control
5. Ongoing water monitoring
 - a. Field sampling
 - b. Laboratory analysis
 - c. Collect additional groundwater tritium, carbon-14 and stable isotopic data
6. Sage Grouse Mitigation project
 - a. Reduction of Pinion-Juniper community
7. Updating existing vegetation data
 - a. Quantitative sampling
 - i. Sample major plant communities in permit area
 - b. Designate reference areas for revegetation standards
 - c. Quantitative sample new reference areas
8. Plant community mapping
 - a. Aerial photographs and mapping information
 - b. Update existing MRP vegetation map
 - c. Map vegetation and habitats adjacent to permit area
9. Update existing soils information
 - a. Order I/ Order II surveys
10. Aerial mapping and orthophotography
 - a. 1"=200' mapping with 5-foot contour interval and planimetry
 - b. 1"=200' color orthophoto with 1-foot pixel size (GSD)

ALTON COAL DEVELOPMENT, LLC

1/05

195 N 100 W 435-687-5310
PO BOX 1230
HUNTINGTON, UT 84528-1230

6/16/2006

PAY TO THE
ORDER OF

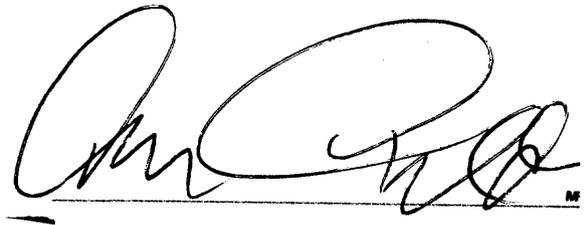
Utah Division of Oil, Gas and Mining

\$ **5.00

Five and 00/100*****

DOLLAR

Utah Division of Oil, Gas and Mining
PO Box 145801-5801
Salt Lake City, Utah 84114-5801



MEMO MRP filing fee

Utah Division of Oil, Gas and Mining

Alton Coal Development MRP filing fee

6/16/2006

1133

5.00

State Bank of Sourthe MRP filing fee

5.00

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