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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

# Inspection Report

Permit Number:	C0250005
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, February 23, 2011
Start Date/Time:	2/23/2011 8:00:00 AM
End Date/Time:	3/2/2011 12:00:00 PM
Last Inspection:	Tuesday, February 15, 2011

Representatives Present During the Inspection:	
Company	Larry Johnson
Company	Kirk Nicholes
OGM	April Abate
OGM	Joe Helfrich

Inspector: Joe Helfrich  
Weather: Sunny 19  
InspectionID Report Number: 2669

Accepted by: jhelfric  
3/9/2011

Permitee: **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	Total Permitted
435.00	Total Disturbed
	Phase I
	Phase II
	Phase III

#### 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:

Inspector's Signature: Joseph C. Helfrich  
Joe Helfrich,  
Inspector ID Number: 1

Date Monday, March 14, 2011



**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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

The permit to conduct mining activities was issued on 11/08/2010 and expires five years to date.

**2. Signs and Markers**

A sign with the required information is posted at the northern entrance to the mine. At present there is no access from the adjacent National forest. The southern entrance also has a sign.

**3. Topsoil**

In place topsoil along the southeast portion of Robinson Creek inside the permit area was partially covered with snow and sediment from the disturbed area. The temporary stockpile located on the northwest side of Robinson Creek did not have any protection measures resulting in the issuance of notice of violation # 10079 for failure to protect topsoil. Drawing 2-1 has been updated to show the current locations where topsoil has been salvaged. Salvaging began on 11/11/2011. Four composite samples were sent to the Intermountain Lab in Sheridan Wyoming on 02/25/2011. Sampling volumes, locations and lab results will be included in the annual report.

**4.a Hydrologic Balance: Diversions**

Sediment and drainage controls need to be put in place along the upper portion of the road leading to the office trailer. The ditch along the western side of the road appeared to have been removed due to snow plowing; The permittee needs to submit a plan to implement sediment and drainage controls at the outfall of the natural channel of Lower Robinson Creek where it meets the outfall of the temporary diversion ditch for Lower Robinson Creek to prevent sediment and run off from exiting the permit area via Lower Robinson Creek, there are 2 straw bales currently in place at this location.

The permittee needs to submit a corrective action plan for the existing sediment controls and a plan to extend sediment and drainage controls along the northwestern permit boundary that parallels Lower Robinson Creek. Additional modifications to drainage ditch 2 (DD2) will likely be needed in the near future. Under the current design plan for DD2, undisturbed drainage is comingling with disturbed area drainage reporting to sediment pond 2. DOGM and mine personnel will determine what modifications need to be made once the snow melts and site conditions on the ground are more visible.

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

The permittee has been requested to update maps 5-34 and 5-39 in the mining and reclamation plan (MRP) with sediment pond 1B depicted, submit a plan to implement sediment and drainage controls in the area southwest of Pond 1B (adjacent to the mine entrance) and submit a plan to implement sediment and drainage controls in the area southwest of Pond 2.

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

Violation # 10078 was issued for failure to design, construct and maintain appropriate sediment control measures. This applied to disturbed area runoff entering Robinson Creek and snow removal along the southeast side of Robinson Creek.

**4.d Hydrologic Balance: Water Monitoring**

Water monitoring for the mine is conducted by Petersen Hydrologic. Data for the 4th quarter of 2010 and January 2011 was available at the mine for review. Since the mine has gone from baseline to operational monitoring it was suggested that the company consult with DOGM to address any changes to the monitoring program.

**4.e Hydrologic Balance: Effluent Limitations**

The UPDES permit for the sediment pond outfalls was issued on 04/23/2009 and expires on 04/30/2013. Fourth quarter 2010 Discharge Monitoring Reports, (DMR's), were available for inspection. No discharge was reported for ponds 1, 1a, 2 and 3. Pond 4 will not be constructed until the area that reports to it is disturbed sometime during the second or third year of mining.

**5. Explosives**

There is no blasting at the mine.

**6. Disposal of Excess Spoil, Fills, Benches**

Excess spoil has been placed in accordance with the approved MRP. The company is currently mining pit #1.

**7. Coal Mine Waste, Refuse Piles, Impoundments**

As of the date of this inspection no coal mine waste has been generated from the mining activities.

