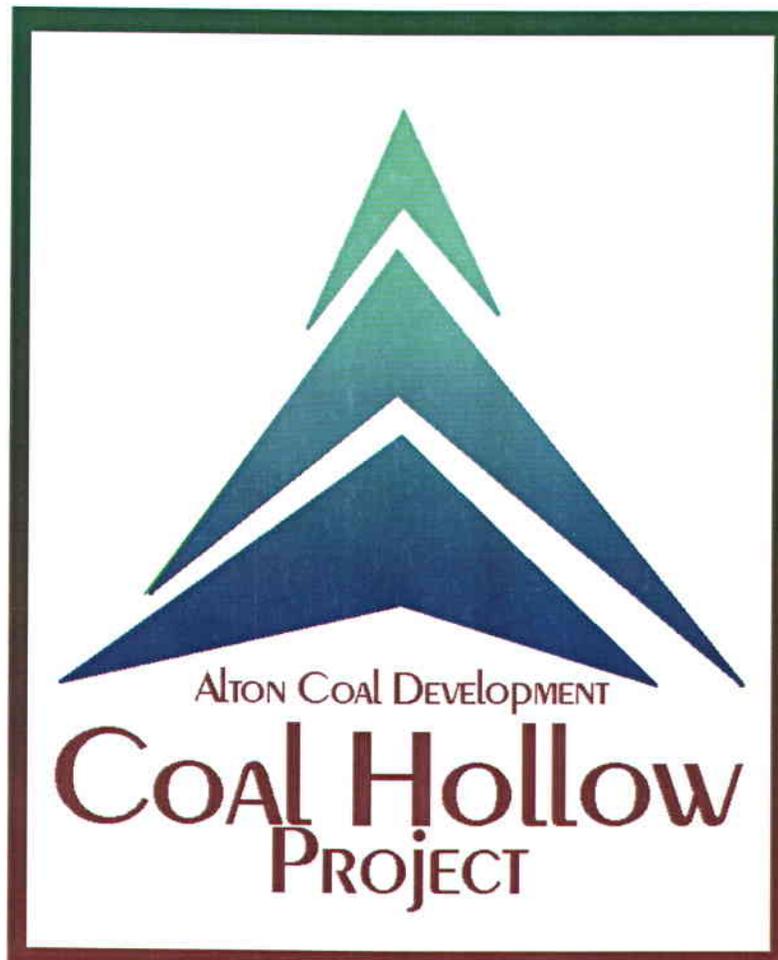


Alton Coal Development, LLC

Coal Hollow Project

**Mining and Reclamation Plan
Technical Review - Revisions**



December 2008

Chapters 1, 2 and 3

C/025/0005

File in:

Confidential

Shelf

Expandable

Refer to Record No. 0144 Date 12/18/2008
In C/025/0005 2008, Incoming
For additional information Confidential

R645-103-234.100, The application must include the necessary approvals for road relocation from the authority with the jurisdiction over the public road and from the authority with jurisdiction over the easement for the relocated portion of the public road.

Alton Coal Development, LLC has entered into an agreement with Kane County for the planned relocation of County Road 136 (K3900). This agreement is provided as proof of approval by the local road authority with jurisdiction over this public road.

Alton Coal Development, LLC has also entered into a Grant of Easement for County Road 136 (K3900) with C. Burton Pugh for the road to be reconstructed on his property in the modified alignment shown on Drawing 5-35 under postmining conditions.

Also provided is the environmental assessment for relocating County Road 136 across federal lands managed by the Bureau of Land Management. This is a final decision document providing approval by the BLM for an easement to relocate County Road 136 (K3900).

These documents are added to the Mine and Reclamation Plan as Appendix 1-7, Chapter 1, Volume 1.

APPENDIX 1-7

County Road 136 (K3900) Approvals and Agreements

Alton Coal Development, LLC and Kane County Agreement
(Kane County Road 136 (K3900) Closure, Relocation and Replacement)

And

Grant of Easement and Assignment Agreement for County Road 136
(Easement for Reestablishment of County Road 136 on C. Burton Pugh
Property in the postmining, modified alignment)

And

Kanab Field Office, Bureau of Land Management
County Road 136 Relocation – Environmental Assessment and Finding of
No Significant Impact

AGREEMENT

AN AGREEMENT TO TEMPORARILY CLOSE, RELOCATE AND REPLACE KANE COUNTY ROAD NUMBER K3900, KNOWN AS THE SINK VALLEY ROAD

THIS AGREEMENT ("Agreement") is made and entered into this 24th day of 2008, by and between Kane County, a body corporate and politic, having an address of 76 North Main Street, Kanab, Utah 84741 ("County"), and Alton Coal Development, LLC ("Alton Coal"), having an address of 463 North 100 West, Suite 1, Cedar City, Utah 84720.

RECITALS

WHEREAS, Alton Coal has applied with the Utah Division of Oil, Gas & Mining ("Division") for a permit to conduct coal mining operations at the Coal Hollow Mine under application number C/025/0005. The Mine will be developed on private lands located in Kane County, Utah, approximately 4 miles south of the Town of Alton within Sections 20, 29 and 30, Township 39 South, Range 5 West, SLB&M ("Mine Permit Area"); and

WHEREAS, a portion of Kane County Road K3900 ("Kane County Road K3900"), is located within the Mine Permit Area; and

WHEREAS, Kane County Road K3900 is a Class B multiple use public road and is part of the highway and road system within the sole jurisdiction, maintenance and control of Kane County pursuant to Utah Code Ann. § 72-3-103(4); and

WHEREAS, for the public health, safety and welfare, a portion of Kane County Road K3900 will be relocated outside the boundaries of the Mine Permit Area during the period of

mining activities within the Mine Permit Area ("Relocated Section") and then restored to its original location; and

WHEREAS, the two mile section of County Road K3900 located within the Mine Permit boundaries will be subject to long-term closure during mining activities; and

WHEREAS, the Relocated Section of Kane County Road K3900 will be located on public lands administered by the federal Bureau of Land Management ("BLM"). Alton Coal has applied for a right of way for the Relocated Section ("ROW") under Title V, Federal Land Policy and Management Act ("FLPMA") and intends to assign the BLM ROW so acquired to Kane County. A true and correct copy of this application is attached hereto as Exhibit 1; and

WHEREAS, the Relocated Section begins approximately three (3) miles south of the Town of Alton and will reconnect with the existing public road approximately five (5) miles south of the Town of Alton. *see* Plan of Development attached to BLM Application, Exhibit 1; and

WHEREAS, on June 16, 2008, the Division held a public hearing in Alton, Utah, on the relocation of Kane County Road K3900 pursuant to Utah Administrative Code R645-103-234 and will issue findings on this matter; and

WHEREAS, this Agreement confirms the responsibilities of Kane County and Alton Coal with respect to the temporary closure, rerouting and replacement of Kane County Road 3900; and

WHEREAS, this Agreement further confirms that both the two-mile segment of Kane County Road K3900 within the Mine Permit Area, to be temporarily closed during mining and reopened albeit on a realigned right-of-way (ROW) thereafter and the Relocated Segment are Class B multiple-use "public roads" within the jurisdiction of Kane County and exempt from regulation under Mine Permit No. C/025/0005 consistent with criteria adopted by the Division's 1995 Public Road Policy, attached hereto as Exhibit 2.

AGREEMENT

NOW, THEREFORE, for and in consideration of the premises, the mutual covenants and agreements of the parties hereto, and the consideration in favor of the County described below, the parties hereto agree as follows:

I. PUBLIC ROAD CLASSIFICATION

Kane County Road K3900 is a Class B, multiple-use, public road and is part of the County and State highway and road system within the sole jurisdiction, maintenance and control of Kane County pursuant to Utah Code Ann. § 72-3-103(4).

II. CLOSURE OF PORTION OF KANE COUNTY ROAD K3900

A. Upon approval of Mine Permit C/025/0005, Kane County will follow the procedures for long-term closure of a public road pursuant to Utah law. Following these procedures, the two-mile segment of Kane County Road K3900 within the Mine Permit Area will be closed and the public road will be relocated to an alternate route along the Relocated Segment per the map attached as Exhibit 3.

B. Kane County has determined that closure is authorized as follows:

1. Alton Coal has provided an alternate route via the Relocated Segment to be located within the BLM ROW. The Relocated Segment has been accepted by the Kane County Commissioners and the BLM ROW for the Relocated Segment will be assigned to Kane County; and

2. Kane County Commissioners will hold a hearing following public notice on the long-term closure;

and

3. Kane County intends to enact an ordinance authorizing the long-term closure.

III. PUBLIC LAND RIGHT OF WAY

A. Alton Coal has applied to the BLM for a right of way grant ("ROW Grant") across public land for the Relocated Segment. Alton Coal agrees to pay for all filing fees, costs of processing the ROW Grant (including expenses related to retaining a third party contractor to assist BLM with its environmental analysis of the application) and the first year rental payment.

B. Upon BLM's issuance of the ROW Grant, Alton Coal agrees to assign the ROW Grant for the Relocated Segment to Kane County. This assignment is for the purpose of securing Kane County's jurisdiction to the Relocated Segment of County Road K3900 and is not to avoid regulation. Pursuant to Utah Code Ann. § 72-5-103, the County has authority to acquire the BLM ROW pursuant to the terms of this Agreement.

IV. RELOCATION AND REPLACEMENT OF KANE COUNTY ROAD 3900

A. Kane County has authority pursuant to Utah Code Ann. § 17-50-305 to acquire, construct and maintain Class B County roads. Kane County will be responsible to supervise the design of any improvements to the Relocated Segment of Kane County Road K3900 as set forth in the attached Plan of Development ("Phase I Improvements"). Alton Coal will pay all costs. Alton Coal will notify Kane County at the point in its mine development that relocation and replacement of Kane County Road K3900 may commence. Kane County will provide Alton Coal with thirty (30) days written notice prior to commencing road construction. The County will also be responsible to supervise the design for the reconstruction of the two-mile segment of the Kane County Road K3900 following the completion of mining activities ("Phase II Improvements"). Alton Coal will pay any and all costs associated with said construction. Kane County will develop a Scope of Work regarding these road improvements. The Scope of Work will be performed according to the plans and specifications as approved by Kane County's professional engineer. Alton Coal will pay for developing said Scope of Work and all costs associated thereto. Once the detailed engineering design for each phase is completed, the County will provide Alton Coal with the Scope of Work and a preliminary cost estimate for the Scope of Work for each phase of construction.

B. Alton Coal agrees to pay to the County prior to the commencement of each phase of the Scope of Work and for that phase only, along with any incidentals associated with this improvement project as set forth in the Scope of Work based on the preliminary cost estimate for that phase. Alton Coal's obligation for payment shall be subject to the following limitations:

1. The County will provide Alton Coal with project cost estimates for the Scope of Work of each phase.

2. A written agreement approving the Scope of Work and cost estimate for each phase of development will be approved by both parties. Prior to commencement of work, Alton Coal shall provide the County with a written request to proceed.

3. Funds provided by Alton Coal in an amount equal to the estimated cost for a particular phase of development shall be held by the County in a third party escrow account. Interest earned in that account shall belong to Alton Coal. Upon receipt of said funds, the County will proceed with the Scope of Work.

4. Construction bids will be received by the County. An abstract of bids will be submitted to Alton Coal for approval. Alton Coal will approve the awarding of the bid. The escrow account balance will be adjusted to equal the amount of the bid, plus 5%. The County will award the contract and proceed with the Scope of Work.

5. The County will obtain Alton Coal's prior permission before issuing a change order that will cause the total expenditures with respect to the Scope of Work to exceed the amount originally approved by Alton Coal.

6. The County will provide Alton Coal with a copy of each of the Partial Pay Estimates as issued for any and all costs incurred in connection with performance of the Scope of Work.

7. Alton Coal shall be provided with the opportunity to audit the records with respect to such Partial Pay Estimates and to audit the final close out of any construction contract relating to the Scope of Work.

V. MISCELLANEOUS PROVISIONS

A. All of the parties understand and agree that the Kane County Road K3900 is a Class B county road for which Kane County remains responsible, including but not limited to responsibility for road maintenance. Alton Coal will be responsible for incidental maintenance as requested by the County, including dust control by chemical treatment.

B. Alton Coal agrees to indemnify and hold Kane County and each of their commissioners, officers, offices, employees, agents, limited liability company members and affiliates ("Indemnities"), heirs, assigns or successors harmless of and from any liability, cost or expense, including defense costs, from any claim, demand or action which may be brought against Indemnities and which arises out of or alleges any negligence or responsibility on the part of Indemnities in the design or construction of the Kane County Road K3900 as well as any and all actions taken under this contract. This obligation to indemnify and hold harmless commences upon execution of this Agreement during performance of the Scope of Work for Phase I and Phase II Improvements and shall terminate upon the County's completion of the reconstruction and replacement of the Kane County Road K3900.

C. The County further agrees to continue maintenance of the Kane County Road K3900 past the north reroute diversion point to the Coal Hollow Mine permit boundary. This section consists of approximately 3,500 feet of gravel road between the north diversion point

and the mine permit boundary, on federal land, which will continue to be under the sole jurisdiction of Kane County as a public road.

D. It is further agreed by Kane County and Alton Coal that Alton Coal's contributions do not convey jurisdiction, authority or responsibility to Alton Coal regarding the construction, maintenance or operation of Kane County Road K3900 beyond the terms of this Agreement. Said road will remain a Class B County network road under the sole authority of Kane County pursuant to Utah Code Ann. § 72-3-103(4).

This Agreement, together with its attached exhibits, constitutes the entire Agreement between the parties and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the parties. This Agreement cannot be changed except by written agreement of the parties.

Dated this 9th day of ^{December} ~~November~~, 2008

Eric Hubert
Alton Coal Development, LLC

Subscribed and sworn to before me this 9 day of ^{December} ~~November~~, 2008. *christopher mccurt only*

Tanisha Everett
Notary Public

Dated this 24th day of November, 2008

Daniel W. Hulet
Daniel Hulet, Commissioner

Dated this 24th day of November, 2008

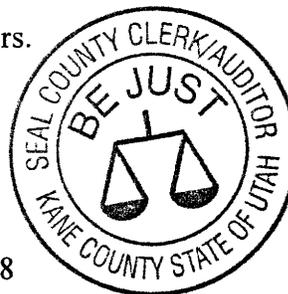
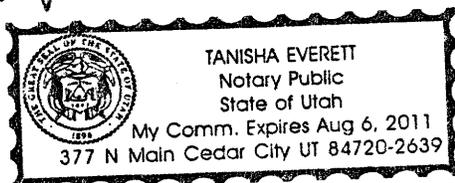
Mark W. Habbeshaw
Mark Habbeshaw, Commissioner

Dated this 24th day of November, 2008

Duke Cox
Duke Cox, Commissioner

Attest to the signatures of three (3) Commissioners.

Karla Johnson
Kane County Clerk



9-5-19-1
9-5-30-2

WHEN RECORDED, RETURN TO:

Jim Scarth, Esq.
Kane County Attorney
76 North Main Street
Kanab, Utah 84741

ENTRY NO. 00142094

12/04/2008 04:40:56 PM B: 0360 P: 0653

Amended Easement PAGE 1 / 8
VERJEAN CARUSO, KANE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOURT



AMENDED GRANT OF EASEMENT AND ASSIGNMENT AGREEMENT FOR COUNTY ROAD K3900

THIS AMENDED GRANT OF EASEMENT AND ASSIGNMENT AGREEMENT FOR COUNTY ROAD K3900 (this "**Agreement**") is made and entered into as of the 26 day of November, 2008 (the "**Effective Date**"), by and between **SINK VALLEY RANCH, LLC** ("**Grantor**"), and **ALTON COAL DEVELOPMENT, LLC**, a Nevada limited liability company, ("**Grantee**" and "**Assignor**") and Kane County, a political subdivision of the State of Utah ("**County**" and "**Assignee**"). Grantor, Grantee and County are sometimes hereinafter referred to as a "**Party**" and collectively referred to as the "**Parties.**"

RECITALS

A. Grantor owns that certain real property located in Kane County, Utah, described on **Exhibit A** to this Agreement (the "**Sink Valley Ranch Property**").

B. Grantee intends to conduct coal mining activities on certain portions of the Sink Valley Ranch Property and following mining of these lands, seeks to locate a right of way for County Road K3900 on the Sink Valley Ranch Property.

C. Grantee and Kane County ("**County**") have entered into an agreement regarding the relocation and replacement of County Road K3900 ("**County Road K3900 Agreement**").

D. By Grant of Easement for County Road K3900 dated October 30, 2008 ("**Grant of Easement**"), Grantee acquired an easement and right of way from Grantor on the Sink Valley Ranch Property for assignment to the County for relocation and replacement of County Road K3900.

E. The Grant of Easement burdens that certain portion of the Sink Valley Ranch Property more particularly described and depicted as either Option A or Option B on the maps and diagrams attached at **Exhibit B** to this Agreement (the "**Easement Area**").

F. The Parties seek to amend the Grant of Easement to clarify the extent of the easement and right of way ("**Amended Grant of Easement**") and to provide for assignment of the Amended Grant of Easement from Alton Coal Development, LLC, to the County.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:



1. Amendment of Grant of Easement. Grantor hereby amends the Grant of Easement to include a perpetual, exclusive easement and right of way 66 feet in width for County Road K3900 over, across, upon and within either Option A or Option B or any area within the outlying boundaries of either Option A or Option B within the Easement Area, for the purpose of constructing, owning, operating, maintaining, repairing and replacing County Road K3900.

2. Assignment to County. Grantee hereby assigns the Amended Grant of Easement to the County. Grantor consents to the assignment of the Amended Grant of Easement to the County for re-establishment, construction, ownership, operation and maintenance of County Road K3900.

3. Construction and Use Requirements as Provided by the County Road K3900 Agreement. The County Road K3900 within the Easement Area shall be constructed by the County in accordance with County specifications and shall be owned by County for County Road K3900 which shall be operated and maintained by County without any cost, expense or obligation on the part of Grantor. Further, County has agreed to provide Grantor and Grantee/Assignor with thirty (30) days written notice prior to commencing construction within the Easement Area.

4. Obstructions. Grantor, by the terms of said agreement, shall not construct any fence, wall, or other barrier or structure of any kind on the Easement Area which would prevent, obstruct or impair County's use and enjoyment of the Easement Area and the operation of County Road K3900.

5. Term. The duration of this Agreement shall be perpetual unless all Parties mutually agree in writing to terminate this Agreement.

6. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

7. Notices. All notices, requests, demands or other communications hereunder shall be in writing and deemed given when delivered personally, when deposited to be sent via a nationally-recognized overnight courier keeping receipts of delivery, service prepaid or billed to sender, or on the day said communication is deposited with an overnight courier service, postage prepaid, addressed as follows:

To County: Kane County Commission
76 North Main Street
Kanab, Utah 84741

With a copy to: Jim Scarth, Esq.
Kane County Attorney
76 North Main Street
Kanab, Utah 84741

To Grantee: ALTON COAL DEVELOPMENT, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Attention: Chris McCourt

With a copy to: Denise A. Drago, Esq.
Snell & Wilmer L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, Utah 84101

To Grantor: Sink Valley Ranch, LLC
c/o C. Burton Pugh, Manager
533 North 650 East
Lindon, Utah 84042-1567

or to such other address as either Party may from time to time designate by notice in writing to the other Party. Rejection, refusal to accept delivery or inability to deliver due to changed address of which no notice has been given shall be deemed receipt by the addressee.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, without giving effect to its choice of law principles.

9. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed as an original but all of which together shall constitute one and the same instrument.

10. Entire Agreement. This Agreement supersedes all prior understandings, representations and agreements between the Parties with regard to the subject matter hereof and there are no other understandings, representations, warranties or agreements between them.

