

Chris McCourt
Alton Coal Development, LLC
463 N. 100 W., Suite 1
Cedar City, UT 84720
(435) 867-5331

July 26, 2007

Priscilla Burton
Department of Natural Resources
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Re: Response to Deficiencies in Coal Hollow MRP, R645-301-112 and 114, C/025/005

Dear Priscilla,

As per our phone conversation on Jul 13th, Alton Coal Development has assembled the enclosed information to address deficiencies in the Coal Hollow MRP (C/025/005). In addition to these deficiencies, appropriate updates have also been included for the relocation and management changes that have occurred since the June 14th submittal. The following details the attached MRP documents:

<u>Document</u>	<u>Modification Description</u>
1) Chapter 1-Table of Contents, Page ii	Table of Contents updated to reflect Chapter 1 Appendices that are located in the Volume 7, Confidential Binder
2) Chapter 1, Page 1-1	Company Address and Resident Agent updated (change in progress)
3) Chapter 1, Page 1-2	Manager description and appointment timing updated
4) Chapter 1, Page 1-6	Reference to Volume 7, Confidential Binder included for locating Right of Entry Lease Documents
5) Volume 7, Appendix 1-1	Confidential update detailing ownership percentages for each Company Member

Each of these documents replaces the referenced pages in the MRP submittal. I can be contacted at (435) 867-5331 or (435) 233-0528.

Sincerely,



Chris McCourt, Manager – Alton Coal Development

File in:
C:\025602, 2007, Incenm

Refer to:

Confidential

Shelf

Expandable

Date 7/26/07 For additional information

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JUL 27 2007

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:
Modifications to MRP

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

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?
<i>Explain:</i> <u>Includes company ownership details as required by R645-301-112 and 114</u> |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.

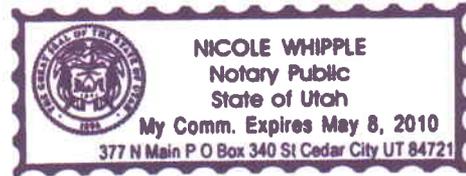
Chris Mcclout
Print Name

Chris Mcclout, Manager, 7-26-07
Sign Name, Position, Date

Subscribed and sworn to before me this 26th day of July, 2007

Nicole Whipple
Notary Public

My commission Expires: May 8, 2010
Attest: State of Utah } ss:
County of Iron



For Office Use Only:

Assigned Tracking Number:

Received by Oil, Gas & Mining

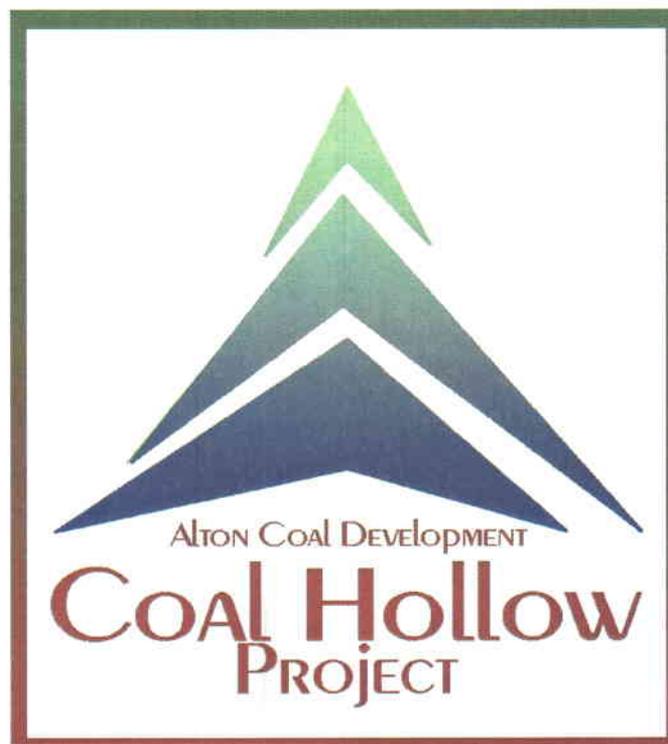
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DIV. OF OIL, GAS & MINING

[Handwritten mark]

Alton Coal Development, LLC
MRP Revisions
C/025/0005

[Handwritten signature]
C/025/0005



July 26, 2007

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APPENDICES

1-1	Company Members and Ownership (Located in Volume 7, Confidential)
1-2	Right of Entry Lease Documents (Located in Volume 7, Confidential)
1-3	Exhibit 1: Petition to Designate Certain Federal Lands Exhibit 2: Lands as Unsuitable for Surface Coal Mining Operations Exhibit 3: The Secretarial Decision
1-4	Certificate of Liability Insurance
1-5	Proof of Publication
1-6	Notarized Statement Attesting to Accuracy

DRAWINGS

1-1	Project Area
1-2	Project Area with LBA
1-3	Surface Ownership
1-4	Coal Ownership

CHAPTER 1

R645-301-100. GENERAL CONTENTS

110 LEGAL, FINANCIAL, COMPLIANCE, and RELATED INFORMATION

110 INTRODUCTION

Alton Coal Development, LLC is submitting a Mining and Reclamation Plan for the Coal Hollow Project to the Utah Division of Oil, Gas and Mining pursuant to rules governing coal mine permitting at R645-301-100 et seq. Permit Area Base Drawing – Drawing 1-1.

