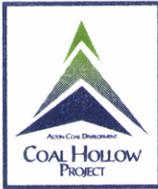


C/025/005 Incoming

#4099

OK



**Alton Coal Development, LLC**

463 North 100 West, Suite 1

Cedar City, Utah 84720

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

RECEIVED

JUN 27 2012

DIV. OF OIL, GAS & MINING

Date: June 25, 2012

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

Subject: Revision to the Notice of Intent - Minor Coal Exploration  
Task ID #4099: Change to wet drilling for 4 core holes.

Dear Mr. Haddock,

Enclosed are three copies of a Revision to the approved Minor Exploration Plan under Task #4099.

Four holes of the eight requested under the Minor Exploration Plan have been drilled and cored. These were the most shallow holes. After drilling, it was determined that the final deeper holes will require wet drilling to complete.

Drilling is on fee lands within Township 39 South, Range 5 West, Sections 7 and 18, and Range 6 West, Sections 12 and 13, in Kane County, Utah.

This revision is accompanied by a typical site detail reflecting layout of tanks and pit.

One copy has been sent to Mr. Steve Demczak at the Price, Utah office.

Please let me know if you have any questions or concerns.

Sincerely,



Larry W. Johnson  
Alton Coal Development, LLC

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JUN 27 2012

DIV. OF OIL, GAS & MINING

**REVISION TO THE**  
**APPROVED MINOR COAL**  
**EXPLORATION PLAN**  
C/025/0005, task #4099  
**COAL HOLLOW PROJECT**

**FEE COAL**

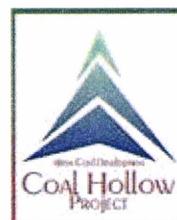
**FEE SURFACE**

**KANE COUNTY, UTAH**

Submitted by:

Alton Coal Development, LLC

June 25, 2012



This revision to the Approved Minor Coal Exploration Plan, C/025/0005, Task #4099 is specifically to drill with water and mud rather than dry.

Four core holes have already been drilled with air, as per the approved plan. The core holes drilled are: 13-39-06-001, 13-39-06-002, 13-39-06-003, and 18-39-05-010. These four holes were shallow holes, ranging in depth of 35 feet to 45 feet.

It has become clear that any further drilling of the deeper four holes will need to be done with mud and water. The remaining four holes, 12-39-06-004, 12-39-06-005, 7-39-05-008, and 18-39-05-009 range in depth from 80 feet to 180 feet.

**R645-201                    Coal Exploration: Revised Requirements for Exploration Approval**

**R645-201-100            Responsibilities for Coal Exploration Plan Review**

**110. Coal Exploration Plan Review, Responsibility of the Division**

The lands upon which exploration will be conducted is Fee Land as stated in the approved plan.

**120. Requirements of 43 CFR 3480-3487**

This requirement does not apply to this Notice of Intent

**130. Division Responsibility to Coordinate with other Agencies**

This Revision to the NOI will be submitted to the Division as the lead agency for review and approval.

**R645-201-200            Notices of Intention to Conduct Minor Coal Exploration**

**210. Division Review Requirement**

ACD is submitting a Revision to the Notice of Intention to Conduct Minor Coal Exploration where removal of 250 tons or less of coal is planned. This revision is specific to drilling with mud/water rather than dry. This revision pertains to only four of the eight core holes as shown above.

**220. Required Applicant Information.**

**221. Name, Address and Telephone Number of Applicant**

Applicant:     Alton Coal Development, LLC  
                    463 N. 100 W., Suite 1  
                    Cedar City, UT 84720  
Phone:         (435) 867-5331  
Fax:             (435) 867-1192  
E-mail:         [ljohnson@altoncoal.com](mailto:ljohnson@altoncoal.com)

**222. Name, Address and Telephone of Applicant's Representative**

Applicant's Representative: Larry Johnson  
 Alton Coal Development, LLC  
 463 N. 100 W., Suite 1  
 Cedar City, UT 84720

Erik C. Petersen, P.G.  
 Petersen Hydrologic, LLC  
 2695 North 600 East  
 Lehi, Utah 84043  
 Phone: (801)766-4006