11. Amendment. Neither this Agreement nor any provision hereof may be changed, amended, modified, waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the Party against which enforcement of the change, amendment, modification, waiver or discharge is sought.

12. Authority. Each party hereto hereby represents, warrants and covenants unto the other that this Agreement has been duly authorized, executed and delivered by such party and constitutes the valid, legal and binding agreements and obligations of such party enforceable against such party in accordance with the terms hereof.

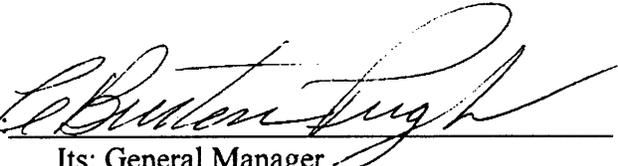
13. No Joint Venture. Nothing in this Agreement shall be construed to make the Parties partners or joint venturers or render any of the Parties liable for the debts or obligations of the other.

14. Agreement to Run with the Land; Running of Benefits and Burdens. All provisions of this Agreement touch, concern and run with the Sink Valley Ranch Property and Easement Area and are binding upon and inure to the benefit of the successors and assigns of Grantor and Grantee.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives effective as of the Effective Date.

ENTRY NO. 00142094
12/04/2008 04:40:56 PM B: 0360 P: 0655
Amended Easement PAGE 3 / 8
VERJEN CRUSO, KRNE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOURT

Grantor:
SINK VALLEY RANCH, LLC

By: 
Its: General Manager

Grantee:
ALTON COAL DEVELOPMENT, LLC

By: 
Its: Manager

ENTRY NO. 00142094

12/04/2008 04:40:56 PM B: 0360 P: 0656
Amended Easement PAGE 4 / 8
VERJEAN CARUSO, KANE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOURT



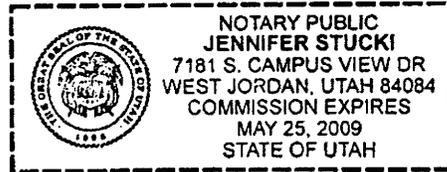
STATE OF UTAH)
 : ss.
COUNTY OF IRON)

The foregoing instrument was acknowledged before me this 3 day of December, 2008, by Christopher McCourt, Manager of ALTON COAL DEVELOPMENT, LLC, a limited liability company.



NOTARY PUBLIC
Residing at: Cedar City, UT

My Commission Expires:
5-25-09



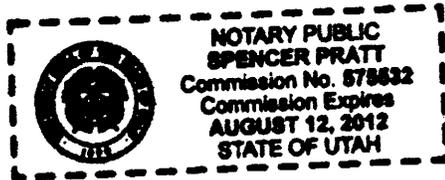
STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 26 day of Nov., 2008, by C. Burton Pugh, General Manager of SINK VALLEY RANCH, LLC, a limited liability company.



NOTARY PUBLIC
Residing at: Pleasant Grove, UT

My Commission Expires:
August 12, 2012



ENTRY NO. 00142094

12/04/2008 04:40:56 PM B: 0360 P: 0657
Amended Easement PAGE 5 / 8
VERJEAN CARUSO, KANE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOURT



EXHIBIT A

Legal Description of the Sink Valley Ranch Property

Tract 9-5-19-1:

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M
Section 19: SW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

containing 160.0 acres, more or less

Tract 9-5-30-2:

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M
Section 30: All of Section Lot #1 (NW $\frac{1}{4}$ NW $\frac{1}{4}$); NE $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ NE $\frac{1}{4}$;
ALSO: BEGINNING 3.50 chains West of the East Quarter corner of Said Section 30, and
running South 34° 34' West 22.64 chains to the 1/16 section line; thence West 2.64
chains to the Southwest corner of NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Said Section 30; thence North 40.00
chains; thence East 20.00 chains; thence South 14.69 chains; thence southwesterly to the
point of beginning

containing 217.64 acres, more or less

ENTRY NO. 00142094

12/04/2008 04:40:56 PM B: 0360 P: 0658
Amended Easement PAGE 6 / 8
VERJEAN CARUSO, KANE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOURT



EXHIBIT B

Map of the Easement Area

ENTRY NO. 00142094

12/04/2008 04:40:56 PM B: 0360 P: 0659

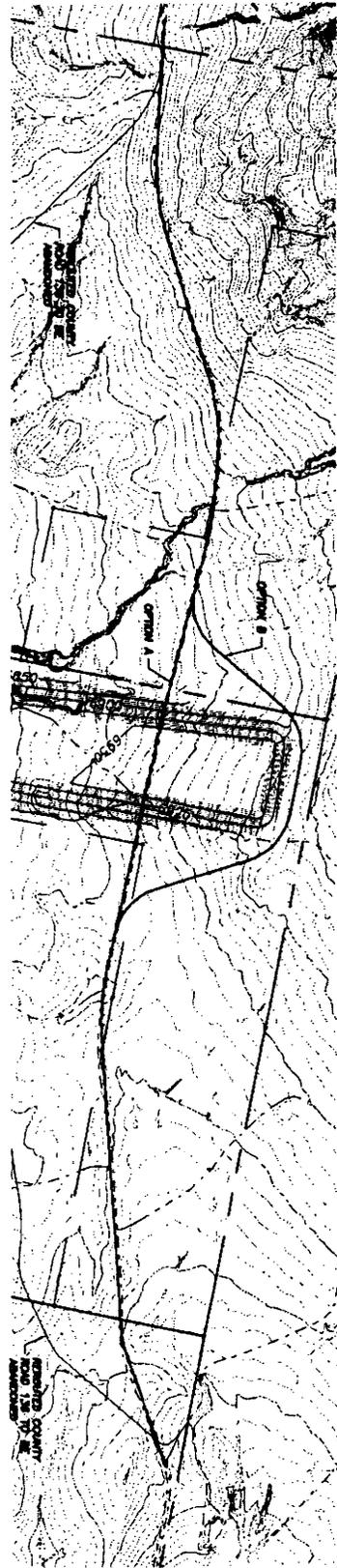
Amended Easement PAGE 7 / 8

VERJEAN CARUSO, KANE COUNTY RECORDER

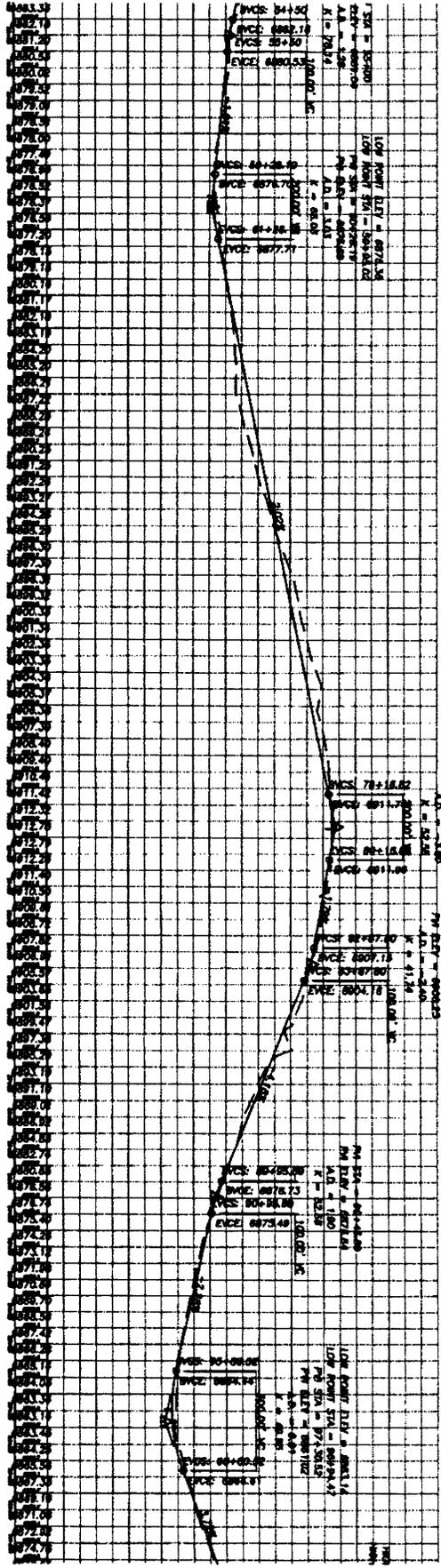
FEE \$ 29.00 BY CHRIS MCCOURT



COUNTY ROAD 136 REESTABLISHMENT
FOR
ALTON COAL DEVELOPMENT



PLAN VIEW
SCALE 1" = 100'



OPTION B PROFILE
HORIZONTAL SCALE 1" = 200'
VERTICAL SCALE 1" = 40'

ENTRY NO. 00142094
12/04/2008 04:40:56 PM B: 0360 P: 0650

Amended Easement PAGE 8 / 8
VERJERIN CARUSO, KANE COUNTY RECORDER
FEE \$ 29.00 BY CHRIS MCCOY



PROJECT NO. 8071011	DRAWN BY SJB
DATE 4/18/08	DESIGNED BY SJB
SHEET NO. 1 OF 1	PROJECT NAME WES

ROAD REESTABLISHMENT
OPTIONS A & B
FOR
ALTON COAL DEVELOPMENT
COUNTY ROAD 136
ALTON, UT

BOSS ENGINEERING & SURVEYING
WWW.BOSS-ENGINEERING.COM

REVISIONS		
NO.	DESCRIPTION	DATE BY

**United States Department of the Interior
Bureau of Land Management**

**Environmental Assessment
UT-110-08-011**

November 2008

**Finding of No Significant Impact
And
Decision Record**

**Alton Road Relocation
UTU-83017**

Location: Salt Lake Meridian, Kane County, Utah
Township 39 South, Range 5 West, Sections 18, 19, 30, 31;
Township 39 South, Range 6 West, Sections 24, 25.

Applicant/Address: Alton Coal Development, LLC
P.O. Box 463 North 100 West Suite 1
Cedar City, Utah 84720

U.S. Department of the Interior
Bureau of Land Management
Kanab Field Office
190 E. Center Street
Kanab, Utah 84741
Phone: 435-644-4300
FAX: 435-644-4350

**FINDING OF NO SIGNIFICANT IMPACT
AND
DECISION RECORD
*Alton Road Relocation
EA-UT-110-08-011
UTU-83017***

FONSI: Based on the analysis of potential environmental impacts contained in the attached environmental assessment, and considering the significance criteria in 40 CFR 1508.27, I have determined that the action will not have a significant effect on the human environment. An environmental impact statement is therefore not required.

DECISION: It is my decision to authorize the Alton Road Relocation #UTU-83017 as described in the Proposed Action from EA-UT-110-08-011. This decision is contingent on meeting all stipulations and monitoring requirements listed below.

SUMMARY OF THE SELECTED ALTERNATIVE: BLM is proposing to temporarily relocate Alton Road to the west of its current location for the life of the proposed coal mining operations. Once the mine is closed, the temporary route is to be reclaimed and the existing route of Alton Road will be reconstructed. The proposed road relocation would be approximately 3.1 miles long, have a 24-foot gravel road surface, and fall within a 66-foot-wide ROW impacting approximately 31 acres. Kane County would be responsible for road construction.

Identification of issues(s) for the assessment was accomplished by considering any resources that could be affected by implementation of one of the alternatives. Issues identified and addressed in the EA are:

- Native American Religious Concerns
- Livestock Grazing
- Vegetation
- Fish and Wildlife
- Soils
- Recreation
- Visual Resources
- Geology and Mineral Resources
- Paleontology

Stipulations: This decision is contingent on meeting the following stipulations and monitoring requirements which includes those identified by BLM IDT specialists in Appendix A.

- (1) Air Quality: Watering will occur during construction to keep the dust down.
- (2) Cultural Resources: The road has been routed to avoid all known cultural resource sites. Additionally, if cultural or Native American resources are discovered during construction, operations will cease, and a BLM authorized officer should be notified immediately.
- (3) Floodplains: The road will be engineered to not impact any floodplains.

- (4) Invasive/Non-native species: Construction equipment will be pressure washed before coming to the project area and appropriate measures will be taken to reseed and rehabilitate areas of disturbance to decrease the establishment of cheatgrass.
- (5) Threatened, Endangered, or Candidate Wildlife Species: The project will occur outside of dates for wintering Bald Eagle use (November 15–March 15) if eagles are present.
- (6) Water Quality: BMPs such as sediment control structures including silt fences, erosion control mulching, etc. will be implemented to avoid impacts to water quality.
- (7) Livestock Grazing: Wherever the alignment crosses a maintained fence, a new cattle guard and gate will be constructed so that remaining portions of the allotments would still be useable.
- (8) Vegetation: Stipulations will be in place to require reseeding and rehabilitation of impacted areas after the completion of the project.
- (9) Fish and Wildlife: Post-use reclamation will include reseeding of the road to provide for the re-establishment of wildlife habitat. Construction will occur outside of sage-grouse leking and nesting dates.
- (10) Soils: Measures will be taken to prevent soil loss and erosion to the extent possible. Reseeding with species suitable for the site to provide soil site stability will be required after project completion.
- (11) Visual Resources: Following landform contours will somewhat mitigate contrast.
- (12) Paleontology: Although surface inventory did not locate substantial resources on the surface, they could occur below the present land surface. Ground disturbing activities in bedrock of the Dakota and Tropic formations will be spot checked by a qualified paleontologist or their authorized agent for substantial resources, which if found, will be scientifically collected by a qualified paleontologist or their authorized agent and repositied at the Utah Museum of Natural History.
- (13) Lands and Access: The ROW will be temporary and the road will be removed and reclaimed upon termination of the mine.

RATIONALE FOR THE DECISION: The decision to authorize this right-of-way has been made in consideration of the environmental impacts of the Proposed Action. Granting of rights-of-way is authorized under Title V, Section 501 (1), of the Federal Land Policy and Management Act of 1976. The action is in conformance with the Kanab RMP signed October 31, 2008. Implementation of the Proposed Action will comply with all applicable federal and state laws, and local zoning and building ordinances during all phases of the project.

The proposed road relocation was selected to move Alton Road outside of the active mining area to the west onto land that would not be included in Alton Coal's pending permit application package. This relocation provides for more recoverable coal as well as for the health and safety of the public by preventing the interaction of large mining equipment with public traffic.

Kane County will construct, operate, and maintain the road in conformity with the approved plan of development that shall be included as part of the right-of-way grant. All companies involved with any aspect of the project will comply with the terms and conditions of the ROW grant and its attached stipulations.

Potential resource conflicts, such as loss of vegetation, loss of AUMs, loss of sage grouse and mule deer habitat, and soil erosion were resolved through environmental commitments integral to the Proposed Action Alternative. These are fully described in the subject EA. These commitments and stipulations were developed during project planning involving all participants.

The No Action Alternative was not selected because public safety would be at a greater risk. It was determined that the road can be relocated with minimal impacts to the environment and is in the public interest.

Relevant issues were identified through the agency involvement process. During the preparation of this EA, the public was notified of the Proposed Action and a 30-day comment period was posted on the BLM's Utah Environmental Notification Bulletin Board on May 22, 2008 with a public scoping period through June 22, 2008 (30 days). Those individuals on the Kanab Field Office mailing list were sent a copy of the Notice of Intent and a public comment form. Two comments were received during this time. Due to the limited number of comments received, responses were not sent to commenters; instead the comments received have been addressed and responded to in the attached EA.

APPEALS: This decision shall take effect immediately on the date it is signed by the authorized officer, and shall remain in effect while any appeal is pending, unless the Interior Board of Land Appeals (IBLA) issues a stay. Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a notice of appeal must be filed in the office of the authorized officer at BLM Kanab Field Office, 318 North 100 East, Kanab, Utah 84741. If a statement of reasons for the appeal is not included with the notice, it must be filed with the IBLA, Office of Hearings and Appeals, U.S. Department of the Interior, 801 North Quincy St., Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the authorized officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21(b), the petition for stay should accompany your notice of appeal and should show sufficient justification based on the following four standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of irreparable harm to the appellant or resources if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and must be served with the IBLA at the same time it is filed with the authorized officer.

A copy of the notice of appeal, any statement of reasons, and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Regional Solicitor, U.S. Department of the Interior, 6201 Federal Building, 125 South State Street, Salt Lake City, Utah 84138-1180, no later than 15 days after filing the document with the authorized officer and/or IBLA.



Harry Barber, Field Office Manager

12/18/08
Date

Attachments: Figure 1
EA-UT-110-08-011

BLM

**United States Department of the Interior
Bureau of Land Management**

**Environmental Assessment (UT-110-08-011)
Case File # (UTU-83017)
November 2008**

Alton Road Relocation Environmental Assessment

***Location: Salt Lake Meridian, Kane County, Utah
Township 39 South, Range 5 West, Sections 18, 19, 30, 31;
Township 39 South, Range 6 West, Sections 24, 25.***

***Applicant/Address: Alton Coal Development, LLC
P.O. Box 463 North 100 West Suite 1
Cedar City, Utah 84720***

U.S. Department of the Interior
Bureau of Land Management
Kanab Field Office
190 E. Center Street
Kanab, Utah 84741
Phone: 435-644-4300
FAX: 435-644-4350

**Alton Road Relocation
Case File #UTU-83017**

CONTENTS

List of Figures iii

List of Tables iii

List of Appendices iii

Chapter 1: Purpose and Need..... 1

 1.1 Introduction..... 1

 1.2 Background..... 1

 1.3 Need for the Proposed Action..... 1

 1.4 Purpose(s) of the Proposed Action 3

 1.5 Conformance with BLM Land-use Plan(s)..... 3

 1.6 Relationship to Statutes, Regulations, or Other Plans 3

 1.7 Identification of Issues..... 4

 1.7.1 Native American Religious Concerns..... 5

 1.7.2 Livestock Grazing..... 5

 1.7.3 Vegetation..... 5

 1.7.4 Fish and Wildlife..... 5

 1.7.5 Soils..... 5

 1.7.6 Recreation..... 6

 1.7.7 Visual Resources..... 6

 1.7.8 Geology/Mineral Resources..... 6

 1.7.9 Paleontology 6

 1.8 Summary..... 6

Chapter 2: Description of Alternatives, Including Proposed Action 7

 2.1 Introduction..... 7

 2.2 Alternative A–Proposed Action..... 7

 2.2.1 Preconstruction Activities..... 7

 2.2.2 Design Criteria..... 7

 2.2.3 Construction of ROW Facility..... 7

 2.2.3.1 Flagging and Staking of the ROW 8

 2.2.3.2 Clearing and Grading of the ROW 8

 2.2.3.3 Earthwork..... 8

 2.2.3.4 Temporary Use Areas 8

 2.2.3.5 Stabilization, Rehabilitation, and Revegetation..... 8

 2.2.4 Operation and Maintenance of the Facility..... 8

 2.2.5 Termination and Abandonment 9

 2.3 Alternative B–No Action..... 9

 2.4 Other Action Alternatives and Alternatives Considered but Eliminated from Further Analysis..... 9

Chapter 3: Affected Environment..... 11

 3.1 Introduction..... 11

3.2 General Setting..... 11

3.3 Critical Elements of the Human Environment and Other Resources Brought Forward
for Analysis 11

 3.3.1 Native American Religious Concerns..... 11

 3.3.2 Livestock Grazing..... 12

 3.3.3 Vegetation..... 12

 3.3.4 Fish and Wildlife..... 15

 3.3.5 Soils..... 17

 3.3.6 Recreation 17

 3.3.7 Visual Resources..... 19

 3.3.8 Geology/Mineral Resources..... 19

 3.3.9 Paleontology 20

Chapter 4: Environmental Impacts 21

 4.1 Introduction..... 21

 4.2 Direct/Indirect Impacts 21

 4.2.1 Alternative A–Proposed Action..... 21

 4.2.1.1 Native American Religious Concerns..... 21

 4.2.1.2 Livestock Grazing..... 21

 4.2.1.3 Vegetation 22

 4.2.1.4 Fish and Wildlife..... 22

 4.2.1.5 Soils..... 23

 4.2.1.6 Recreation 24

 4.2.1.7 Visual Resources..... 24

 4.2.1.8 Geology/Mineral Resources..... 24

 4.2.1.9 Paleontology..... 25

 4.2.2 Mitigation Measures: 25

 4.2.3 Residual Impacts:..... 26

 4.2.4 Monitoring and/or Compliance:..... 26

 4.2.5 Alternative B–No Action: 26

 4.3 Cumulative Impacts Analysis: 27

 4.3.1 Past and Present Actions:..... 27

 4.3.2 Reasonably Foreseeable Action Scenario 27

 4.3.3 Cumulative Impacts 28

Chapter 5: Consultation and Coordination 29

 5.1 Introduction..... 29

 5.2 Persons, Groups, and Agencies Consulted 29

 5.3 Summary of Public Participation 30

 5.3.1 Response to Public Comment 30

 5.4 List of Preparers..... 32

Chapter 6: References 34

 6.1 References Cited 34

LIST OF FIGURES

Figure 1. Project location and proposed relocation map..... 2

Figure 2. Grazing allotments..... 13

Figure 3. Vegetation types..... 14

Figure 4. Wildlife habitat..... 16

Figure 5. Soil types. 18

LIST OF TABLES

Table 3-1. Grazing Allotments 12

Table 3-2. Vegetation Types..... 12

Table 3-3. Soil Types..... 17

Table 3-4. VRM Inventory Class Definitions..... 19

Table 4-1. Acres of Impact to Grazing Allotments under the Proposed Action..... 21

