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

ROBERT L. MORGAN  
Executive Director  
LOWELL P. BRAXTON  
Division Director

OLENE S. WALKER  
Governor  
GAYLE F. McKEACHNIE  
Lieutenant Governor

Representatives Present During the Inspection:	
OGM	Priscilla Burton
Company	Kirk Nicholes

# Inspection Report

Permit Number:	C0250005
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, December 01, 2010
Start Date/Time:	12/1/2010 8:30:00 AM
End Date/Time:	12/1/2010 12:30:00 AM
Last Inspection:	Tuesday, November 23, 2010

Inspector: Priscilla Burton  
Weather: sun, 25 F rising to 40 F  
InspectionID Report Number: 2576

Accepted by: jhelfric  
12/9/2010

Permittee: **ALTON COAL DEVELOPMENT LLC**  
Operator: **ALTON COAL DEVELOPMENT LLC**  
Site: **COAL HOLLOW**  
Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**  
County: **KANE**  
Permit Type: **PERMANENT COAL PROGRAM**  
Permit Status: **ACTIVE**

### Current Acreages

635.64	<b>Total Permitted</b>
435.00	<b>Total Disturbed</b>
	<b>Phase I</b>
	<b>Phase II</b>
	<b>Phase III</b>

### Mineral Ownership

- Federal
- State
- County
- Fee
- Other

### Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Four scrapers, bucket scraper, and dozer with ripper were working to excavate Pond #2 and to develop a base for the primary access road east of the county road. A D12 dozer was removing topsoil from the future spoil location. There was 4 - 6 inches of snow on the ground. The ground surface was frozen, softening by noon. Kirk Nicholes represented Alton Coal Resources on this inspection.

Inspector's Signature: Priscilla Burton

Priscilla Burton,  
Inspector ID Number: 37

Date Thursday, December 02, 2010

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

Ownership and control changes (Task 3665) were approved 11/1/2010.

**2. Signs and Markers**

Signs at each public entrance to the site present the required information for the Permittee (Alton Coal Resources, LLC). In addition a sign is posted providing information on the Contract Operator (Kane Mining, LLC).

**3. Topsoil**

Topsoil has been removed from most of the area shown on Dwg 2-2 for first year mining stockpiled topsoil. During the inspection a dozer was removing topsoil from the slope in the southwest corner of the permit area in the future location of the excess spoil pile. This soil will be hauled to stockpile #2. There are approximately 50 more acres to be cleared of topsoil which will be hauled to topsoil stockpile #2. Areas yet to be cleared include small areas around the Robinson Creek drainage, and on the north and east edge of the facilities area.. Topsoil piles #1 in the facilities area is almost complete and temporary topsoil stockpile #3 is full.

**4.a Hydrologic Balance: Diversions**

Diversions are not yet constructed.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Sediment pond #2 is under construction. Four excavators, a dozer with a ripper and a dozer with a bucket scraper are working on the pond and haul road construction. Shad Hall, Alton Coal Resources Surveyor, is monitoring the work using GPS survey equipment.

**4.c Hydrologic Balance: Other Sediment Control Measures**

Silt fence and berms are in place in the facilities area and in Robinson Creek.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

For the purpose of improving grouse habitat, an area east of topsoil storage area #2 was disced to eliminate big sagebrush and the area was broadcast seeded on October 15, 2010 with the mix described in a letter dated 10/27/2010 (Incoming).

**16.a Roads: Construction, Maintenance, Surfacing**

The west branch of the primary haul road is under construction using subsoil excavated from pond #2.

**21. Bonding and Insurance**

A surety bond was received on 10/22/2010 covering 289 acres (First year disturbance).