**8. Noncoal Waste**

There was no non coal waste noted in the areas that were accessible during the inspection.

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

This year's sage grouse mitigation efforts are slated to include trapping, radio collaring, predator control and connectivity corridor work as outlined in appendix 3-5 of the MRP and permit condition #6.

**10. Slides and Other Damage**

There were no slides or damage observed during this inspection.

**12. Backfilling And Grading**

No backfilling or grading has occurred to date.

**13. Revegetation**

No revegetation has occurred to date

**15. Cessation of Operations**

The Coal Hollow mine is currently active.

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

No new roads were being constructed at this time. The haul road and access to pit #1 were constantly being graded presumably to avoid deterioration and rutting.

**16.b Roads: Drainage Controls**

Sediment and drainage controls need to be put in place along the upper portion of the road leading to the office trailer. The ditch along the western side of the road appeared to have been removed due to snow plowing. The area slopes down gradient to sediment pond #1. This is also included under 4a, diversions.

**17. Other Transportation Facilities**

The current transportation facilities include coal haulage from pit #1 to the crusher located in the surface facilities yard and then to IPA by truck.

**18. Support Facilities, Utility Installations**

Included in this report are some minor changes that need to be made to the drainage controls for the surface facilities area.

**19. AVS Check**

A noted in the summary the ownership and control information in the MRP was updated effective 02/11/2011.

**20. Air Quality Permit**

The air quality permit was issued on 11/10/2010. The document did not contain an expiration date.

**21. Bonding and Insurance**

Liability insurance is noted as exhibit C in the permit document. It is currently held with Arch and American liability Insurance and expires on 6/1/2011. The reclamation cost estimate is set at 6,045,000 for the 435 acre parcel.

## 22. Other

The following permit conditions are included as item 18, attachment A of the permit:

1. Alton Coal Development, LLC (ACD) will submit water quality data for the Coal Hollow Mine in an electronic format through the Electronic Data Input web site, <http://linux1.ogm.utah.gov/cgi-bin/appx-ogm.cgi>. 4th quarter 2010 data has been entered in the database
2. In the event that ACD encounters large volumes of groundwater (a sustained flow of more than 1 cfs) in any pit other than pit 15, they will be required to notify the Division, and assess and submit plans to curtail inflows to the pit and reestablish groundwater movement. There have been several seeps encountered at the top of the tropic shale layer but no continuous flow in excess of 1 cfs..
3. When filling and reclaiming pits, porous fill material must not be left adjacent to the alluvial aquifers. As mining progresses to the south of Pit 15, if the coarse grained alluvium zone connected to the adjacent artesian water system is intersected by mining and a sustained flow greater than 1 cfs is encountered, the compacted shale barrier constructed in Pit 15 must then be extended south to these points of intersection. This extension of the shale barrier will meet the same specifications described in the application for the Pit 15 permanent barrier. This has not happened yet. There is still active mining in pit #1.
4. The Applicant will be required to monitor for selenium where water leaves the minesite, during operational and reclamation phases. There has been no discharge of water from the mine site.
5. The Applicant will be required to evaluate discharges from the mine to determine any impacts to the designated AVF on Kanab Creek. An annual finding should be placed in the Annual Report during operation and reclamation of any adverse impacts to the channel, diminution of water quality and impacts to wildlife. No discharges have occurred to date.
6. Satisfactory compliance with the Alton Sage-Grouse Habitat Protection plan is required. Alton Coal Development, LLC will use best technology currently available to achieve the objectives of the plan in order to minimize the disturbances and adverse impacts to the sage grouse and related habitat and to enhance those resources where practicable. ACD will cooperate with the Division in consultation with the state and federal wildlife agencies to develop reasonable practices and methods as are determined to be necessary to implement the plan and to measure success and to achieve the goals of the plan. The goals are slated to be met for this year, see comments under item #9.
7. Alton Coal Development, LLC will provide for the protection of cultural resource sites

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**Inspection Continuation Sheet**

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identified as 42KA6505 and 42 KA6093 either by acceptable mitigation as determined by the Division with the concurrence of the SHPO or modification of the mine plan to avoid these sites, prior to conducting mining in the area of these sites. These sites are currently fenced and being avoided.

8. The Applicant must receive an Air Quality Approval Order prior to conducting surface mining. The air quality permit was issued 11/10/2010, see also item #20.