Table 4-2. Acres of Impact to Vegetation under the Proposed Action..... 22

Table 4-3. Acres of Impact to Wildlife Habitat under the Proposed Action 23

Table 4-4. Soil Reclamation Factors..... 23

Table 5-1. All Persons, Agencies, and Organizations Consulted for Purposes of this EA..... 29

Table 5-2. Response to Comments 30

Table 5-3. BLM Preparers 33

Table 5-4. Non-BLM Preparers 33

LIST OF APPENDICES

- Appendix A: Interdisciplinary Team Analysis Record Checklist
- Appendix B: Plan of Development
- Appendix C: Public Comment Letters Received

CHAPTER 1: PURPOSE AND NEED

1.1 Introduction

This Environmental Assessment (EA) has been prepared to analyze and disclose the environmental consequences of the Alton Road re-route as proposed by Alton Coal Development, LLC (Alton Coal). The EA is a site-specific analysis of potential impacts that would result from the implementation of a proposed action or alternatives to the proposed action. The EA assists the Bureau of Land Management (BLM) in project planning and ensuring compliance with the National Environmental Policy Act (NEPA), and in making a determination as to whether any "significant" impacts could result from the analyzed actions. "Significance" is defined by NEPA and is found in regulation 40 CFR 1508.27. An EA provides evidence for determining whether to prepare an Environmental Impact Statement (EIS) or a statement of Finding of No Significant Impact (FONSI). If the decision maker determines that this project has "significant" impacts following the analysis in the EA, then an EIS would be prepared for the project. If not, a Decision Record may be signed for the EA approving the selected alternative, whether the proposed action or another alternative. A Decision Record, including a FONSI statement, documents the reasons why implementation of the selected alternative would not result in significant environmental impacts (effects) beyond those already addressed in the Kanab Field Office Resource Management Plan (RMP) October 2008.

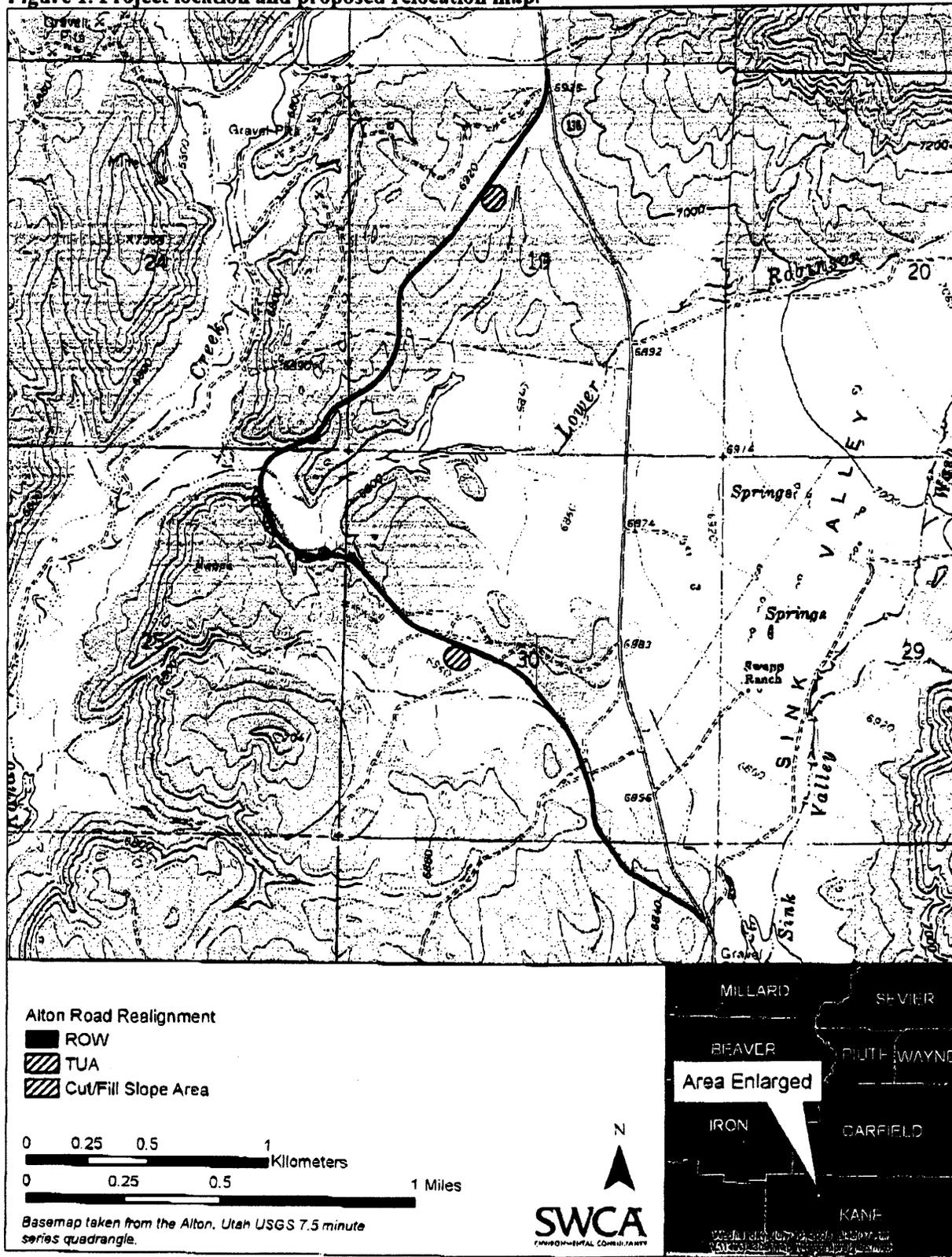
1.2 Background

Alton Coal has a permit application package pending with the Utah Division of Oil, Gas, and Mining (DOG M) that, if approved, would permit coal surface mining operations on approximately 635 acres of private lands. Alton Coal has proposed the temporary relocation of Alton Road to accommodate active mining on the private lands through which the road currently passes. The estimated length of the re-route would be approximately 3.1 miles, all of which cross BLM-administered land. The width of the proposed right-of-way (ROW) requested for the project is 66 feet. Construction is anticipated to commence in spring 2009 depending on the timing of DOGM's final permitting decision. Figure 1 illustrates the location of the existing road in relation to the proposed road relocation: Township 39 South, Range 6 West, Sections 24 and 25; and Township 39 South, Range 5 West, Sections 18, 19, 30, and 31.

1.3 Need for the Proposed Action

The private land that is leased by Alton Coal would be the active mining area. This road relocation is needed to move Alton Road outside of the active mining area to the west onto land that would not be included in Alton Coal's pending permit application package. This relocation provides for more recoverable coal as well as for the health and safety of the public by preventing the interaction of large mining equipment with public traffic. Relocation of this road within the mining boundary is not ideal because it would result in crossing of public traffic with the mine equipment. Because of the size of the mine equipment, equipment operators have limited range of observation, and interaction between the public and this equipment would result in unsafe conditions.

Figure 1. Project location and proposed relocation map.



1.4 Purpose(s) of the Proposed Action

The Alton Coal Plan of Development proposes to temporarily relocate the existing Alton Road to accommodate active mining and safe public and mine-related travel in the private land areas. Alton Road is a public roadway used by both travelers and local residents in the area (see Figure 1). Measures identified in the Alton Coal Plan of Development apply to the projected work, which is defined as the ROW, access roads, all work and storage areas, and other areas used during construction of the project.

1.5 Conformance with BLM Land-use Plan(s)

The Proposed Action Alternative described below would be in conformance with all decisions in the Kanab RMP. That document states that, "although established corridors exist, this does not preclude the location of transportation and transmission facilities in other areas if environmental analysis indicates that the facilities are compatible with other resource values and objectives." Although the Proposed Action and alternative(s) are not specifically mentioned in the plan, they are consistent with its objectives, goals, and decisions as they relate to Lands and Realty Program goals and objectives.

The BLM is considering approval of road relocation consistent with the Kanab RMP for making public lands available for ROWs in order to provide access for more recoverable coal. Coal mining is recognized in the Kanab RMP as an appropriate use of public lands, and it provides management direction to support energy development as part of the National Energy Policy Act of 2005. The BLM will consider approval of the proposed road relocation in a manner that avoids or reduces impacts on resources and activities as identified in Appendix A, the Interdisciplinary Team Analysis Record Checklist (ID checklist), and prevents unnecessary or undue degradation of the public lands.

1.6 Relationship to Statutes, Regulations, or Other Plans

The Proposed Action would be consistent with federal regulations and state and local laws, and would be consistent with local management plans to the maximum extent possible. The following activity plans and documents also direct the Kanab Field Office management in the analysis area, including the selection of an alternative from this EA. This action is consistent with federal laws and regulations, including the granting of ROWs authorized by Title V of the Federal Land Policy and Management Act (43 U.S.C. 1761-1771). Other laws that must be considered are as follows:

- National Environmental Policy Act of 1969, as amended (43 U.S.C. § 4231)
- National Historic Preservation Act of 1966, Public Law 89-665, as amended in 1992
- Migratory Bird Treaty Act, as amended through Public Law 107-136, Jan 24, 2002
- Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.)
- Endangered Species Act of 1973
- Bald Eagle Protection Act of 1940

The Proposed Action would also be consistent with the Standards for Rangeland Health of BLM Lands in Utah (BLM 1997), with applicable Native American Trust policies, and with state and

local plans, programs, and policies to the extent practical within federal law, regulation, and policy.

1.7 Identification of Issues

The ID checklist (Appendix A) provides a brief description of the affected environment, including critical elements that could be impacted to a level requiring further analysis.

Resources identified in the ID checklist as "not present in project area" include Areas of Critical Environmental Concern, Environmental Justice (low income or minority populations), Prime and Unique Farmlands, Wild and Scenic Rivers, Wilderness, and Non-WSA Lands with Wilderness Characteristics.

Resources identified in the ID checklist as "present in project area but not impacted by the proposed project" are listed below. Resources not being impacted also include those for which mitigation measures or best management practices (BMPs) would be implemented as part of the proposed action to avoid impacts.

Air Quality: The ID checklist indicated that impacts to air quality would be minimal but that watering should occur during construction for dust abatement.

Cultural Resources: Cultural resource inventories have been completed (see reports U-05-MQ-1568-b,p and U-07-BL-0969-b). The Alton Road has been designed to avoid all known cultural resource sites, and no sites would be impacted.

Floodplains: The ID checklist indicates that engineering of the Alto Road should be done so that floodplains are not impacted.

Invasive, Non-native Species: The ID checklist indicates that equipment should be pressure washed before coming to the project area, and appropriate measures should be taken to reseed and rehabilitate areas of disturbance to decrease the likelihood of the establishment of cheatgrass (*Bromus tectorum*) and other non-native, invasive species.

Threatened, Endangered, or Candidate Plant Species: The ID checklist indicates that no Threatened, Endangered, or Candidate Plant Species are known to exist within the project area.

Threatened, Endangered or Candidate Wildlife Species: The ID checklist indicates that the area has limited use by Bald Eagles (*Haliaeetus leucocephalus*), but that the project should proceed outside of dates for eagle wintering use (November 15 to March 15) if eagles are present.

Wastes: There are no anticipated impacts relating to solid or hazardous wastes.

Water Quality (drinking/ground): No impacts to water quality would be anticipated with this action. Mitigation would need to take place as part of standard operating procedures to ensure water quality is not impacted.

Wetlands/Riparian Zones: The ID checklist indicates that a limited riparian area is crossed by the proposed road on BLM land.

Rangeland Health Standards and Guidelines: The ID checklist indicates that some loss of rangeland would occur as a result of this action; however, it is probably not enough to quantify it as an impact.

Woodland/Forestry: No significant impact to woodland/forestry is expected. Some removal of pinyon (*P. edulis* or *P. monophylla*) and juniper (*Juniperus* spp.) trees may take place, but this does not pose a great impact.

Lands/Access: Because this is only a temporary ROW and the Alton Road would be removed and reclaimed at the termination of the mine, no impacts to lands or access to public lands are anticipated.

Fuels/Fire Management: No impact to fuels and fire management is expected. The added road would serve as a fire break and provide quicker access to more areas for fire suppression.

Socioeconomics: Rerouting of the Alton Road would have no socioeconomic impact. Access would be maintained.

Resources identified in the checklist as "present and potentially impacted by the proposed project" are, Native American Religious Concerns, Livestock Grazing, Vegetation, Fish and Wildlife, Soils, Recreation, Visual Resources, Geology/Mineral Resources, and Paleontology. These resources are described in detail in Chapters 3 and 4.

1.7.1 Native American Religious Concerns

- Consultation regarding this road would be initiated, but because no sites would be impacted, no Tribal comments are anticipated.

1.7.2 Livestock Grazing

- The impact area would take in part of several grazing allotments, reducing the acreage available for livestock grazing, thereby reducing the number of Animal Unit Months (AUMs) available.

1.7.3 Vegetation

- Vegetation in the project area would be impacted, and stipulations would be included in the ROW grant requiring the reseeding and rehabilitation of impacted areas after the completion of the mining project.

1.7.4 Fish and Wildlife

- There is limited mule deer use in the area, however the proposed project lies within critical mule deer summer range. Greater sage-grouse (*Centrocercus urophasianus*; hereafter referred to as sage-grouse) have brooding habitat in the project area and a lek adjacent to area; Alton Road relocation has the potential to impact use by grouse in winter and during nesting and brooding. The lek is approximately 2,018 feet from the proposed ROW.

1.7.5 Soils

- Measures should be taken to prevent soil loss and soil erosion to the extent possible. Reseeding with species suitable for the site should be required after project completion to provide soil site stability

1.7.6 Recreation

- Alton Road relocation would displace recreation along the existing alignment of Alton Road, and would move discordant sights and sounds closer to recreationists using the western portions of the project area.

1.7.7 Visual Resources

- The project area lies within Visual Resource Management (VRM) Class IV area, which allows major modification of the existing character of the landscape. The proposed project would temporarily introduce new contrasts in form, line, texture, and color to the landscape. Following landform contours would somewhat mitigate contrast.

1.7.8 Geology/Mineral Resources

- A gravel source would need to be identified and site-specific NEPA analysis performed if the gravel source is located on federal lands.

1.7.9 Paleontology

- Up to 70% of the proposed re-route is over Tropic and Dakota formation outcrops. These units have yielded highly significant fossils in the immediate area, including vertebrate microfossil sites (Dakota), plesiosaurs, articulated fish remains, and exceptionally well-preserved specimens of rare invertebrate fossils. Any ground disturbing activity could damage fossil resources or lead to loss of important contextual data.

1.8 Summary

This chapter has presented the purpose and need of the proposed project, as well as the relevant issues (i.e., those elements of the human environment that could be affected by the implementation of the proposed project). In order to meet the purpose and need of the proposed project in a way that resolves the issues, the BLM has analyzed the Proposed Action and No Action Alternative. These alternatives are presented in Chapter 2. The potential environmental impacts or consequences resulting from the implementation of each alternative are then analyzed in Chapter 4 for each of the identified issues.

CHAPTER 2: DESCRIPTION OF ALTERNATIVES, INCLUDING PROPOSED ACTION

2.1 Introduction

This EA discloses the environmental impacts of the Proposed Action and the No Action Alternative. The analysis of the No Action Alternative is considered and analyzed to provide a baseline for comparison of the impacts of the Proposed Action.

Alternative routes were considered, but they were eliminated from consideration and detailed analysis. Alternatives included variations in location and distance of the routes. These alternatives were eliminated from further analysis because of constraints, including impacts to environmentally sensitive areas, cultural resources, public safety, and topography. See Section 2.4 below.

2.2 Alternative A—Proposed Action

BLM is proposing to temporarily relocate Alton Road to the west of its current location for the life of the proposed coal mining operations. Once the mine is closed, the temporary route would be reclaimed and the existing route of Alton Road would be reconstructed. Appendix B shows the proposed alignment and describes in greater detail the activities associated with the proposed road relocation. The proposed road relocation would be approximately 3.1 miles long, have a 24-foot gravel road surface, and fall within a 66-foot-wide ROW. The 66-foot-wide ROW would fall 33 feet on either side of the centerline. Due to some steep areas, the cut and fill slopes would terminate outside of the 66-foot-wide ROW in some areas of the project for a total of 1.85 acres. The road grades vary from 0.5% minimum to 8% maximum with cut and fill slope ratios of 2:1 and 3:1, respectively. Kane County would be responsible for road construction and would likely put the project out for bid if the Proposed Action is approved.

2.2.1 Preconstruction Activities

Approximately 2 acres would be needed for each temporary use area for a total of 3.96 acres (Figure 1). No permanent structures or facilities are anticipated as part of the road relocation. It is anticipated that construction would take approximately 3 to 4 months and the road would be needed for approximately 5 to 10 years.

2.2.2 Design Criteria

The 3.1-mile-long roadway is designed to have a 24-foot gravel road surface within a 66-foot-wide ROW (Appendix B). Corrugated metal pipe would be used for drainage structures (culverts) at all wash areas and low spots within the project limits as shown in Appendix B. The proposed roadway surface consists of 1-inch, Type II road base gravel as recommended by the Kane County standards. Approximately 9,000 cubic yards of gravel would be needed to meet the 6-inch minimum thickness required by the county. The top 3 inches of the road surface would be treated with calcium chloride to control dust.

2.2.3 Construction of ROW Facility

The construction of this roadway would commence immediately after approval by the Utah DOGM to begin mining. Construction of the roadway would disturb approximately 31 acres of

land: approximately 25 acres for the roadway construction ROW, itself, 2 acres for cut and fill slopes, and 4 acres for temporary use areas, equipment storage sites, and topsoil stockpile areas.

2.2.3.1 Flagging and Staking of the ROW

Prior to construction of the roadway, a licensed surveyor would stake the centerline and ROW limits. Construction staking would include the staking of the cut and fill areas as well as the clearing limits.

2.2.3.2 Clearing and Grading of the ROW

Construction equipment would consist of trucks, loaders, dozers of various sizes, shovels and backhoes, graders, generators, and compaction machines. Most of the equipment to be used during the ROW restoration would consist of dozers, graders, and backhoes.

