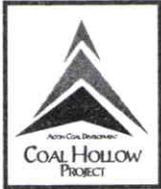


C/025/005 Incoming



Alton Coal Development, LLC

463 North 100 West, Suite 1

Cedar City, Utah 84720

Phone (435) 867-5331 • Fax (435) 867-1192

COPY

#3735

OK

Date: February 3, 2011

Daron R. Haddock
Coal Program Manager
Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Subject: Mine and Reclamation Plan Revision – Change to year 1 mining sequence.

Dear Mr. Haddock,

Enclosed are C1/C2 forms and 6 clean copies of changes reflecting mining sequence, top soil storage, and subsoil storage within the first year. These changes and revisions are to be incorporated in the Coal Hollow Mine and Reclamation Plan (MRP), C/025/0005. This submittal was generated after a meeting with your staff on Tuesday, January 25, 2011.

Because of the timing issues associated with the mining process, it would be appreciated if your review could be expedited.

Please let me know if you have any questions or concerns. I can be contacted at (435) 691-1551

Sincerely,

B. Kirk Nicoles
Resident Agent

RECEIVED

FEB 07 2011

DIV. OF OIL, GAS & MINING

File in:

Confidential

Shelf

Expandable

Date Folder 02072011/0250005

See: Incoming For additional information

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Alton Coal Development, LLC
 Mine: Coal Hollow Permit Number: C/025/0005
 Title: Drawings 2 - 2, 5 - 10, and Chapter 5 pages 5-38, 5-65, and 5-68

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

- Instructions:** If you answer yes to any of the first eight questions, this application may require Public Notice publication.
- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
 - Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
 - Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
 - Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
 - Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
 - Yes No 6. Does the application require or include public notice publication?
 - Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
 - Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
 - Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
 - Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
- Yes No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

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

B. Kirk Nicholas Environmental Specialist 2/3/11 B. Kirk Nicholas
 Print Name Position Date Signature (Right-click above choose certify then have notary sign below)

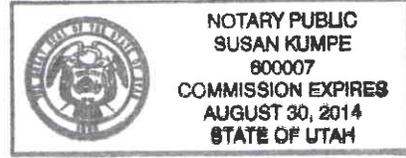
Subscribed and sworn to before me this 3rd day of February, 2011

Notary Public: Susan Kumpe, state of Utah.

My commission Expires: 8/30/14

Commission Number: 60007

Address: 1883 W. Royal Hunter Dr. Ste 200
 City: Cedar City State: Ut Zip: 84720



For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining RECEIVED FEB 07 2011 DIV. OF OIL, GAS & MINING
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528. HANDLING AND DISPOSAL OF COAL, OVERBURDEN, EXCESS SPOIL, AND COAL MINE WASTE:

528.100. Coal removal, handling, storage, cleaning, and transportation areas and structures:

Coal handling activities are confined to the active pit, and the coal sizing/loading areas located north of the pit. All areas and facilities will be designed and constructed, utilized and maintained in conformance with industry standards and all applicable regulations. At the conclusion of mining, the facilities will be removed as part of final mine reclamation activities. Material from coal stockpile areas, and other areas of potential coal accumulation will be excavated and the excavated material placed in the final mined out pit.

528.200. Overburden:

Overburden will be excavated after the removal of topsoil and subsoil as defined in Chapter 2. The overburden excavation will be accomplished by utilizing hydraulic excavators with end dump haul trucks and dozers. This process will include excavating this material in a stairstep fashion that will include benches approximately every 40 feet in depth. These benches are planned to be approximately 40 feet in width and will create an overall 2h:1v slope for the highwalls to create a stable and safe working area. This is a conservative approach for initial mining and once mining begins, ongoing geotechnical studies and monitoring will be used to further define the proper slope angle to ensure slope stability while maximizing resource recovery.

Based on the overburden isopach map (Drawing 5-15), the overburden removal has been separated into three major stages. The first stage of overburden removal is the initial mining area, Pits 1-8. These pits have a relatively low strip ratio, approximately 5:1 (refer to Drawing 5-13). In order to efficiently remove overburden for this phase, spoil from the first three pits will be placed in an excess spoil area. This excess spoil structure will hold approximately 2.7 million loose cubic yards (LCY) of material. Once the excess spoil pile is filled, overburden from ~~the next 4 pits~~ can then be used as pit backfill as the mining progresses through Pit 8. The completion of this phase is shown on Drawing 5-17.

Deleted: Pits 4 through 8

As mining progresses through Pits 9-15, the isopach (Drawing 5-15) shows that the overburden significantly increases. This increase and the shape of the mining boundary for the Permit Area requires a fill above approximate original contour. Material from Pits 9-15 significantly exceeds the backfill capacity available from the preceding pits (Pits 1-8). The fill above approximate original contour blends in with the excess spoil structure from Stage 1 and extends an additional 2,500 feet to the east as the mining sequence proceeds to Pit 15. In this stage, the fill above original contour is approximately 5.8 million LCY. Drawing 5-18 (Stage 2) shows the details of this stage of the overburden removal and resulting landform.

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552.200

All impoundments will be reclaimed, no permanent impoundments are proposed.

553 BACKFILLING AND GRADING:

Backfilling and Grading of the mined area will proceed in conjunction with coal recovery operations.