112 IDENTIFICATION OF INTERESTS

112.100 Business Entity

Applicant, Alton Coal, LLC, is a limited liability company duly organized and validly existing under the laws of the State of Nevada, and authorized to conduct business under the laws of the State of Utah.

112.200 Permit Applicant and Permittee:

Alton Coal Development, LLC
463 N. 100 W, Suite 1
Cedar City, UT 84720
Telephone (435) 867- 5331
Employer I. D. #42-1655092
Social Security numbers of Alton Coal Development, LLC's
members and manager provided in "CONFIDENTIAL BINDER"

112.210 Operator:

Alton Coal Development, LLC
463 N. 100 W, Suite 1
Cedar City, UT 84720
Telephone (435) 867- 5331
Employer I. D. #42-1655092

112.220 Resident Agent:

Corporation Trust Company of Nevada
6100 Neil Road
STE 500
Reno, NV 89511

For Utah:

Chris R. McCourt
463 N. 100 W., Suite 1
Cedar City, Utah 84720
(435) 867-5331

112.230 Abandoned Mine and Reclamation Fee

Alton Coal Development, LLC, is the sole party in interest and will pay the abandoned mine land reclamation fee.

112.300 Ownership and Control

Alton Coal Development, LLC, is the sole party in interest, owning and controlling this application.

112.310 Members and Managers of Alton Coal Development, LLC

Social Security numbers of Alton Coal Development, LLC's members and manager provided in "CONFIDENTIAL BINDER" Appendix 1-1

Manager - CHRIS R. MCCOURT
1461 N. 3775 W.
Cedar City, UT 845720

Member STONIE BARKER
714 Bob White Lane
Naples, FL 34108

Member BEVERLY HOLWERDA
960 Cape Marco Drive
Marco Island, FL 34145

Member ROBERT C. NEAD
6602 Ilex Circle
Naples, FL 34109

Member JAMES J. WAYLAND
2841 Capistrano Way
Naples, FL 34105

All members and managers use the employer identification number of Alton Coal Development, LLC No. 42-1655092

112.320 Relationship to the Applicant

Each of the above-listed managers and members owns and controls more than 10% of Alton Coal Development, LLC

112.330 Title and Date of Position

The manager listed in 112.310 was appointed July 17, 2007. The members listed in 112.310 were appointed as of September 9, 2004.

114 RIGHT OF ENTRY INFORMATION

Applicant bases its right to enter and begin coal mining activities in the permit area and the consent of the surface owner to extract coal by surface mining methods upon the following documents:

Lessor:

C. Burton Pugh

Surface and Mineral Lease, dated 9/10/04.

Lessee:

Alton Coal Development, LLC

Lessor:

Alecia Swapp Dame Trust

Surface and Mineral Lease, dated 4/29/05.

Lessee:

Alton Coal Development, LLC

Copies of the lease assignments are included in Appendix 1-2 located in the Volume 7, Confidential binder.

115 STATUS OF UNSUITABILITY CLAIMS

The permit area is not within an area or under study as an area designated as unsuitable for mining under R645-103-400, nor has any petitions been filed with the UDOGM under R645-103-420 that could affect the proposed permit area. The Coal Hollow Project is located on private lands adjacent to federal lands, which after careful consideration were declared suitable for mining in 1980 by then Secretary of Interior Andrus. Secretary's Decision, Petition to Designate Certain Federal Lands In Southern Utah Unsuitable for Surface Coal Mining, OSM Ref No. 79-5-001, dated December 16, 1980, copy attached at Appendix 1-3.

This petition was filed under the provisions of section 522(c) of the federal Surface Mining Control and Reclamation Act ("SMCRA"). OSM Notice, Receipt of a Complete Petition for Designation of Lands as Unsuitable for Surface Coal Mining Operations, 45 fed. Reg. 3398, Jan. 17, 1980, attached at Appendix 1-3.

Those federal lands in the Petition area found suitable for mining include lands adjacent to the private lands which the Project has included in a federal lease by application and located in Kane County, Utah within Township 39 South, Ranges 5 and 6 West, SLM. Secretarial Decision at Paragraph 4. The Secretarial Decision was based on an extensive Administrative Record, including the Petition filed under Section 533 of SMCRA, 30 U.S.C. Section 1272, public hearings, a combined petition evaluation document and environmental impact statement published in two volumes on November 26, 1980 as, "Southern Utah Petition Evaluation Document" and the "Southern Utah Petition Evaluation Document - Comments and Responses." The Secretarial Decision was further supported by a 52 page Statement of Reasons, dated January 13, 1981, attached at Appendix 1-3.