The existing topsoil in the proposed roadway area is approximately 8 inches deep. The total volume of topsoil that would be removed is approximately 10,000 cubic yards. This topsoil would be removed and stockpiled within the limits of the proposed 66-foot-wide ROW. The topsoil would later be used for reclamation when the roadway is discontinued.

2.2.3.3 Earthwork

The roadway base would be made of suitable, native material re-compacted to 95% maximum dry density. The roadway surface would be made of 6-inch gravel that would be obtained from an authorized mineral material site or pit. The unsuitable materials (i.e., oversize rocks and weak soils) would be spread alongside the roadway within the undisturbed areas of the 66-foot-wide ROW as shown in Appendix B. Silt fences would be built to alleviate and/or control erosion and water pollution from disturbed soils.

2.2.3.4 Temporary Use Areas

In addition to the construction of the roadway and the 66-foot-wide ROW, Alton Coal has identified two temporary workspace areas (2 acres each) where additional construction area width would be required for safe and efficient construction at road crossings, water body crossings, timber and boulder storage areas, steep sideslopes, the bases or tops of steep ascent/descent areas, and truck turnaround areas. The locations and sizes of the temporary workspaces identified by Alton Coal are depicted in the alignment sheets. The temporary use areas would disturb approximately 4 total acres.

2.2.3.5 Stabilization, Rehabilitation, and Revegetation

Cleanup and restoration of the surface along the ROW and any temporary use areas would be accomplished through the removal of any construction debris and final grading to the finished contour. Steps would be taken to minimize erosion, to restore the natural ground contour, and to account for road settling. Restoration seeding would be performed in accordance with BLM requirements in the ROW grant.

2.2.4 Operation and Maintenance of the Facility

Because the proposed road relocation would be maintained by the county, Alton Coal would assist the county in maintaining the proposed roadway if needed. The hauling of equipment and

materials would be done in accordance with Utah state requirements. The existing road and ROW would be used for access as a haul route. Approximately 3,500 feet of the existing road are located on public lands and would remain open and maintained by the county. The existing road on private lands would be closed to public access. The existing road that would be used in conjunction with the proposed ROW would be periodically maintained during construction by blading in order to keep the road level and not rutted.

2.2.5 Termination and Abandonment

Prior to termination of the BLM ROW grant, or any portion thereof, Alton Coal would contact the Authorized Officer to arrange for a pre-termination meeting and joint inspection of the proposed ROW. This meeting and inspection would take place a minimum of 30 days prior to termination. The meeting and inspection would be held so that an agreement on an acceptable termination and rehabilitation plan can be reached. This plan would include, but not be limited to, the abandonment and/or removal of facilities, drainage structures, and/or surface material; re-contouring; replacing of topsoil; seeding; and monitoring. The Authorized Officer must approve the plan in writing. Alton Coal would relinquish all, or those specified portions, of the proposed ROW in accordance with the termination plan.

2.3 Alternative B--No Action

NEPA requires a No Action Alternative, which is defined in the Council on Environmental Quality's regulations as a continuation of present conditions (40 CFR §1502.14). The analysis of the No Action Alternative provides important baseline information for the decision maker and the public.

The No Action Alternative would deny a ROW for the road. With this alternative, the BLM would not approve a ROW for the road and the applicant would not be allowed to place the road on public lands. The BLM has an obligation to allow utility and transportation development if the environmental consequences are not irreversible or severe. If the ROW grant is not approved, the applicant can (and generally would) submit a new ROW application that corrects the flaws in the original. The ROW process is designed to overcome the No Action Alternative by not accepting the ROW application as complete, until such problems are solved or mitigated in the application. If the No Action Alternative were selected, Alton Coal would have to use the existing road. However, the current road would not be suitable because of various safety issues.

2.4 Other Action Alternatives and Alternatives Considered but Eliminated from Further Analysis

Alton Coal considered alternative routes, but they were eliminated from consideration and detailed analysis. Additional alternatives included variations in location and distance of the routes. These alternatives were eliminated from further analysis because alternative routes would have resulted in greater impacts to cultural and environmental resources in the area.

One alternative route location was located several hundred feet east of the currently proposed route and crossed the private mine area. Though this route was over 3,000 feet shorter in length, it impacted several archaeological sites that could not be avoided.

Another alternative route considered was close to the currently proposed route, but it also impacted archaeological sites and would have required a significant amount of fill to cross

Lower Robinson Creek. Ultimately this alignment was adjusted farther to the west to take advantage of the natural topography so that the road would be lower in elevation when it crossed Lower Robinson Creek and therefore would minimize the impact to the area. This alignment was also modified to specifically avoid each archeological site, and, after modifications it became the Proposed Action.

The other alternative eliminated proposed that the road be kept within the Surface Mining Control and Reclamation Act permit boundary, which is the only private property Alton Coal has lease rights to in the immediate area. The re-route in this situation would begin immediately south of Lower Robinson Creek. This route would turn east along the creek for approximately 2,000 feet and would then proceed along the eastern edge of the planned mining pits. The pits are planned to extend close to the property boundary along this eastern edge, but, with the addition of this road, Alton Coal would lose an area of coal at least 166 feet wide by approximately 1 mile in length. The width of this block of coal is based on the restrictions on mining activity within 100 feet of a public road ROW (per Surface Mining Control and Reclamation Act) and the 66-foot-wide ROW for the road.

In addition to the coal loss, public safety would be of substantial concern. The road re-route would have to cross an active mine haul road at least once in order to proceed along the east side of the pits. This crossing would be dangerous and most likely would require fulltime crossing guards to control public traffic through this area. The active mine haul road would have large equipment trafficking regularly across it. Because of the equipment size, the operators of this equipment have a limited observation range from the cab and cannot stop quickly.

CHAPTER 3: AFFECTED ENVIRONMENT

3.1 Introduction

The affected environment of the Proposed Action and No Action Alternative was considered and analyzed by a BLM interdisciplinary team as documented in the ID checklist (Appendix A). The ID checklist indicates which resources of concern are present in the project area and which would be impacted to a degree that requires detailed analysis. Critical Elements of the Human Environment are those elements that are subject to the requirements specified in statute, regulation, or executive order, and must be considered in all EAs (BLM 2005). Section 3.3 describes the resources that were identified as those that would be potentially impacted by the Proposed Action.

3.2 General Setting

The proposed re-route of the Alton Road is located to the southeast of Alton, Utah, which has a population of 134 (USCB 2000). The site is approximately 7,000 feet above sea level and is in the Colorado Plateau Semi-Desert physiographic province (Bailey 1995). Ranching and grazing are the primary land uses in the area. The two dominant vegetation types are pinyon-juniper woodland and mixed mountain shrubland. The road traverses habitat for mule deer (*Odocoileus hemionus*), sage-grouse, and elk (*Cervus canadensis*) (BLM 2008).

The average maximum temperature is 60.2°F and the average minimum temperature is 31.0°F. The average precipitation is 16.4 inches per year, and the average total snowfall is 83.3 inches per year (WRCC 2008).

3.3 Critical Elements of the Human Environment and Other Resources Brought Forward for Analysis

3.3.1 Native American Religious Concerns

Many Native American tribes maintain that they are descendents of the peoples who once occupied the area managed by the Kanab Field Office, including the Southern Paiute, Navajo, Hopi, Ute, and Zuni tribes. Because of this traditional connection, many of these tribes hold a deep interest in the area's resources and the uses of those resources.

General areas, specific species, and/or specific sites could be important to contemporary Native American tribes for their traditional uses or for their sacred or religious/spiritual associations. Archaeological remains of prior Native American cultures, especially burials, rock art, and habitations, are often religiously or spiritually significant to current tribes. In addition, the physical resources of the area can be important for both traditional uses (e.g., continuing traditional gathering of ceremonial or subsistence vegetation and use of areas for ceremonial purposes) and for association with use by prior Native American cultures (e.g., springs and water sources or concentrations of other important resources). These areas and sites are generally not known or discussed outside of the affected community, but they may be present in the decision area.

According to the Kanab RMP, consultation would be required to identify and protect specific sites or areas. Consultation for this project was initiated by the BLM in September 2008 and completed on October 30, 2008.

3.3.2 Livestock Grazing

Grazing allotments encompass 30.46 acres within the boundaries of the project area (see Table 3-1 and Figure 2). There are five grazing allotments that fall within the project area and one area that has no allotted AUMs. The allotments that fall within the boundaries are Alton, Isolated Tracts, Robinson Creek, Syler Knoll, and Upper Sink Valley.

Table 3-1. Grazing Allotments

Allotment	Total Acres in Allotment	Acres of Allotments in Project Area	Percent of Total Allotment
Alton	156	7.87	5.04%
Isolated Tracts	1,813	0.65	0.04%
Robinson Creek	515	6.69	1.30%
Sylar Knoll	496	9.24	1.86%
Upper Sink Valley	6,279	4.71	0.08%
Un-allotted	N/A	1.30	N/A
Total	9,259	30.46	8.32%

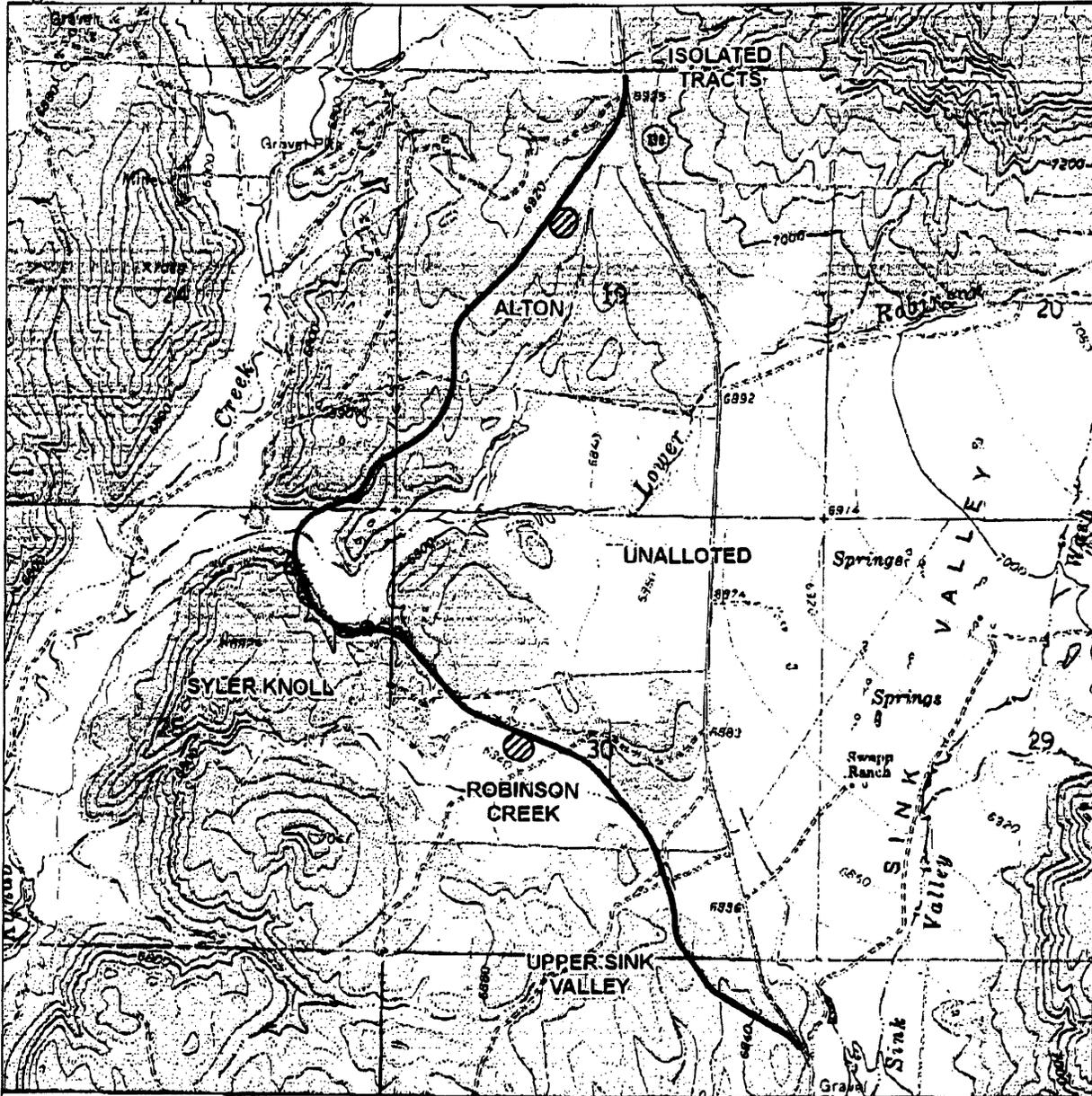
3.3.3 Vegetation

Alton Road occurs in the semiarid foothills of the Colorado Plateau Semi-Desert physiographic province (Bailey 1995). Vegetation communities and the acres of each vegetation type found in the project area are listed in Table 3-2 and Figure 3.

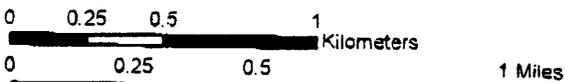
Table 3-2. Vegetation Types

Vegetation Type	Acres
Pinyon-juniper/Mountain Brush	1.79
Pinyon-juniper/Sagebrush	5.07
Rabbitbrush	0.51
Riparian	0.06
Sagebrush/Grass	6.66
Sagebrush/Grass (treated)	15.94
Other (road and pastureland)	0.43
Total	30.46

Figure 2. Grazing allotments.



- Alton Road Realignment
- ROW
- ▨ TUA
- ▩ Cut/Fill Slope Area
- ⋯ Grazing Allotment

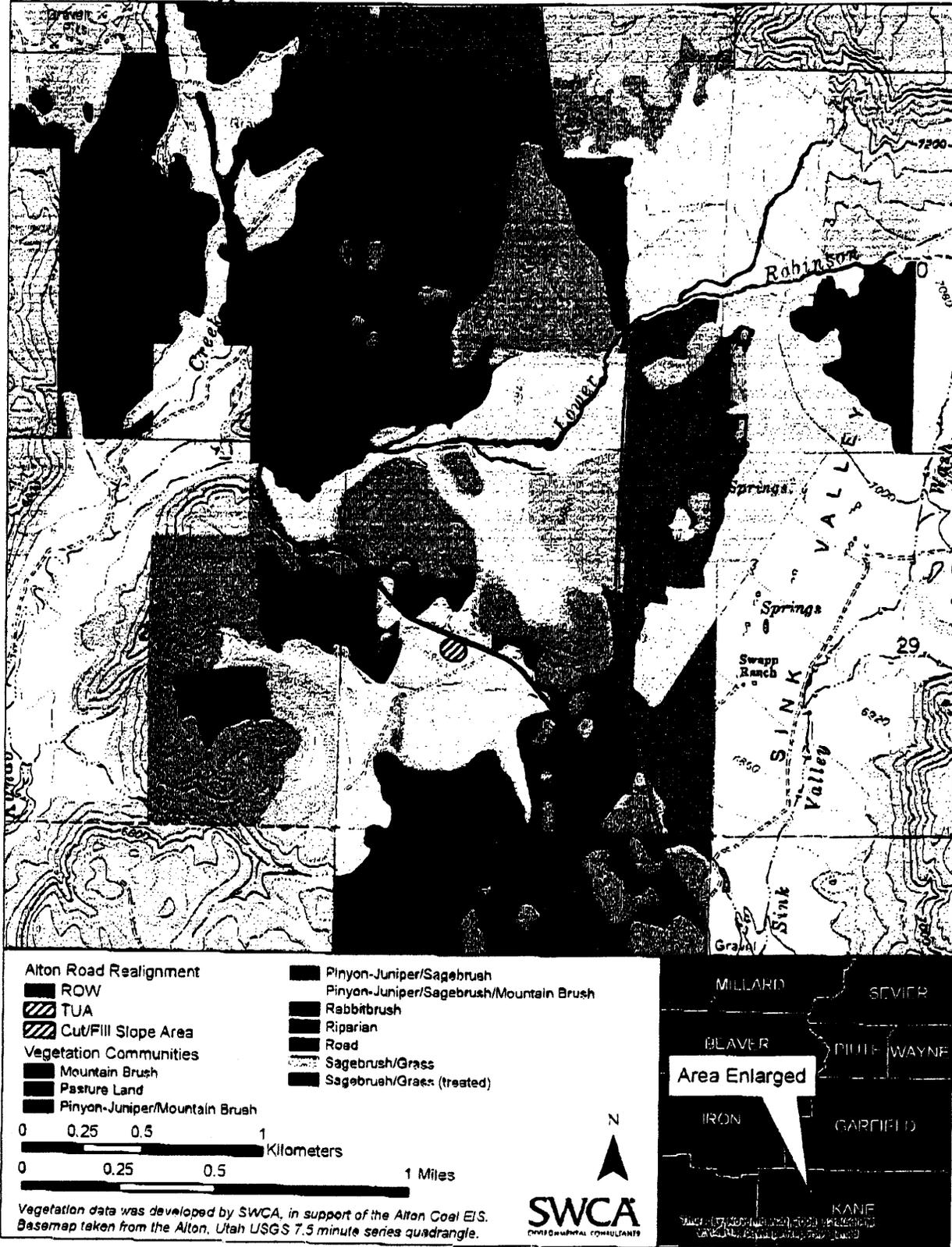


*Grazing data comes from the BLM.
 Basemap taken from the Alton, Utah USGS 7.5 minute series quadrangle.

SWCA
 ENVIRONMENTAL CONSULTANTS



Figure 3. Vegetation types.



Pastureland and other roads are also found in the project area. Mean annual precipitation in the Town of Alton was approximately 16 inches from 1928 to 2006, and mean annual temperature for this same time period was 60.2°F (WRCC 2005). The Colorado Plateau ecoregion receives most of its precipitation in the form of snow during the winter months; summers are generally hot and dry (WRCC 2005). These climate conditions encourage the growth of plant species that are physiologically adapted to withstand drought and heat.

Vegetation within the project area is managed by the BLM in accordance with the Kanab RMP Record of Decision signed October 31, 2008 (BLM 2008). Specifically, the area's vegetation is managed with the goal of improving wildlife habitat, increasing forage production for livestock grazing, providing watershed protection, and reducing soil loss.

3.3.4 Fish and Wildlife

Sage-grouse are found in scattered populations throughout Utah, with the exception of most of the Colorado Plateau in the southeastern portion of the state (UDWR 2002). The sage-grouse is an herbivore and insectivore that is dependent on sagebrush habitat (*Artemisia* species, especially *A. tridentata*). Sage-grouse require an understory of grasses and forbs and associated wet meadow areas (Bosworth 2003). Occupied habitat areas have declined approximately 60% from historic levels (BLM 2008). Sage-grouse population declines are currently attributed to habitat loss, habitat fragmentation, and reduced habitat quality.

One of the greatest threats to sage-grouse is the direct loss of the sagebrush steppe environment due to pinyon-juniper encroachment, mineral development, and invasive plants (UDWR 2005a). A sage-grouse lek is located adjacent to public lands near the southern end of the project area (Figure 4). Changes in function of the sagebrush steppe, including disrupted fire regimes and the lack of herbaceous understory, reduce the usable values of the existing habitat (UDWR 2005a). There are currently 145,900 acres of sagebrush steppe in the Kanab Field Office management area which represents 26% of this area.

Crucial summer mule deer habitat is located in the western portions of Kane County and throughout Garfield County (Figure 4). Mule deer are migratory animals, moving seasonally between summer and winter ranges. Mule deer usually summer at high elevations and winter at low elevations. Loss and degradation of lower elevation winter range can limit mule deer populations (UDWR 2005a). Loss of winter range is a limiting factor on the western portions of the project area (UDWR 2005c, UDWR 2005d). Throughout the remainder of the decision area, habitat decline is threatening the health of the mule deer herds (UDWR 2005e, UDWR 2006b, UDWR 2005f, UDWR 2005g). The cause of habitat decline is generally associated with decadent sagebrush steppe and encroaching pinyon-juniper communities.