The planned mine will recover approximately 5.02 million tons of coal, and remove approximately 31.6 million Bank Cubic Yards (BCY) of overburden. The following is a description of the overburden removal and backfilling process:

Based on the overburden isopach map (Drawing 5-15), the overburden removal and backfilling process has been separated into three major stages. The first stage of this process is for the initial mining area, Pits 1-8. These pits have a relatively low strip ratio, approximately 5:1 (refer to Drawing 5-13). In order to efficiently remove overburden for this phase, spoil from the first three pits will be placed in an excess spoil area located immediately west of Pit 1. This excess spoil structure will hold approximately 2.7 million loose cubic yards (LCY) of material and is shown on Drawing 5-17. Once the excess spoil pile is filled, overburden from the next 4 pits can then be used as pit backfill as the mining progresses through Pit 8. The completion of this phase is shown on Drawing 5-17.

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Deleted: Pits 4 through 8

As mining progresses through Pits 9-15, the isopach (Drawing 5-15) shows that the overburden significantly increases. This increase and the shape of the mining boundary for the Permit Area require a fill above approximate original contour that is an extension of the excess spoil pile. Material from Pits 9-15 significantly exceeds the backfill capacity available from the preceding pits (Pits 1-8). The fill above approximate original contour blends in with the excess spoil structure from Stage 1 and extends an additional 2,500 feet to the east as the mining sequence proceeds to Pit 15. In this stage, the fill above original contour is approximately 5.8 million LCY. Drawing 5-18 (Stage 2) shows the details of this stage of the overburden removal and resulting landform.

Stage 3 overburden removal begins in Pit 16 and proceeds through Pit 30. During this stage, the strip ratio reduces significantly from Stage 2 as mining progresses to the south end of the property. As the strip ratio reduces to the south, significant backfill capacity is available in the preceding Pit 15. This results in the distance between the backfill and the active coal face increasing because there is a lack of spoil in the lower ratio pits as mining proceeds south to fill the preceding higher ratio area. At the end of mining this phase, an area will not be completely backfilled that is approximately 2,000 feet in length and 1,300 feet wide and will require 6.8 million yards of fill to complete reclamation to approximate original contour. This remaining pit provides an open pit adjacent to the federal coal reserves for backfilling of overburden so that a smooth transition can be made without developing another boxcut and an excess spoil area. The backfill configuration at the end of this stage is shown in Drawing 5-19.

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of the active coal removal face. As described in the previous text and shown on Drawing 5-19, there will be a variance from this standard in the final pits. Areas needed for in-pit roads, ramps, drainage controls or areas which must be left open temporarily for operational reasons will be backfilled and graded as they become available.

In the initial mining area, pits 1 through 8, spoil from the 2nd & 3rd pits will be permanently placed in the excess spoil area and pit 1. Part of the 3rd pit is placed in the previous pit. All of the 4th pit is placed in the 3rd pit, beginning the sequential pit backfilling process. By the time coal recovery is complete, rough backfilling and grading will be complete in Pits 6 and 7. Rough backfilling and grading will continue and be completed through pit 8.

- Deleted: Pit 2 and part of Pit 3
- Deleted: pit
- Deleted: 1. Part of Pit 3 and all of Pit 4 spoil is placed as backfill in Pit 2
- Deleted: .
- Deleted: in Pit 6, r
- Deleted: in Pits 2 and 3.

553.110

All areas except for the excess spoil pile and the variance from AOC (approximately 85 acres), will be restored to approximate original contour as shown on Drawing 5-35. R645-301-553.800 (Thick Overburden) does apply to this surface mine. In areas where excess spoil and variance from approximate original contour occur, the slopes will be regraded to a maximum angle of 3h:1v and most slopes are flatter as shown on Drawing 5-35 and 5-36. A geotechnical analysis has been completed to verify that the spoil material will be stable long term. This analysis can be viewed in Appendix 5-1.

553.120

All highwalls will be eliminated in the final landform. Small depressions may be constructed as needed to retain moisture, minimize erosion, create and enhance wildlife habitat or assist vegetation. All spoil piles will be eliminated with the exception of the planned excess spoil and variance from original contour as shown on Drawing 5-35.

553.130

Postmining slopes will not exceed the angle of repose which is expected to be approximately 1.5h:1v as described in Appendix 5-5. This appendix is an analysis by Dr. Ben Seegmiller addressing the safety factor for the post mining slope with the lowest safety factor outside the excess spoil area. This analysis concludes that a minimum safety factor of these slopes will be 1.7 which exceeds the requirement of 1.3. The excess spoil slopes have been analyzed by Alan Taylor, P.E., an expert in geotechnical engineering. These slopes also significantly exceed the required 1.3 safety factor. Details for this analysis by Mr. Taylor can be viewed in Appendix 5-1.

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553.140

Slopes will be regraded and vegetated to minimize erosion and water pollution on and off the site.

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553.150

Backfilling and grading will be conducted to support the approved post mining land use.

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Based on the overburden isopach map (Drawing 5-15), the overburden removal has been separated into three major stages. The first stage of overburden removal is the initial mining area, Pits 1-8. These pits have a relatively low strip ratio, approximately 5:1 (refer to Drawing 5-13). In order to efficiently remove overburden for this phase, spoil from the first three pits will be placed in an excess spoil area. This excess spoil structure will hold approximately 2.7 million loose cubic yards (LCY) of material. Once the excess spoil pile is filled, overburden from the next 4 pits can then be used as pit backfill as the mining progresses through Pit 8. The completion of this phase is shown on Drawing 5-17.

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