3.3.5 Soils

NRCS soils data are currently unavailable for the area; however, data are in the process of being gathered and should be available in approximately winter of 2009. Soils information included in the Mine Permit Application for the Alton Coal Project, July 1987 (UII 1987) was used to determine soil mapping units, soils series, and soil characteristics for the project area. Soils in this area vary widely in their characteristics. Commonly, individual soils on the landscape merge into one another as their characteristics gradually change. Dominant soil types in the project area and their acreages are listed in Table 3-3 and Figure 5.

Table 3-3. Soil Types

Soil Type	Slope	Depth	Soil Type	Acres in Project Area	Percent of Project Area
16B	5%-9%	20"-40"	Rolling uplands	8.43	27.7%
16C	10%-19%	20"-40"	Rolling uplands	10.50	34.5%
16pB	5%-9%	40"-60"	Low ridges, uplands	5.00	16.4%
81A	0%-5%	72+"	Alluvial valley	1.52	5.0%
S16D	20%-29%	10"-20"	Upland sideslopes	5.01	16.4%
Total				30.46	100.0%

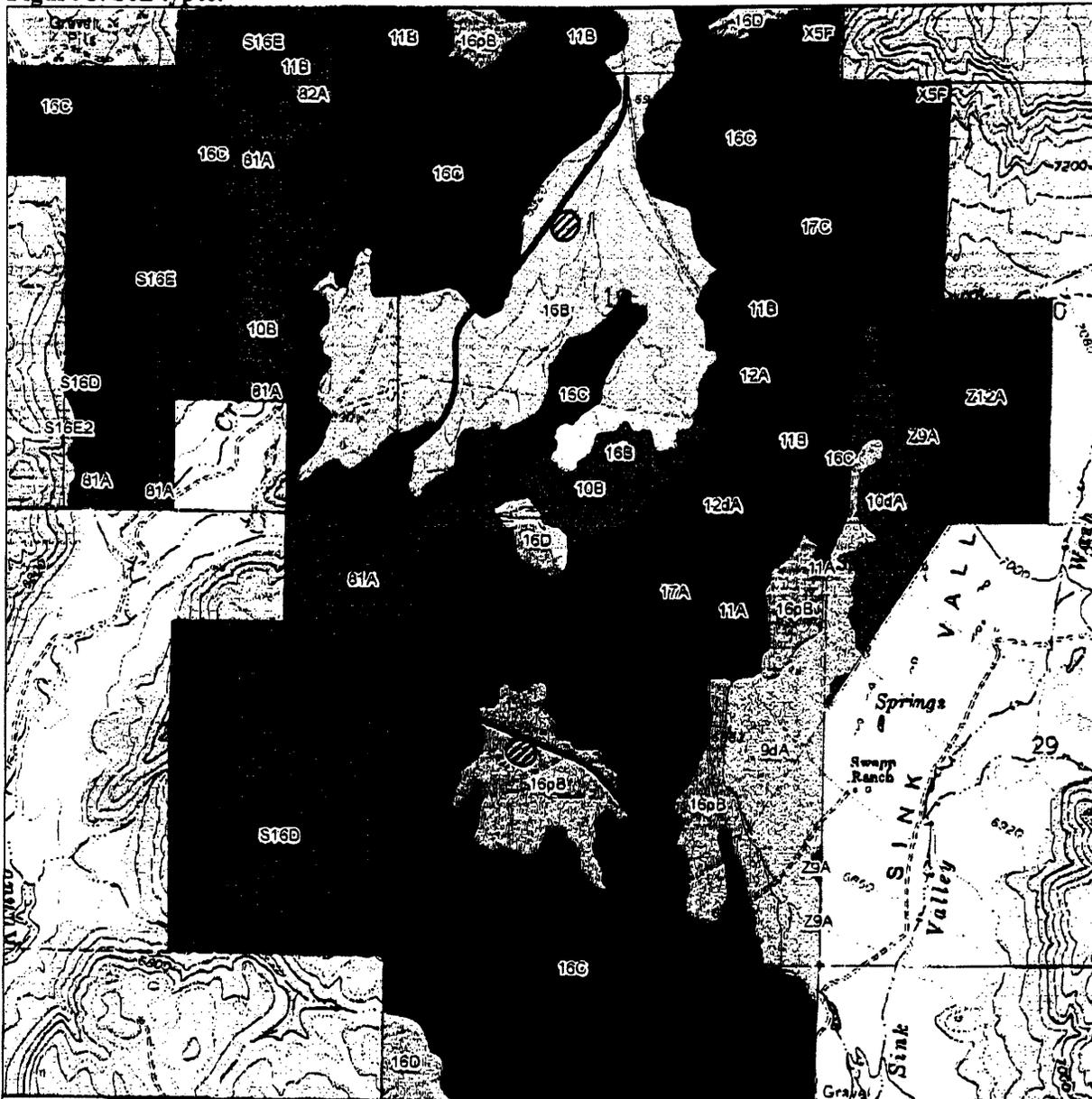
3.3.6 Recreation

Southwest Utah offers a variety of recreation opportunities in varying terrain, including mountains, desert, forests, canyons, rivers, and lakes. Major tourist attractions are Bryce Canyon National Park, the Dixie National Forest, the Grand Staircase-Escalante National Monument, and two scenic highways. A number of developed and semi-developed campgrounds, day use areas, and trailheads exist for recreational use in the general area.

BLM lands within the project area limit OHV use to designated trails. The BLM manages lands within the study area for the following recreation activities: OHV touring; hunting; fishing; photography; picnicking; hiking; backpacking; camping; viewing nature, wildlife, and geologic features; and participating in competitive events. No recreational trails or facilities are located on BLM lands within the project area.

The Kanab RMP estimates participation in 65 types of recreation activities within their field office, and that during the past several years, participation in some recreational activities has substantially increased in the KFO. More recreationists participate in OHV riding than in any other form of recreation use. Big game hunting also receives comparatively high levels of use, both in the number of participants and the number of visitor days. (BLM 2008).

Figure 5. Soil types.

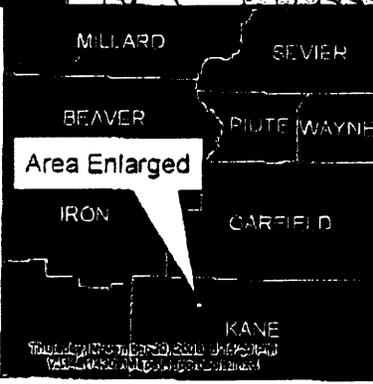


Alton Road Realignment	10dA	16pB	S16D
ROW	11A	17A	S16E
TUA	11B	17B	S16E2
Cut/Fill Slope Area	12A	17C	XSF
Soils	12dA	81A	Z12A
10A	16B	92A	Z9A
10B	16C	9dA	unknown
	16D	9dA	

0 0.25 0.5 1 Kilometers

0 0.25 0.5 1 Miles

Soil data comes from the Mine Permit Application, Volume 14, Alton Coal Project, July 1987. Basemap taken from the Alton, Utah USGS 7.5 minute series quadrangle.



3.3.7 Visual Resources

Visual resources are composed of landform (topography and soils), vegetation, bodies of water (lakes, streams, and rivers), and human-made structures (roads, buildings, and modifications of the land, vegetation, and water). These elements of the landscape can be described in terms of their form, line, color, and texture. Normally, the more variety of these elements there is in a landscape, the more interesting or scenic the landscape becomes, if the elements exist in harmony with each other. The BLM manages landscapes for varying levels of protection and modification, giving consideration to other resources values and uses and the scenic quality of the landscape.

The current VRM inventory identifies the existing scenic values in the decision area. The inventory includes an evaluation of scenic quality, analysis of sensitivity, and delineation of distance zones. Based on these three factors, BLM-administered lands are placed into one of four VRM inventory classes. The inventory classes represent the relative value of the visual resources. Class I and Class II resources are the most sensitive, Class III resources are moderately sensitive, and Class IV resources are the least sensitive (Table 3-4).

Table 3-4. VRM Inventory Class Definitions

Classification	Classification Objective
I	To preserve the existing character of the landscape. The level of change to the characteristic landscape should be very low and must not attract attention.
II	To retain the existing character of the landscape. The level of change to the characteristic landscape should be low.
III	To partially retain the existing character of the landscape. The level of change to the characteristic landscape should be moderate.
IV	To provide for management activities that require major modification of the existing character of the landscape. The level of change to the characteristic landscape can be high.

Source: BLM Handbook H-8410-1, Visual Resource Inventory

The proposed road relocation would occur solely in Visual Resource Class IV, as prescribed by the Kanab RMP.

3.3.8 Geology/Mineral Resources

The geology of the project area primarily consists of Cretaceous-age strata of the Dakota Formation, Tropic Shale, and Straight Cliffs Formation. Younger Tertiary deposits of sand and gravel mantle the landscape and cap some of the knolls. In some localities Dakota Formation coal deposits have burned, resulting in the baking of the surrounding rock and creating a hard "clinker" type deposit known as burnt shale.

3.3.9 Paleontology

The Proposed Action is sited entirely over outcrops of the Late Cretaceous Dakota Formation, Tropic Shale, and Holocene alluvium. Although the Holocene units have no fossil potential, the bedrock units have high potential to yield significant vertebrate fossil resources, and both have the highest Potential Fossil Yield Classification (PFYC) rating of five. A paleontological survey was conducted on February 8, 2006 to identify resources in the area. No significant resources were identified in this survey, but potential exists, particularly in the Tropic Shale, for significant subsurface resources to be present.

CHAPTER 4: ENVIRONMENTAL IMPACTS

4.1 Introduction

This chapter analyzes the impacts of the Proposed Action to those resources described in Chapter 3, Affected Environment. It should be noted that the road relocation would be temporary and would be moved to its original location after mining is completed.

4.2 Direct/Indirect Impacts

4.2.1 Alternative A-Proposed Action

4.2.1.1 Native American Religious Concerns

Past Native American consultation efforts, as well as the consultation efforts associated with the preparation of the Kanab RMP, have not identified specific areas or resources of Native American religious concern in the project area. These types of resources include traditional cultural properties, treaty-based subsistence use areas, traditional use areas, and rights of access. Sources of water, specifically springs, are potential areas of Native American religious concern. In addition, contemporary Native American tribes are sensitive to disturbance and loss of archaeological sites, because many tribes maintain that these sites are evidence of their ancestors and could therefore be religiously or spiritually significant.

Although no cultural resource areas fall within the project area, prehistoric cultural resource sites could be identified during road construction near the proposed road relocation. Native American consultation did not result in any concern from the tribes. Table 5-1 provides details regarding the tribes' responses. If sites are discovered during construction, activities would cease and the tribes would be notified.

4.2.1.2 Livestock Grazing

Issue: Impact of forage loss on levels of livestock grazing (AUMs)

The impact area would fall within five different grazing allotments and a small portion of land that is not assigned to any specific allotment. Impacts to livestock consist of surface disturbance associated with road construction that would remove 30.46 acres of vegetation. That amounts to approximately three AUMs of total forage for all of the allotments. Table 4-1 illustrates the acres of impact to each of the allotments from the Proposed Action.

Table 4-1. Acres of Impact to Grazing Allotments under the Proposed Action

Allotment	ROW/Permanent	Temporary Use Areas	Cut/Fill Slope	Percent of Project
Alton	5.90	1.97	0	26%
Isolated Tracts	0.65	0	0	2%
Robinson's Creek	4.72	1.97	0	22%
Syler Knoll	7.40	0	1.84	30%
Upper Sink Valley	4.71	0	0	15%
Un-allotted	1.29	0	0.01	4%

Total	24.67	3.94	1.85	100%
--------------	--------------	-------------	-------------	-------------

The greatest amount of impact would occur on the Syler Knoll, Alton, and Robinson's Creek allotments, which account for 78% of the proposed road relocation. In general terms, an AUM is the amount of forage needed to sustain one cow and her calf for one month. Assuming AUMs are calculated at 10 acres of vegetation per AUM, the removal of 30.46 acres of vegetation would result in a loss of approximately three AUMs due to the road relocation (BLM 2006).

4.2.1.3 Vegetation

Issue: Impact of acres of vegetation lost

Impacts to vegetation in the project area would occur from surface disturbance related to the proposed road construction. Table 4-2 shows the acres of impacts, resulting from the Proposed Action, that would occur under each vegetation type.

Table 4-2. Acres of Impact to Vegetation under the Proposed Action

Vegetation Type	ROW/Permanent	Temporary Use Areas	Cut/Fill Slope	Percent of Project Area
Pinyon-juniper/Mountain Brush	1.65	0	0.14	5.88%
Pinyon-juniper/Sagebrush	3.36	0	1.71	16.64%
Rabbitbrush	0.51	0	0	1.67%
Riparian	0.06	0	0	0.20%
Sagebrush/Grass	4.69	1.97	0	21.86%
Sagebrush/Grass (treated)	13.97	1.97	0	52.33%
Other (pastureland and road)	0.43	0	0	1.41%
Total	24.67	3.94	1.85	100%

Sagebrush/grass (including treated areas) and pinyon-juniper/sagebrush have the highest acreage and would therefore receive the greatest impact from vegetation removal for construction. A limited amount of riparian area would also be crossed by the proposed road at Lower Robinson Creek. To minimize impacts, reseeding and rehabilitation of the impacted area would be required after the completion of the project.

4.2.1.4 Fish and Wildlife

Issue: Impacts of habitat loss on sage-grouse brooding and mule deer

Because sagebrush steppe is the main habitat type for sage-grouse brooding habitat and mule deer crucial summer habitat, acres of impact to this type of vegetation have been used to analyze impacts resulting from the Proposed Action. Surface disturbance from the Proposed Action would result in the direct removal of vegetation and therefore lead to a decrease in habitat used by sage-grouse and mule deer. Impacts from surface disturbance to sage-grouse include 26.16 acres and for mule deer 30.46 acres. With 145,900 acres available for sage-grouse habitat in the Kanab Field Office, the acres of habitat disturbance would constitute approximately 0.02% to both species. Although the acres of physical disturbance is small, the lek is also known as one of

the most isolated leks in the Kanab Field Office. For this reason, there is potential to affect sage-grouse breeding and brood rearing habitat beyond these acres due to the change in traffic patterns and use from where the road is now.

Table 4-3. Acres of Impact to Wildlife Habitat under the Proposed Action

Wildlife Species	Row/ Permanent	Temporary Use Areas	Cut/Fill Slope	Total	Acres in KFO	Percent of Acres Impacted by Project
Sage-grouse Brooding Habitat	20.37	3.95	1.85	26.16	145,900	.02%
Mule Deer Crucial Summer Habitat	24.67	3.95	1.85	30.46	145,900	.02%

4.2.1.5 Soils

Issue: Impacts to soil composition from surface disturbance

Reclamation-limiting factors (i.e., factors that prevent soils from being fully reclaimed following surface disturbance) are found in each of the project area's soils. In reclamation-limited soils, one or more factors make site reclamation difficult in semiarid environments; these factors are alkalinity, droughty soils, salinity, sodium adsorption, and rooting depth. Alkalinity refers to higher (i.e., more basic) soil pH, which generally limits plants' ability to become established. Droughty soils have low water-holding capacities due to their porosity. Salinity refers to the amount of salt within soils that can be dissolved in surface waters. The sodium adsorption ratio refers to the amount of sodium that can be held by soils and influence nutrient uptake. Rooting depth risk refers to shallow soils where there is a risk of poor reclamation success due to a shallow rooting depth in the rooting zone.

Reclamation-limited soils are difficult to reclaim or restore. Once they are disturbed, the impact is usually long lasting (BLM 1993). Using the above-listed, reclamation-limiting factors, the reclamation-limiting features of each soil feature risk was classified as high, moderate, or low. Table 4-4 indicates the limiting factors for each of the soil types found in the project area and that is used to define the soil types.

Table 4-4. Soil Reclamation Factors

Soil Code	Acres in Project Area	Percent of Project Area	Alkalinity Risk	Droughty Soil Risk	Salinity Risk	Excess Sodium Risk	Rooting Depth Risk
16B	8.43	27.7%	Low	Low	Low	Low	High
16C	10.50	34.5%	Low	Low	Low	Low	High
16pB	5.00	16.4%	Low	Low	Low	Low	High
81A	1.52	5.0%	Low	Moderate	Low	Low	High
S16D	5.01	16.4%	Low	High	Low	Low	High

Total	30.46	100.0%					
-------	-------	--------	--	--	--	--	--

Some soil loss would occur from surface disturbance during road construction activities. Soil would be cleared and disturbed during grading and gravel placement. Soil types 16B and 16C have the highest acreage but the reclamation risk factors are all low except for rooting depth risk which is high for both soil types. Soil types S16D and 81A are less wide spread in the project area but would likely result in greater impacts due to high and moderate droughty soil risk, respectively.

4.2.1.6 Recreation

Issue: Impacts to visitor use from road relocation

Impacts to recreation from the Proposed Action would be minimal. The current road location does not provide much public access to the east of the road alignment. Most of the access to public lands lies to the west and the new alignment would still allow access to these public lands. Recreationists would be exposed to activities associated with road development and mining operations to the north and east, including more traffic and more noise. Impacts of surface disturbance to mule deer habitat would occur on 30.46 acres, thereby impacting hunters seeking hunting activities in and adjacent to these areas by limiting the number of mule deer using these areas.

4.2.1.7 Visual Resources

Issue: Changes to the landscape from new road construction

The proposed road lies completely within a VRM Class IV area, which allows major modification of the existing character of the landscape. Because the entire road relocation lies within a VRM Class IV area, the road relocation is consistent with the VRM goals and objectives of the Kanab RMP.

New road construction would change the landscape and introduce new contrasts to form, line, and texture. Changes to the landscape include visually intrusive color, line, and form contrasts that would be created by the presence of construction vehicles and equipment, and from exposed-soil surface disturbances in the middle and foreground. Color contrast-related and line contrast-related visual impacts would also be produced temporarily in the ROW. A moderate to strong edge effect would be created between exposed soil and the surrounding vegetation, particularly noticeable from middle ground slopes. Alton Coal would follow landform contours to mitigate contrast.

4.2.1.8 Geology/Mineral Resources

Issue: Use of federal gravel resources from obtaining road base on federal land

Impacts to geology and minerals would result if up to 9,000 cubic yards of gravel, road base or burnt shale were used from federal lands in the project area, thereby making the resource unavailable for future use. At this time the exact source of the material is unknown, although, if materials were to come from federal lands, new material pits would need to be identified and processed for use on the project. Because Kane County would be responsible for road

construction, if the Proposed Action is approved, the county would likely put the project out for bid, and the source of material determined at that time.

4.2.1.9 Paleontology

Issue: Disturbance to paleontological resources from surface-disturbing activities exposing paleontology

Up to 70% of the proposed re-route is over Tropic Shale and Dakota Formation outcrops. These units have yielded highly significant fossils in the immediate area, including vertebrate microfossils (in the Dakota Formation), plesiosaurs, articulated fish remains, and exceptionally well-preserved specimens of rare invertebrate fossils. Potential impacts to paleontological resources from the surface-disturbing activities outlined in the Proposed Action would include resource damage and loss of important contextual data during construction and grading.

4.2.2 Mitigation Measures:

The proposed road relocation would move the existing road to a new location outside of the proposed mine. This would be a temporary relocation for the duration of the mine and is contingent on the mine being approved by DOGM. The road would be replaced in the same location when the mining is completed.

The following mitigation measures would be implemented for the following resources as part of the road relocation.

1. Air Quality: Watering would occur during construction to keep the dust down.
2. Cultural Resources: The road has been routed to avoid all known cultural resource sites. Additionally, if cultural or Native American resources are discovered during construction, operations would cease, and a BLM authorized officer would be notified immediately.
3. Floodplains: The road would be engineered to not impact any floodplains.
4. Invasive/Non-native species: Construction equipment would be pressure washed before coming to the project area and appropriate measures would be taken to reseed and rehabilitate areas of disturbance to decrease the establishment of cheatgrass.
5. Threatened, Endangered, or Candidate Wildlife Species: The project would occur outside of dates for wintering Bald Eagle use (November 15–March 15) if eagles are present.
6. Water Quality: BMPs such as sediment control structures including silt fences, erosion control mulching, etc. would be implemented to avoid impacts to water quality.
7. Livestock Grazing: Wherever the alignment crosses a maintained fence, a new cattle guard and gate would be constructed so that remaining portions of the allotments would still be useable.
8. Vegetation: Stipulations would be in place to require reseeding and rehabilitation of impacted areas after the completion of the project.

9. Fish and Wildlife: Post-use reclamation would include reseeding of the road to provide for the re-establishment of wildlife habitat. Construction should occur outside of sage-grouse lekking and nesting dates.
10. Soils: Measures would be taken to prevent soil loss and erosion to the extent possible. Reseeding with species suitable for the site to provide soil site stability would be required after project completion.
11. Visual Resources: Following landform contours would somewhat mitigate contrast.
12. Paleontology: Although surface inventory did not locate substantial resources on the surface, they could occur below the present land surface. Ground disturbing activities in bedrock of the Dakota and Tropic formations should be spot checked by a qualified paleontologist or their authorized agent for substantial resources, which if found, should be scientifically collected by a qualified paleontologist or their authorized agent and repositied at the Utah Museum of Natural History.
13. Lands and Access: The ROW would be temporary and the road would be removed and reclaimed upon termination of the mine.

In addition to the above listed mitigation measures, Alton Coal has prepared a Waste Disposal Plan, Safety Plan, and a Fire Prevention Plan which can be found in Appendix B, the Plan of Development.

Roadways would be maintained and kept open for public access throughout construction, as prescribed by the respective authorizing agencies. Alton Coal would be responsible for noxious weed control on project disturbed areas, temporary use ROW, and temporary use areas. Alton Coal would consult with the BLM Authorized Officer or field representative and local weed control agents for acceptable weed control management techniques within the limits imposed in the grant stipulations.

4.2.3 Residual Impacts:

Even after mitigation measures have been implemented, some impacts would still occur as a result of the Proposed Action. These impacts are discussed as part of the Chapter 4 analysis and BMPs would be implemented to make impacts as minimal as possible. Because the road relocation would be temporary, it is anticipated that the area would be reclaimed when private mining activities are complete.

4.2.4 Monitoring and/or Compliance:

Monitoring would occur during construction to ensure BMPs and mitigation measures proposed in this EA are followed.

4.2.5 Alternative B--No Action:

Under the No Action Alternative, current trends and conditions would continue in the area. The Proposed Action would be denied and the road would not be relocated on public land placing public safety at risk.

Under the No Action Alternative, there would be no impacts to the resources analyzed in Chapters 3 and 4 on federal lands because the Proposed Action would be denied and no impacts

would occur as a function of road relocation. Although the road would likely be re-routed on private lands, an exact route has not been determined and therefore specific impacts cannot be analyzed. No impacts would result on federal lands to livestock grazing, vegetation, fish and wildlife, soils, recreation, visual resources, geology and minerals, and paleontology.

Impacts would result, however, to public health and safety because public traffic would interact with large mining equipment. Relocation of this road within the mining boundary under no action would be necessary therefore resulting in a crossing of public traffic with the mine equipment. Based on the size of the mine equipment, there is a limited observation range for the operators and interaction between the public and this equipment would result in unsafe conditions.

4.3 Cumulative Impacts Analysis:

“Cumulative impacts” are those impacts resulting from the incremental impact of an action when added to other past, present, or reasonably foreseeable actions regardless of what agency or person undertakes such other actions. The area that has been defined as the Cumulative Impacts Area of Analysis (CIAA) in this EA includes the western portion of Kane County.

4.3.1 Past and Present Actions:

Past or ongoing actions that affect the same components of the environment as the Proposed Action include proposed mining activities in and adjacent to the project area. Because the local area is dominated by desert and semi-desert habitats, agricultural use, rangeland use, and OHV use are common resulting in surface disturbance and vegetation removal.

In order to identify cumulative impacts as a result of the road relocation, it is assumed that recent and proposed surface-disturbing activities in the western portion of Kane County, would be most likely to result in a cumulative impact to the area. The following general types of projects were identified as having the greatest likelihood of generating potential cumulative impacts:

- Agriculture and grazing
- Recreation
- Local minerals and energy projects

4.3.2 Reasonably Foreseeable Action Scenario

The following reasonably foreseeable action scenario identifies reasonably foreseeable future actions that would cumulatively affect the same resources in the cumulative impact area as the Proposed Action and alternatives. The activities used have been identified in the Kanab RMP and would occur in the western portion of Kane County.

Continued surface-disturbing activities are foreseeable actions anticipated in western Kane County and have been identified in the Kanab RMP. These activities are driven by the BLM's multiple-use mandate and would occur unless another legislative action intercedes. The potential cumulative impacts of these land uses are then inherent and are not clearly identifiable because these uses are historically connected to the condition of the land.

Coal Mine Development of Private Coal Resources in the Alton Area

Alton Coal has applied for a mining permit on private lands in the CIAA. The road relocation is a result of this proposed activity and therefore the mining is a reasonably foreseeable action adjacent to the project area.

Coal Mine Development of Federal Coal Resources in the Alton Area

A Lease By Application has been filed to mine federal coal near the Town of Alton, Utah. An EIS is currently underway to analyze the impacts of mining federal lands near the proposed project area.

Expansion of U.S. Highway 89

U.S. Highway 89 is anticipated to be widened over the next 20 years. The widening of the highway would allow for an increase in traffic volume. In addition, portions of the highway would be developed into a four-lane divided highway.

4.3.3 Cumulative Impacts

Cumulative Impacts resulting from the No Action Alternative would include an increased risk to public safety on portions of the existing Alton Road. If the road is not relocated, general public traffic and coal trucks would be traveling the same route increasing the potential for accidents. Cumulative impacts of the Proposed Action would include increased surface disturbance in the identified CIAA resulting in vegetation removal thereby impacting habitat, grazing, and recreation.

CHAPTER 5: CONSULTATION AND COORDINATION

5.1 Introduction

The issue identification section of Chapter 1 identifies those issues analyzed in detail in Chapter 4. Appendix A provides the rationale for issues that were considered but not analyzed further. The issues were identified through the public involvement and agency involvement process described in Sections 5.2 and 5.3 below.

5.2 Persons, Groups, and Agencies Consulted

During the preparation of this EA, the public was notified of the Proposed Action and a 30-day comment period was posted on the BLM's Utah Environmental Notification Bulletin Board on May 22, 2008 with a public scoping period through June 22, 2008 (30 days). Those individuals on the Kanab Field Office mailing list were sent a copy of the Notice of Intent and a public comment form.

Table 5-1 lists those persons, agencies, and organizations that were consulted on various resources for preparation of this EA.

Table 5-1. All Persons, Agencies, and Organizations Consulted for Purposes of this EA

Name	Purpose and Authorities for Consultation or Coordination	Findings and Conclusions
U.S. Fish and Wildlife Service (USFWS)	Information on consultation, under Section 7 of the Endangered Species Act (16 USC 1531)	Because no impact would occur to listed species or migratory birds, no USFWS consultation was required.
Utah State Historic Preservation Office (SHPO)	Consultation for undertakings, as required by Section 106 of the National Historic Preservation Act (16 USC 470)	Because no cultural resource sites will be impacted, SHPO will be informed of this project in the Kanab Field Office quarterly report, as per the National Cultural Programmatic Agreement. No specific comments are anticipated from SHPO. This project is located in an area previously covered by cultural resource inventories, and no project-specific report will be prepared. Instead, the earlier reports will be referenced where necessary.

Table 5-1. All Persons, Agencies, and Organizations Consulted for Purposes of this EA

Name	Purpose and Authorities for Consultation or Coordination	Findings and Conclusions
Kaibab Band of the Southern Paiute Tribe Hopi Navajo Zuni Ute	Consultation as required by the American Indian Religious Freedom Act of 1978 (42 USC 1531) and the National Historic Preservation Act (16 USC 1531)	A letter informing the Tribes of this project was sent on 5 August, 2008. The Navajo responded with a letter on 18 September indicating that they had no concerns with this project. The Hopi responded in a letter of 25 August asking for clarification regarding this project, and following clarification responded in a letter of 27 October that they had no further concerns regarding this project. The Kaibab Paiute did not respond to this project in particular, but this project was discussed in a field visit to a different (nearby) project on 25 August. The Kaibab Paiute indicated at that time that they had no concerns with the road realignment project. The Ute and Zuni did not respond with any concerns regarding the Proposed Action.
Utah Division of Wildlife Resources (UDWR)	Consult with UDWR as the agency with expertise on impacts on game species.	Data and analysis regarding big game species incorporated into Chapters 3 and 4.

5.3 Summary of Public Participation

Two letters were received (Appendix C): one from Stephen Bloch of the Southern Utah Wilderness Alliance, and one from John Harja with the State of Utah.

5.3.1 Response to Public Comment

Due to the limited number of comments received, responses were not sent to commenters; instead the comments received in the letters have been responded to in Table 5-2 and through analysis in Chapter 4 of this EA.

Table 5-2. Response to Comments

Name of Commenter	Organization	Summary of Concerns	Response
Stephen Bloch	Southern Utah Wilderness Alliance	Relationship of road relocation to proposed federal coal development.	This would be a temporary relocation for the duration of a private mine not associated with the proposed federal mine for which a separate EIS is being prepared. The private mine is contingent on the mine being approved by the State of Utah, and the temporary road ROW would be reclaimed and the road would be

Table 5-2. Response to Comments

Name of Commenter	Organization	Summary of Concerns	Response
			replaced in the original alignment and location when the mining is completed. Also see Section 4.3.2, Reasonably Foreseeable Action Scenario.
		Request a smaller ROW grant and a more direct route to U.S. Highway 89.	A direct route to U.S. Highway 89 is not applicable to the purpose and need for this project. Please see Section 2.4, Other Action Alternatives and Alternatives Considered but Eliminated from Further Analysis.
		Impacts to water bodies and alluvial valley floor from coal dust.	Please see Appendix A, in which it was determined no impacts would result to air quality. Fugitive dust would be mitigated through watering, thereby preventing deposition of particulates into water bodies.
		Describe where the 9,000 cubic yards of gravel would come from and analyze impacts if it would be obtained from federal lands.	Please see Section 4.2.1.8, Geology and Mineral Resources.
		Analyze impacts of chemical suppressants used for dust control on archeological and biological resources.	Due to the limited amount of dust, it is not anticipated that the levels of chemical suppressants would impact any other resources.
		Analyze paving the road.	Because the road is a temporary ROW, paving would not be a reasonable alternative.
		Conduct Class III cultural resources survey of the entire ROW.	Cultural resource surveys have been conducted. Please see Appendix A.
		Consult with Native American tribes on potential effects to archaeological sites.	Consultation has occurred. Please see Section 4.2.1.1, Native American Religious Concerns.
		Analyze dust impacts and plume visibility from Bryce Canyon National Park and U.S. Highway 89.	Impacts to air quality would be minimal. Watering should occur during construction to keep the dust down. No comments or concerns were expressed from Bryce Canyon National Park or the National Park Service.
		The BLM should independently analyze environmental information provided by SWCA.	The BLM is the ultimate decision maker and has provided to SWCA information used for analysis.

Table 5-2. Response to Comments

Name of Commenter	Organization	Summary of Concerns	Response
			Please refer to Appendix A.
		Consider water quality, fish and wildlife, including but not limited to sage-grouse.	Impacts to sage-grouse and mule deer have been analyzed in Section 4.2.1.4, Fish and Wildlife. It was determined in Appendix A that impacts would not occur to other wildlife species.
		Discuss cumulative impacts of the Proposed Action.	Please see Section 4.3, Cumulative Impacts Analysis.
John Harja	State of Utah	If any "non-permitted" rock-crushing plants, asphalt plants, or concrete batch plants are located at the site, a permit would be required for operation of the equipment.	The road is a temporary ROW. No permanent facilities would be located at the site. Please see Appendix B, Plan of Development.
		Watering and/or chemical stabilizing methods providing vegetative or synthetic cover or windbreaks must be used to minimize dust.	Please see Section 2.2.2, Design Criteria. The top 3 inches of the road surface would be treated with calcium chloride to control dust.
		Provide protection for sage-grouse lek found near Alton, including off-site habitat improvements, or an attempt to develop a new lek, as well as avoiding construction during brood-rearing season from March 1 to June 1.	Impacts to sage-grouse can be found in Section 4.2.1.4, Fish and Wildlife. BMPs would be used to minimize impacts to sage-grouse.
		Analyze impacts to Paunsaugunt deer herd.	Please see Section 4.2.1.4, Fish and Wildlife.
		Coordinate with Utah Partners for Conservation Development (UPCD) to achieve off-site mitigation for impacts to sage-grouse and mule deer habitats.	The BLM is currently in contact with the Color Country sage-grouse Local Working Group for mitigation recommendations. The BLM is also part of the Southern Region UPCD, and would approach UPCD when specific mitigation projects arise and where funding would be needed.

5.4 List of Preparers

BLM staff specialists who determined the affected resources and contributed to the analysis in this EA are listed in Table 5-3. Other, non-BLM, specialists who contributed to this analysis are listed in Table 5-4.

Table 5-3. BLM Preparers

Name	Title	Responsible for the Following Section(s) of this Document
Alan Titus	Paleontologist	Paleontology
Carson Gubler	Range Specialist	Air Quality Floodplains Invasive, Non-native Species Threatened, Endangered or Candidate Plant Species Water Quality (drinking/ground) Rangeland Health Standards and Guidelines Fuels/Fire Management
Doug Powell	Geologist	Wastes (hazardous or solid) Geology/Mineral Resources
Hugh Wolfe	Realty Specialist	Lands/Access - Project Lead
John Reese	Range Specialist	Farmlands (Prime or Unique) Livestock Grazing Woodland/Forestry Vegetation Soils
Keith Rigrup	Planner	Environmental Justice Socioeconomics
Lisa Church	Wildlife Biologist	Threatened, Endangered or Candidate Wildlife Species Wetlands/Riparian Zones Fish and Wildlife
Matt Zweifel	Archeologist	Cultural Resources Native American Religious Concerns
Tom Christensen	Recreation Planner and Visual Resources	Areas of Critical Environmental Concern Wild and Scenic Rivers Wilderness Recreation Visual Resources Wilderness characteristics

Table 5-4. Non-BLM Preparers

Name	Title	Responsible for the Following Section(s) of this Document
Elisha Wardle	SWCA Project Manager	Project Oversight and Document Author
Ben Gaddis	SWCA Assistant Project Manager	Document Author and QA/QC
Steve Knox	SWCA Quality Control	Document Review and QA/QC
Megan Nelson	SWCA Environmental Technician	Document Author
Kari Chalker	SWCA Technical Editor	Technical Edit of Draft Document

CHAPTER 6: REFERENCES

6.1 References Cited

- Bailey, R.G. 1995. Descriptions of the Ecoregions of the United States. 2d ed. Rev. and expanded (1st ed, 1980). Misc. Publ. No. 1391 (rev.), Washington, DC: United States Forest Service. pp. 108 with 18 separate map at 1:7,500,000.
- Bosworth III, W.R. 2003. Vertebrate Information Compiled by the Utah Natural Heritage Program: A Progress Report. State of Utah, Department of Natural Resources, Division of Wildlife Resources – Utah Natural Heritage Program. Publication Number 03-45. Prepared for Utah Reclamation Mitigation and Conservation Commission and the U.S. Department of the Interior. Salt Lake City, UT.
- Bureau of Land Management (BLM) 1993. Process for Assessing Proper Functioning Condition. TR-1737-9. Bureau of Land Management, Proper Functioning Condition Work Group, Denver, CO.
- BLM. 1997. Fundamentals of Rangeland Health and their companion rules-Standards for Rangeland Health and Guidelines for Grazing Management for BLM in Utah. May 1997. BLM Utah State Office.
- BLM. 2005. U.S. Department of the Interior Bureau Of Land Management Land Use Planning Handbook. BLM Utah State Office.
- BLM. 2006. Uinta Basin Natural Gas Project Final Environmental Impact Statement. UT-080-2003-0300V. Department of the Interior, Bureau of Land Management, Vernal Field Office, Vernal, Utah. May 2006.
- BLM. 2008. Kanab Field Office Record of Decision and Approved Resource Management Plan. U.S. Department of the Interior, Bureau of Land Management, Kanab Field Office, Kanab, UT. October 2008. Salt Lake City. BLM-UT-PL-09-006-1610, UT-110-2007-022
- United States Census Bureau (USCB). 2000. U.S. Bureau of the Census, Census 2000. Profile of General Demographic Characteristics: 2000 Alton, Utah.
- Utah Division of Wildlife Resources (UDWR). 2002. Strategic Management for Sage-Grouse, Publication 02-20, June 11, 2002.
- UDWR. 2005a. *Utah Comprehensive Wildlife Conservation Strategy (CWCS)*. Utah Division of Wildlife Resources Publication Number 05-19. Written by: Gorrell, J.V., M.E. Andersen, K.D. Bunnell, M.F. Canning, A.G. Clark, D.E. Dolsen, and F.P. Howe. pp. 80.
- UDWR. 2005b. Utah Sensitive Species List, Salt Lake City, UT. February 8, 2005.
- UDWR. 2005c. *Deer Herd Unit Management Plan: Deer Herd Unit #29 (Zion)*. Utah Department of Natural Resources, Division of Wildlife Resources. September 2005.
- UDWR. 2005d. *Deer Herd Unit Management Plan: Deer Herd Unit #28 (Panguitch Lake)*. Utah Department of Natural Resources, Division of Wildlife Resources. September 2005.
- UDWR. 2005e. *Deer Herd Unit Management Plan: Deer Herd Unit #24 (Mt. Dutton)*. Utah Department of Natural Resources, Division of Wildlife Resources. December 2005.
- UDWR. 2005f. *Deer Herd Unit Management Plan: Deer Herd Unit #26 (Kaiparowits)*. Utah Department of Natural Resources, Division of Wildlife Resources. December 2005.

UDWR. 2005g. *Deer Herd Unit Management Plan: Deer Herd Unit #27 (Paunsaugunt)*. Utah Department of Natural Resources, Division of Wildlife Resources. December 2005.

Utah International Inc. (1987). Permit Application to Conduct Surface Coal Mining Operations for Alton Mine. PRO/025/003. Submitted to Utah Division of Oil, Gas, and Mining.

Western Regional Climate Center. 2005. Climate Summaries via the world wide web at <http://www.wrcc.dri.edu/summary/climsmut.html> and at <http://www.wrcc>.

INTERDISCIPLINARY TEAM ANALYSIS RECORD CHECKLIST

Project Title: Alton Road, Temporary Alignment

NEPA Log Number: UT-110-08-011

File/Serial Number: UTU-83017

Project Leader: Hugh Wolfe, Realty

Project Description: Relocation of the Existing County Road 136 to accommodate mining on private lands just south of Alton. This proposed right-of-way moves the existing road to a new location outside of the mine proposed on patented minerals and surface estate. This would be a temporary relocation for the length of the mine and is contingent on the mine being approved by the state of Utah. The road would be replaced in the same location when the mining is completed.

FOR EAs/CXs: NP: not present; NI: resource/use present but not impacted; PI: potentially impacted
FOR DNAs only: NC: no change (anticipated resource impacts not changed from those analyzed in the NEPA document on which the DNA is based)

STAFF REVIEW OF PROPOSAL:

NP/NI/PI NC	Resource	Date Reviewed	Signature	Review Comments (required for all NIs and PIs. PIs require further analysis.)
CRITICAL ELEMENTS				
NI	Air Quality (Carson)	5/12/2008	/s/ C. Gubler	Impacts to air quality would be minimal, Watering should occur during construction to keep the dust down.
NP	Areas of Critical Environmental Concern (Tom C.)	5/8/08	/s/ T. Christensen	No ACECs within 20 miles of site
NI	Cultural Resources (Matt Z.)	8/4/08	/s/ M. Zweifel	Cultural resource inventories have been completed (see reports U-05-MQ-1568-b,p and U-07-BL-0969-b). The road has been designed to avoid all known cultural resource sites, and no sites will be impacted.
NP	Environmental Justice (Keith)	6/9/08	/s/ K. Rigtrup	No low income or minority populations in the project area.
NP	Farmlands (Prime or Unique) (John)	5/7/08	/s/ J. Reese	
NI	Floodplains (Carson)	5/12/2008	/s/ C. Gubler	Engineering of the road should be done so that Floodplains are no impacted.
NI	Invasive, Non-native Species (Carson)	5/12/2008	/s/ C. Gubler	Equipment should be pressure washed before coming to the project, and appropriate measures should be taken to resseed and rehab areas of disturbance to decrease the likelihood of cheat grass getting established.
PI	Native American Religious Concerns (Matt Z.)	8/4/08	/s/ M. Zweifel	Consultation regarding this road will be initiated, but because no sites will be impacted, no Tribal comments are anticipated.
NI	Threatened, Endangered or Candidate Plant Species (Carson)	5/15/2008	/s/ C. Gubler	No Threatened, Endangered or Candidate Plant Species are known to exist within the project area.
NI	Threatened, Endangered or Candidate Wildlife Species (Lisa)	5/28/08	/s/ L. Church	Limited use by Bald Eagles, proceed with project outside of dates for wintering use, Nov 15-March 15 if eagles are present.

NI/PI NC	Resource	Date Reviewed	Signature	Review Comments (required for all NIs and PIs. PIs require further analysis.)
NI	Wastes (hazardous or solid) (Doug P.)	6/09/2008	/s/ Doug Powell	No anticipated impacts relating to solid or hazardous wastes.
NI	Water Quality (drinking/ground) (Carson)	5/15/2008	/s/ C. Gubler	No impacts to Water quality would be anticipated with this action. Mitigation would need to take place as part of standard operating procedures to ensure water quality is not impacted.
NI	Wetlands/Riparian Zones (Lisa)	5/28/08	/s/ L. Church	Limited riparian area goes under road limited on BLM would be addressed in cumulative effects.
NP	Wild and Scenic Rivers (Tom C.)	5/8/08	/s/ T. Christensen	No WSRs in Kane County
NP	Wilderness (Tom C.)	5/8/08	/s/ T. Christensen	No wilderness or WSAs within 15 miles of site
OTHER RESOURCES / CONCERNS*				
NI	Rangeland Health Standards and Guidelines (Carson)	5/15/2008	/s/ C. Gubler	Some loss of Rangeland would occur as a result of this action however it is probably not enough so quantify it as an impact.
PI	Livestock Grazing (John)	5/7/08	/s/ J. Reese	The impact area will take in part of several grazing allotments, depending on mitigation measures the mine has in store for livestock grazing (if any) a new fence may need to be constructed so that remaining portions of the allotments will still be useable.
NI	Woodland / Forestry (John)	5/7/08	/s/ J. Reese	No significant impact to woodland/forestry is expected. Some removal of Pinyon and Juniper trees may take place, but doesn't pose a great impact.
PI	Vegetation (John)	5/7/08	/s/ J. Reese	Vegetation in the project will be impacted and stipulations should be in place to require re-seeding and rehabilitation of impacted area after the completion of the project.
PI	Fish and Wildlife (Lisa)	5/28/08	/s/ L. Church	Limited mule deer use, Sage grouse brooding in the area, and elk adjacent to area, relocation has the potential to impact use by grouse in winter and during nesting and brooding.
PI	Soils (John)	5/7/08	/s/ J. Reese	Measures should be taken to prevent soil loss and erosion to the extent possible. Re-seeding with species suitable for the site to provide soil site stability should be required after project completion.
PI	Recreation (Tom C.)	5/8/08	/s/ T. Christensen	Relocation would displace recreation along ROW route itself, and would move discordant sights and sounds closer to recreationists using the western portions of the project area.
PI	Visual Resources (Tom C.)	5/8/08	/s/ T. Christensen	Site lies within VRM class IV area, which allows major modification of the existing character of the landscape. Project would introduce new contrasts to form, line, texture and color. Following landform contours would somewhat mitigate contrast.
PI	Geology / Mineral Resources (Doug P.)	6/09/2008	/s/ Doug Powell	A gravel source will need to be identified and NEPA analysis performed if located on Federal lands.
PI	Paleontology (Alan T.)	5/02/2008	/s/ Alan Titus	Up to 70% of the proposed re-route is over Tropic and Dakota formation outcrops. These units have yielded highly significant fossils in the immediate area including vertebrate microfossil sites (Dakota), plesiosaurs, articulated fish remains, and exceptionally well-preserved specimens of rare invertebrate fossils. Inventory will be required.
NI	Lands / Access (Hugh)	05/02/2008	/s/ Hugh Wolfe	As this is only a temporary right-of-way and the road will be removed and reclaimed at the termination of the mine there are no concerns anticipated to Lands or Access to public lands.
NI	Fuels / Fire Management (Carson)	5/15/2008	/s/ C. Gubler	No impact to Fuels and Fire management is expected, the added road would serve as a fire break and provide quicker access to

P/NI/PI NC	Resource	Date Reviewed	Signature	Review Comments (required for all NIs and PIs. PIs require further analysis.)
				more areas for fire suppression.
NI	Socio-economics (Keith)	6/9/09	/s/ K. Rigtrup	Re-routing of the road would have no socio-economic impact, access would be maintained.
NP	Wilderness characteristics (Tom C.)	5/8/08	/s/ T. Christensen	No non-WSA lands with wilderness characteristics within 5 to 10 miles of site

FINAL REVIEW:

Reviewer Title	Date	Signature	Comments
NEPA Coordinator (Dennis)	12/18/2008	<i>Dennis Pope</i>	Completed final review of analysis
Manager ()	12/18/08	<i>H. J. R.</i>	Discussed with H.W. on 12/18/08

NOTE: Review Comments should include information explaining how the specialist came to their conclusion - how does he/she know the element/resource is not present (site visit and date of visit, familiarity with location, etc.). For all 'NIs' give a brief explanation as to why that element/resource would not be impacted.

* The list of Other Resources / Concerns to be considered may vary by individual field office. Note: Native American Trust Responsibilities should be considered for FO's with Indian Mineral interests.

R645-103-235, Should the Swapp Ranch be determined to be within 300 feet of the mine permit boundary, the application must include a written waiver for mining within 300 feet of a dwelling. •The Dame lease included in Exhibit 2 of Appendix 1-2 confidential volume provides right of entry to adjacent land, but does not clarify that the owner has the legal right to deny mining closer than 300 ft. to the dwelling.

R645-301-115.300, The application must indicate whether the Swapp Ranch is within 300 ft. of the permit area and illustrate the distance on a map of a scale 1 inch = 100 ft.

R645-103-235 states “Where the proposed coal mining and reclamation operations would be conducted within 300 feet, measured horizontally, of any **occupied dwelling**, the permit applicant will...” . There is no proposed coal mining and reclamation operations within 300 feet of any structures that meet the definition for an “occupied dwelling” as defined in R645-100-200. The Dame lease does not grant Alton Coal Development, LLC the right of entry to land within 300 feet of the occupied dwelling at the Swapp Ranch, therefore clarification in the lease is not applicable or necessary based on the specified code.

R645-301-115.300: Drawing 1-5 is provided to show the distance between the Permit area and the occupied dwelling at the Swapp Ranch. This is added to the drawing section of Chapter 1, Volume 1.

R645-301-521.120, The Applicant must show on Drawing 1-1 the specific type of buildings and structures that are in or near the permit boundary. The buildings shown on Drawing 1-1 are from a USGS topographic map and the description is generic. The Division needs to know the type of buildings within 1,000 feet of the permit boundary because other regulations direct what actions must be taken based on the type of building.

Drawing 1-6 is added to Chapter 1, Volume 1. This drawing shows all buildings that are within 1,000 feet of the proposed permit area located at the Sorenson Ranch along with a description.

R645-300-121.100 *An affidavit of publication needs to be included in the Application.*

An affidavit for the published public notice is provided. This affidavit and the enclosed copy of the public notice replace Appendix 1-5 in Chapter 1, Volume 1.

APPENDIX 1-5

Proof of Publication

**Legal Notice
Public Notice for
Permit Application**

Notice is hereby given that Alton Coal Development, LLC is applying for a permit to conduct mining operations at the Coal Hollow Mine in Kane County, South Central Utah. The business address for Alton Coal Development is:

Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, UT 84720

Alton Coal Development has filed with the Utah Division of Oil, Gas & Mining a Mining and Reclamation Plan (MRP) application number C/025/0005. This Application has been filed for the Coal Hollow Mine, a surface coal mining operation. The Coal Hollow Mine is located approximately 35 miles north of Kanab, Utah (the Kane County seat) and approximately 4 miles south of the town of Alton, Utah.

Project Area Legal Description

All certain real property situated in Township 39 South, Range 5 West, SLB&M, Kane County, Utah, more particularly described as follows:

DESCRIPTION: TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M Section 30: All of Section Lot #1 (NW1/4 NW 1/4); NE1/4 NW1/4; N1/2 NE1/4;

ALSO: BEGINNING 3.50 chains West of the East Quarter corner of Said Section 30, and running South 34° 34' West 22.64 chains to the 1/16 section line; thence West 2.64 chains to the Southwest corner of NE1/4 SE1/4 of Said Section 30; thence North 40.00 chains; thence East 20.00 chains; thence South 14.69 chains; thence southwesterly to the point of beginning...containing 217.64 acres, more or less.

DESCRIPTION: TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M Section 30: BEGINNING at a point 5.31 chains North of the E1/4 corner of Said Section 30, and running thence South 45.31 chains; thence West 20.00 chains; thence North 20.00 chains; thence East 2.64 chains; thence North 34° 34' East 22.64 chains to the 1/16 section line; thence North 33° 22' East to the point of beginning...containing 61.96 acres, more or less.

DESCRIPTION: TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M Section 29: BEGINNING at the Northwest corner of Said Section 29, and running thence South 34.69 chains; thence North 33° 22' East 35.50 chains; thence North 40° West 0.58 chains; thence North 37° 30' East 12.30 chains; thence West 22.23 chains to the point of beginning...containing 36.04 acres, more or less.

DESCRIPTION: TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M Section 19: SW1/4SE1/4, E1/2SE1/4, SE1/4NE1/4...containing 160.0 acres, more or less

DESCRIPTION: TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M Section 20: SW1/4...containing 160.0 acres, more or less County Road 136 currently intersects the Coal Hollow

Mine Project Area. Approximately two miles of this road will be temporarily relocated to allow for mining operations. This relocated section begins approximately three miles south of the Town of Alton and will reconnect with the original road approximately five miles south of the Town. This relocation will occur in year one of mining operations and is expected to be reestablished to the approximate original location in a time frame ranging from year four to year five of the mining operation.

The permit application area is located on the Alton, Utah, U.S. Geological Survey 7.5 minute quadrangle map. The application was filed and this notice is prepared and published to comply with the Surface Mining Control and Reclamation Act of 1977 and State and Federal regulations promulgated pursuant to said act. A copy of Alton Coal Development's permit application will be filed for public inspection at:

Kane County Recorder Office
76 North Main
Kanab, Utah 84741; and

The State of Utah
Department of Natural Resources
Division of Oil, Gas & Mining
1549 West Temple, Suite 1210
Salt Lake City, Utah 84116

Written comments, objections or requests for informal conferences on the application may be submitted to the Division of Oil, Gas and Mining at the following mailing address:
Department of Natural Resources
Division of Oil, Gas & Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

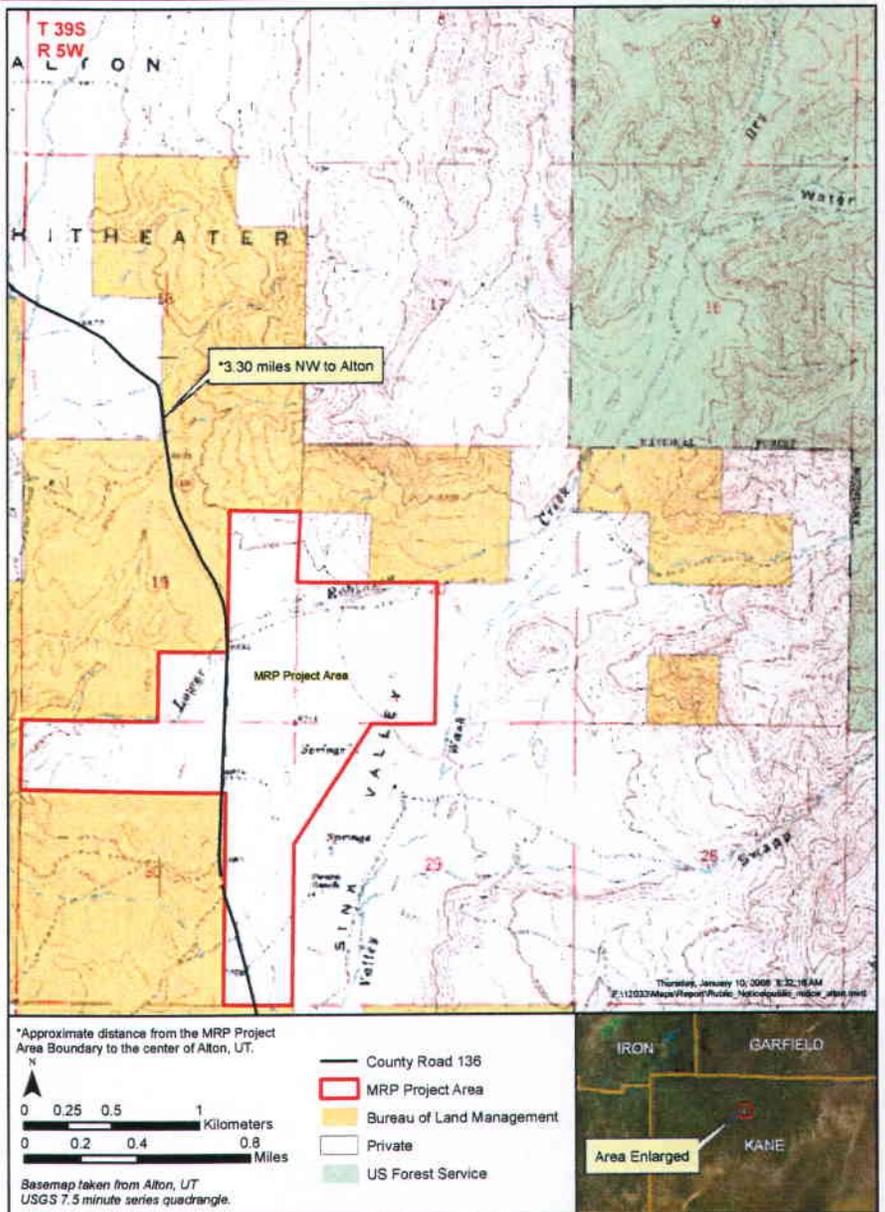
See map on right

Published in the *Southern Utah News* on March 26, April 2, 9 & 16, 2008. Written comments or objections must be submitted within 30 days following the final publication of this advertisement.

PUBLIC NOTICE

Petition for annexation have been filed in the office of the Kanab City Recorder for the purpose of requesting annexation of parcels of land belonging to WSC Partners LLC located at approximately NW 1/4 & SN1/4 of Section 4, T44S, R6 W S.L.B. M., more specifically described as follows:

BEGINNING AT THE WEST QUARTER CORNER OF SECTION 4, TOWNSHIP 44 SOUTH, RANGE 6 WEST, OF THE SALT LAKE BASE AND MERIDIAN; THENCE N00°32'54"E, ALONG THE SECTION LINE AND ALONG THE EAST LINE OF THE KANAB CREEK RANCHOS SUBDIVISION, (UNITS 4, 6, AND 7) 1,316.97 FEET TO THE 1/16TH CORNER; THENCE N89°53'23"E, ALONG THE 1/16TH LINE, 930.31 FEET; THENCE DEPARTING SAID LINE AND RUNNING S00°32'54"W, 404.25 FEET; THENCE S89°27'06"E, 122.50 FEET; THENCE S01°30'00"W, 574.10 FEET TO THE NORTH LINE OF THE RONALD R. SMITH PROPERTY; THENCE S89°52'02"W, ALONG SAID LINE, 294.98 FEET; THENCE S00°07'58"E, 75.21 FEET; THENCE S89°52'02"W, 33.67 FEET; THENCE S00°07'58"E, 261.75 FEET TO A POINT LOCATED ON THE EAST-WEST CENTER SECTION LINE; THENCE S89°52'02"W, ALONG SAID LINE, 65.33 FEET TO THE 1/16TH CORNER; THENCE S00°30'46"W, ALONG THE 1/16TH LINE 268.03 FEET; THENCE DEPARTING SAID LINE AND RUNNING N89°59'57"W, 32.67 FEET; THENCE S00°30'46"W, 1,045.24 FEET TO A POINT LOCATED ON THE 1/16TH LINE; THENCE N89°59'34"W, ALONG THE 1/16TH LINE, 620.98 FEET TO THE 1/16TH CORNER; THENCE N00°31'40"E, ALONG THE SECTION LINE, 1,311.68 FEET TO THE POINT OF BEGINNING. CONTAINING 46.98 ACRES.



SAID LINE, 294.98 FEET; THENCE S00°07'58"E, 75.21 FEET; THENCE S89°52'02"W, 33.67 FEET; THENCE S00°07'58"E, 261.75 FEET TO A POINT LOCATED ON THE EAST-WEST CENTER SECTION LINE; THENCE S89°52'02"W, ALONG SAID LINE, 65.33 FEET TO THE 1/16TH CORNER; THENCE S00°30'46"W, ALONG THE 1/16TH LINE 268.03 FEET; THENCE DEPARTING SAID LINE AND RUNNING N89°59'57"W, 32.67 FEET; THENCE S00°30'46"W, 1,045.24 FEET TO A POINT LOCATED ON THE 1/16TH LINE; THENCE N89°59'34"W, ALONG THE 1/16TH LINE, 620.98 FEET TO THE 1/16TH CORNER; THENCE N00°31'40"E, ALONG THE SECTION LINE, 1,311.68 FEET TO THE POINT OF BEGINNING. CONTAINING 46.98 ACRES.

Notice of the certification was received by the Kanab City Council on December 10, 2007. The complete annexation petition is available for inspection and copying at the office of the Kanab City Recorder, located at 76 North Main Street, Kanab, Utah.

Kanab City may grant the petition and annex the area described in the petition unless a written protest to the annexation is filed with the Kane County Boundary Commission located at 76 North Main, Kanab, Utah 84741, and a copy of the protest delivered to the Kanab City Recorder by 11:00 a.m. on April 14, 2008. A protest of the annexation petition may be filed by the Legislative body or governing board of an affected entity.

If no protest is filed during the protest period, Kanab City will hold a public hearing to consider the annexation request. Kanab City Planning Commission will hear the request on April 15, 2008 beginning at 7:00 p.m. and the Public Hearing before the Kanab City Council will be held on April 22, 2008 beginning at 7:00 p.m. Hearings will be held in the Kane County Court House located at 76 North Main, Kanab, Utah 84741.

Keith McAllister
Kanab City Recorder

Published in the *Southern Utah News* on March 26, April 2 and 9, 2008.

A revised Chapter 1 is being submitted based on the number of changes required by the deficiency list. The revised text addresses the following deficiencies as described below:

***R645-300-141**, The application must identify the legal description of the land designated as permit area.*

Pages 1-4 and 1-5 contain the legal descriptions for land designated as the permit area. These legal descriptions are separated by surface owner in the text.

***R645-301-112.230**, The application indicates that the company will be responsible for the abandoned mine fee, but the Rule requires that a person be designated. Please provide a name of the person who will be responsible for paying the abandoned mine fee.*

Page 1-2 details the person responsible for paying the abandoned mine fee.

***R645-301-112.700**, Provide MSHA numbers for mine associated structures.*

Page 1-6 provides the MSHA Mine Identification Number.

***R645-301-112.800**, The Pugh lease includes coal and surface located east of the proposed permit area. This adjacent interest should be declared in the application, Section 112. 800.*

Alton Coal Development, LLC's interest in the leased land east of the permit area is declared on page 1-6.

R645-301-114.100, Exhibit 1, the Pugh lease, was signed by Burton Pugh, but not by Roger Pugh or Margaret Moyers who together own 59.50% of the mineral interest beneath Burton Pugh surface (Section 112.500). Please explain why all mineral owners are not signatories to the lease. • Please indicate the date that the Dame lease was recorded with the Kane County recorder.

Details related to the signing and recording of leases with Roger Pugh and Margaret Moyers are provided on page 1-7 as part of the right of entry information. The actual leases are provided separately from the Chapter 1 text to be included in the Confidential volume of the MRP. The date is also provided on page 1-7 for the recording of the Dame lease.

R645-301-115.300, The application must indicate whether the Swapp Ranch is within 300 ft. of the permit area and illustrate the distance on a map of a scale 1 inch = 100 ft.

Page 1-8 contains the statement that mining and reclamation operations are not planned to take place within 300 feet of an “occupied dwelling” as defined in R645-100-200. Drawing 1-5 is provided at 1 inch = 100 ft. to show the relation of the permit boundary to the location of the occupied dwelling located at the Swapp Ranch.

R645-301-131, Please provide the name and contact information for the laboratory providing soils report dated 042407 under work order C070402276.

The name and contact information for this soils report is provided on page 1-10. The contact information is Inter-Mountain Laboratories located at 1673 Terra Avenue in Sheridan, Wyoming. The contact is Karen Secor at (307) 672-8945.

645-301-521.190, The Applicant must state in the PAP the legal description of the permit area and include the number of federal, state and fee acres. The Division suggests the information be in table format and be located in Chapter 1 of the PAP. Even if there are no federal or State acreages, the table is requested.

The legal description of the permit area and a table showing the number of acres by ownership is provided on pages 1-3, 1-4 and 1-5.

TABLE OF CONTENTS

Chapter 1

R645-301-100

Legal, Financial, Compliance and Related Information

110.	INTRODUCTION	1-1
112.	IDENTIFICATION OF INTEREST	1-1
112.100	Business Entity	1-1
112.200	Permit Applicant and Permittee	1-1
112.210	Operator	1-1
112.220	Resident Agent	1-1
112.230	Abandoned Mine and Reclamation Fee	1-2
112.300	Ownership and Control	1-2
112.310	Members and Managers	1-2
112.320	Relationship to applicant	1-2
112.330	Title and Date of Position	1-2
112.340	Ownership or Control of Other Coal Mining Operations	1-3
112.350	Application Number – Other Pending Coal Mining Operations	1-3
112.400	Coal Mining and Reclamation Operations or Control	1-3
112.410	Coal Mining Operations Owned or Controlled	1-3
112.420	Ownership and Control Relationship of Members	1-3
112.500	Legal of Equitable Owners of the Surface and Minerals	1-3
112.600	Owners of Record of Property Contiguous Permit Area	1-5
112.700	MSHA Numbers	1-6
112.800	Interest in Contiguous Lands	1-6
112.900	Certification of Submitted Information	1-6
113	VIOLATION INFORMATION	1-6
114	RIGHT OF ENTRY INFORMATION	1-6
115	STATUS OF UNSUITABILITY CLAIMS	1-7

116	PERMIT TERM	1-8
117	INSURANCE, PROOF OF PUBLICATION	1-8
118	PERMIT FILING FEE	1-9
120	PERMIT APPLICATION FORMAT AND CONTENTS	1-9
130	REPORTING OF TECHNICAL DATA	1-9
140	DRAWINGS AND PLANS	1-11
150	COMPLETENESS	1-11

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
1-7	County Road 136 (K3900) Relocation Agreements and EA FONSI

DRAWINGS

1-1	Project Area
1-2	Project Area with LBA
1-3	Surface Ownership
1-4	Coal Ownership
1-5	Permit Boundary and Occupied Dwelling at Swapp Ranch
1-6	Permit Boundary and Sorenson Ranch Buildings

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

Robert C. Nead, Jr. 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, JR
714 Bob White Lane
Naples, FL 34108

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

Member ROBERT C. NEAD, JR
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. The following is a listing of company ownership as defined by R645-100-200 "Owned or Controlled":

Stonie Barker, Jr.: 10% Ownership
Beverly Holwerda: 30% Ownership
Robert C. Nead, Jr.: 11% Ownership
James J. Wayland: 40% Ownership

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.

112.340. Ownership or control of Other Coal Mining and Reclamation Operations

Neither Alton Coal Development, LLC nor its manager or members owns and has not in the previous five years owned another coal mining and reclamation operation.

112.350 Application Number – Other Pending Coal Mining and Reclamation Operations

Neither Alton Coal Development, LLC nor its manager or members owns any pending coal mine permits.

112.400 Coal Mining and Reclamation Operations Owned or Controlled

Neither Alton Coal Development, LLC nor its manager or members owns or controls any other coal mining and reclamation operations.

112.410 Coal Mining and Reclamation Operations Owned or Controlled by Managers or Members of Alton Coal Development, LLC

Neither Alton Coal Development, LLC nor its manager or members owns or control any other coal mining and reclamation operations.

112.420 Ownership and Control Relationship of Managers and Members of Alton Coal Development, LLC

Each of the managers and members listed at § 112.320 own or control more than 10% of Alton Coal Development, LLC

112.500 Legal or Equitable Owner of the Surface and Mineral Properties

The legal and equitable owners of the properties to be affected by this mining operation during the duration of the permit period along with legal descriptions are included in this section. Surface and coal ownership are also shown on Drawings 1-3 and 1-4. The following table is a summary of the ownership within the Permit boundary.

Permit Area Ownership (Acres)**				
	Fee	Federal	State	Total
Surface	635	0	0	635
Coal*	435	200	0	635
Total				

Note*: Federal minerals located within the Permit area are not planned for mining as part of this application. These areas have been included as part of the LBA application described in 112.800.
Note**: Acreages are approximate based on legal descriptions

The legal description for lands included within the Permit Boundary is provided below for each surface owner.

SURFACE OWNERSHIP:

Owner/Lessor:

Lessee:

C. Burton Pugh
533 N 650 E
Lindon, Utah 84042-1567
801-785-6220

Alton Coal Development, LLC

Legal Description (C. Burton Pugh Property):

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M

Section 30: All of Section Lot #1 (NW $\frac{1}{4}$ NW $\frac{1}{4}$); NE $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ NE $\frac{1}{4}$; ALSO: BEGINNING 3.50 chains West of the East Quarter corner of Said Section 30, and running South 34° 34' West 22.64 chains to the 1/16 section line; thence West 2.64 chains to the Southwest corner of NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Said Section 30; thence North 40.00 chains; thence East 20.00 chains; thence South 14.69 chains; thence southwesterly to the point of beginning

....containing 217.64 acres, more or less.

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M

Section 29: BEGINNING at the Northwest corner of Said Section 29, and running thence South 34.69 chains; thence North 33°22' East 35.50 chains; thence North 40° West 0.58 chains; thence North 37°30' East 12.30 chains; thence West 22.23 chains to the point of beginning.

....containing 36.04 acres, more or less.

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M

Section 19: SW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

....containing 160.0 acres, more or less

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M

Section 20: SW $\frac{1}{4}$

....containing 160.0 acres, more or less

COAL OWNERSHIP:

Owner/Lessor:

C. Burton Pugh
533 N 650 E
Lindon, Utah 84042-1567
801-785-6220

Roger M. Pugh
140 South 100 West
Kanab, UT 84741

Mark and Margaret Moyers
9397 Avanyu Drive
Pleasant Grove, UT 84062

Lessee:

Alton Coal Development, LLC

SURFACE OWNERSHIP:

Owner/Lessor:

Alecia Swapp Dame Trust
Through Richard, Trustee
1620 Georgia Ave.
Boulder City, NV 89
702-293-4773

Lessee:

Alton Coal Development, LLC

Legal Description (Alecia Dame Swapp Trust):

TOWNSHIP 39 SOUTH-RANGE 05 WEST, SLB&M

Section 30: BEGINNING at a point 5.31 chains North of the E $\frac{1}{4}$ corner of Said Section 30, and running thence South 45.31 chains; thence West 20.00 chains; thence North 20.00 chains; thence East 2.64 chains; thence North 34° 34' East 22.64 chains to the 1/16 section line; thence North 33° 22' East to the point of beginning.

....containing 61.96 acres, more or less.

COAL OWNERSHIP:

Owner/Lessor:

Alecia Swapp Dame Trust
Through Richard, Trustee
1620 Georgia Ave.
Boulder City, NV 89
702-293-4773

Lessee:

Alton Coal Development, LLC

112.600 Owners of Record of Property Contiguous to Proposed Permit Area

Owners of surface properties contiguous to the proposed permit area are shown on Drawing 1-3 and the name and address of each such owner is as follows:

Department of the Interior, Bureau of Land Management
District and Regional Office
Salt Lake City, Utah

Darlynn and Arlene Sorensen
Orderville, Utah
435-648-2462

112.700 MSHA Numbers

The MSHA Mine Identification Number for the Coal Hollow Project is 42-02519.

112.800 Interest in Contiguous Lands

The applicant has interest in lands contiguous to the permit area. A Lease by Application (LBA) is currently being processed by the United States Department of the Interior, Bureau of Land Management, Salt Lake City, Utah.

Alton Coal Development, LLC, the sole party in interest, submitted the LBA application in September, 2004. The LBA is contiguous to the permit area and contains approximately 3,581 acres. See Drawing 1-2 for LBA delineation.

In addition to the LBA application, Alton Coal Development, LLC also has property leased from C. Burton Pugh located east of the permit boundary. This property which is contiguous to the permit area, is part of a land tract (9-5-20-2) owned by Mr. Pugh that is split across the permit boundary and is located in Section 20, Township 30 South, Range 5 West. This entire tract was leased prior to the final determination of the Permit Boundary (9/10/04). The area leased from Mr. Pugh outside the Permit Boundary are not planned for development except for approximately 43 acres located in the SW $\frac{1}{4}$, NW $\frac{1}{4}$ Section 20 which is included as part of the LBA application. The 43 acres would possibly be developed for surface coal mining operations if the LBA mining rights are successfully acquired. Land tracts leased by Alton Coal Development, LLC within and contiguous to the permit area are identified on Drawing 1-3.

112.900 Certification of Submitted Information

After Alton Coal Development, LLC is notified that the application is approved, but before the permit is issued, Alton Coal will update, correct or indicate that no change has occurred in the information submitted under R645-301-112.100 through .800.

113 VIOLATION INFORMATION

Neither the applicant, affiliates, members or managers or persons controlled by or under common control with the applicant has: (i) had a federal or state mining permit suspended or revoked in the last five years; (ii) nor forfeited a mining bond or similar security deposited in lieu of a bond; (iii) nor received a violation during the last three year period.

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:

<i>Lessor:</i>	<i>Lessee:</i>
C. Burton Pugh	Alton Coal Development, LLC
<u>Surface and Mineral Lease</u> , dated 9/10/04; originally recorded 5/25/06	

<i>Lessor:</i>	<i>Lessee:</i>
Roger M. Pugh	Alton Coal Development, LLC
<u>Mineral Lease</u> , dated 9/11/08; recorded 9/11/08	

<i>Lessor:</i>	<i>Lessee:</i>
Margaret and Mark Moyers	Alton Coal Development, LLC
<u>Mineral Lease</u> , dated 6/26/08; recorded 7/21/08	

<i>Lessor:</i>	<i>Lessee:</i>
Alecia Swapp Dame Trust	Alton Coal Development, LLC
<u>Surface and Mineral Lease</u> , dated 4/29/05; recorded 5/17/06	

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

115 STATUS OF UNSUITABILITY CLAIMS

115.100 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.

The Secretarial Decision was upheld by the federal court in *Utah International, Inc. v. Watt*, 553 F. Supp. 872 (D. Utah 1982).

115.300 Coal mining and reclamation activities at the Coal Hollow Project are not planned within 300 feet of an occupied dwelling or 100 feet of a public road. Drawing 1-5 shows the proximity of the Swapp Ranch to the planned operations.

116 PERMIT TERM

116.100 There are 3 mining phases associated with this permit term. The first phase of mining is anticipated to start July 1, 2008. Each mining phase has a 1 year term. Phase 3 is anticipated to conclude in year 2012.

Acres of disturbance per Mining Phase

Phase 1	286 acres
Phase 2	109 acres
Phase 3	38 acres

116.200 Permit Term

The Coal Hollow Mine Project is proposed for a 5-year term under the Permanent Regulatory Program for 5 years

117 INSURANCE, PROOF OF PUBLICATION

Proof of publication pursuant to R645-303-322 is included in Appendix 1-5.

117.100 Certificate of Liability Insurance

A copy of the Certificate of Liability Insurance is found in Appendix 1-4.

118 PERMIT FILING FEE

A copy of this permit is on file with the Utah Division of Oil, Gas and Mining (UDOGM), P.O. Box 145801, Salt Lake City, Utah 84114-5801. A filing fee of \$5.00 accompanied permit submittal.

120 PERMIT APPLICATION FORMAT AND CONTENTS

This permit application contains information and will comply with R645-301-120. A notarized statement attesting to the accuracy of this information is set forth at Appendix 1-6.

130 REPORTING OF TECHNICAL DATA

All technical data submitted in the permit application will be accompanied by the name or organization responsible for the collection and analysis of data, dates of collection and descriptions of methodology used. Technical analyses will be planned by or under the direction of a qualified professional in the subject to be analyzed.

The following assisted or were consulted in the preparation of this permit application:

State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
Salt Lake City, Utah

Department of the Interior, Bureau of Land Management
District and Regional Office
Kanab and Salt Lake City, Utah

United States Geological Survey, Utah Region
Salt Lake City, Utah

United States Department of Agriculture
Natural Resources Conservation Service
Salt Lake City, Richfield and Cedar City, Utah

State of Utah, Department of Natural Resources
Division of Wildlife Resources (DWR)
Salt Lake City, Price and Cedar City, Utah

Dr. James E. Nelson
Brigham Young University
Provo, UT

Dr. Patrick D. Collins
Mt. Nebo Scientific Research & Consulting
Springville, UT

Talon Resources, Inc
Huntington, UT

Erik Petersen, P.G.
Petersen Hydrologic, LLC
Lehi, UT

C. Burton Pugh
Lindon, UT

John T. Boyd Company
James Boyd
Mining & Geological Consulting
Canonsburg, PA

John T. Boyd Company
Rich Bate
Mining & Geological Consulting
Denver, CO

Keith Montgomery
Montgomery Archaeological
Moab, UT
Dr. Stephen Petersen
Philomath, OR

Larry Hayden-Wing
Hayden-Wing Associates, LLC
Laramie, WY

Mark Page
Water Rights Consultant
Price, UT

D.A. Smith Drilling
Loma, CO

Kane County
76 North Main
Kanab, UT

Heaton Livestock
PO Box 100773
Alton, UT

Patricia Stavish
Montgomery Archeological
Moab, UT

Byron Caton
SGS North America, Inc
Denver, CO

Glenn Grossman
Will Spitzenberg, P.E.
Boss Engineering
Pleasant Grove, UT

Richard Dame
Boulder City, NV

University of Miami
Miami, FL

Geochron Laboratories
Cambridge, MA

Energy Labs
Billings, MT

Taylor Geo-Engineering
Alan O. Taylor
Lehi, UT

Long Resource Consultants
Robert E. Long
Morgan, UT

JBR Environmental, Inc.
Dawn Whaley
Sandy, UT

Bruce Chesler
Escalante, UT

A.H. Hamblin
Paleontological Consulting
Cedar City, UT

Mike Shurtz, C.E.T
AGEC
Cedar City, UT

Inter-Mountain Laboratories
Karen Secor
1673 Terra Avenue
Sheridan, WY

Tom Campbell
TerraTek
Salt Lake City, UT

140 DRAWING AND PLANS

The Drawing and plans in the Mining and Reclamation Plan are submitted consistent with the requirement of R645-301-140.

150 COMPLETENESS

Alton Coal Development, LLC represents that the information contained in the Coal Hollow Mining and Reclamation Plan permit application to be complete and correct.

R645-301-112.600 Define BLM coal ownership in the legend of Dwg. 1-4. Currently, the legend indicates "no marking" to be BLM owned coal, but "hatch marking" has been used to indicate BLM land on the drawing. • Dwg. 1-3 should clearly show the boundary between leased and unleased land owned by Pugh.

The enclosed maps replace Map 1-1, 1-2, 1-3 and 1-4 in Chapter 1, Volume 1. Map 1-4 has a legend in the lower left corner that shows which hatch indicates BLM coal ownership. Map 1-3 shows the land tracts that have been leased from C. Burton Pugh by Alton Coal Development. The lands are noted by the designation "1a" on the map and are clarified in the ownership table located in the top, right corner. In addition all Chapter 1 maps have been updated to change the word "project area" to "permit area".

An updated Certificate of Liability Insurance is provided. This update replaces the Certificate in Appendix 1-4

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/10/2008

PRODUCER (435) 637-7803 FAX: (435) 637-7811
James Banasky Insurance Inc.
6 West Main Street
Box 728

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

Price UT 84501

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Sobieski & Bradley Inc	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED
Alton Coal Development, LLC
PO Box 1230

Huntington UT 84528

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR/ADD'L LTR/INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	3586-33-72 DAL	5/19/2008	5/19/2009	EACH OCCURRENCE \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC.				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	(08) 7354-18-34	5/19/2008	5/19/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				JWC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

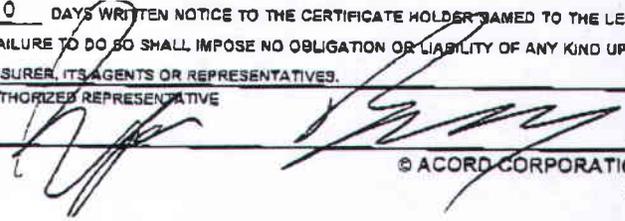
CERTIFICATE HOLDER

Utah Division of Oil, Gas and Mining
1594 W North Temple #1210
Salt Lake City, UT 84116

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



R645-301-114.100 Exhibit 1, the Pugh lease, was signed by Burton Pugh, but not by Roger Pugh or Margaret Moyers who together own 59.50% of the mineral interest beneath Burton Pugh surface (Section 112.500). Please explain why all mineral owners are not signatories to the lease.

Lease agreements with Roger Pugh and Margaret Moyers are provided to be included in Appendix 1-2 in the ***Confidential*** volume.