**223. Description of Exploration Area**

Alton Coal has drilled four holes with Air and proposes to drill the final four coreholes as reflected previously with water and mud. All approved hole locations will remain the same. Only the drill process will change. The Holes that will be drilled with Water and mud are:

| Corehole Number | Township/Range                  | Section        |
|-----------------|---------------------------------|----------------|
| 12-39-06-004    | Township 39 South, Range 6 West | 12: SE1/4SE1/4 |
| 12-39-06-005    | Township 39 South, Range 6 West | 12: SE1/4SE1/4 |
| 7-39-05-008     | Township 39 South, Range 5 West | 7: SW1/4WW1/4  |
| 18-39-05-009    | Township 39 South, Range 5 West | 18: NW1/4NW1/4 |
|                 |                                 |                |
|                 |                                 |                |
|                 |                                 |                |
|                 |                                 |                |
|                 |                                 |                |
|                 |                                 |                |

Table 1 attached to the approved plan shows the UTM and Latitude/Longitude of the four coreholes. Table 2 reflects the seed mix for reclamation. Maps number 3 and 4 attached to the approved plan show the location of the four remaining boreholes in relation to surface and mineral ownership of the Project. The surface and mineral estate of the Exploration Area in which the coreholes are proposed has been leased, has been made by Alton Coal pursuant to an agreement with the property owners. Those property owners are listed in the approved plan.

A copy of each agreement is provided in the approved plan - These agreements are located in Appendix 1.

**Threatened and Endangered Species** - See the approved plan.

**Vegetation-** See the approved plan

**Wildlife-** See the approved plan

**Cultural Resources-** See the approved plan

#### **224. Period of Intended Exploration**

Exploration activities for these four holes will commence upon approval of this revision and will terminate January 2013, as stated in the approved plan.

#### **225. Method of Exploration**

Exploration on these last four core holes will be conducted using a rubber-tired truck mounted drill rig. The anticipated drilling methods are as follows:

- Hollow stem auger drill the alluvium layer
- Rotary drill the shale formation
- Core drill the coal bed
- Core drill the Dakota Formation under burden as determined by the geologist.

Wet drilling is needed for these four holes because of the depth of the holes. Depth ranges from 80 feet to 180 feet. Drilling the four shallow holes has dictated that water and mud needs to be used to complete the last four holes. Drilling has become

Two open tanks will be used, one for mud (7.5' long X 1' high X 1'-10" wide) and the other for clean water (8' long X 2' high X 2' wide). Water will be delivered to the drill site by a water truck from the Coal Hollow Mine well (Approved under the MRP C/025/0005). Water will be stored at the drill site in these open tanks as shown on the drilling detail included in this revision.

A mud pit will be constructed. Size to be as shown in the Drilling Detail and 4 feet deep. A ditch will run from the hole location to the mud pit. See the drilling detail included in this revision. Top soil will be removed from the mud pit area and stored in an appropriate place near the drill site prior to construction of the pit. The pit will be located as such that fluids will drain toward the pit. The pit will not be lined. Mud pits will be fenced when unattended to prevent wildlife from possible entry. When the pit is reclaimed, the top soil will be replaced and seeded.

Materials used during drilling operations will be selected to be biodegradable. All spills of polluting materials will be removed from the area and disposed of in a proper manner.

Cuttings, excess drill core and used drill foam/mud will be placed in the mud pit and buried at a depth greater than 4 feet prior to distribution of soils during reclamation.

Support equipment will consist of two pickups trucks used to transport supplies and personnel (as reflected in the approved plan), One water truck when used to supply water to the drill site when needed.

All gasoline and diesel powered equipment will be equipped with mufflers or spark arresters. Fire suppression equipment will be available to personnel on the project site.

The potential for water pollution will be minimized by keeping pollutants away from the drill hole and in their containers. Materials used during drilling operations will be selected to be biodegradable. All spills of polluting materials will be removed from the area and disposed of in a proper manner

Brattice will be laid out at each drill site during drilling for the drill rig and support trucks to park over, thus avoiding any contamination to the ground due to possible oil, grease, and fuel leaks

**Amount of Coal to be Removed-** See the approved plan.

**Environmental Protection and Reclamation:** See the approved plan.

The approximate disturbance at each drill site will be an area 30 feet wide by 40 feet in length. The mud pit is part of the 30 X 40 pad. The table reflecting the breakdown of possible disturbed acreage for access and pad in the approved plan will not change and is referenced below.

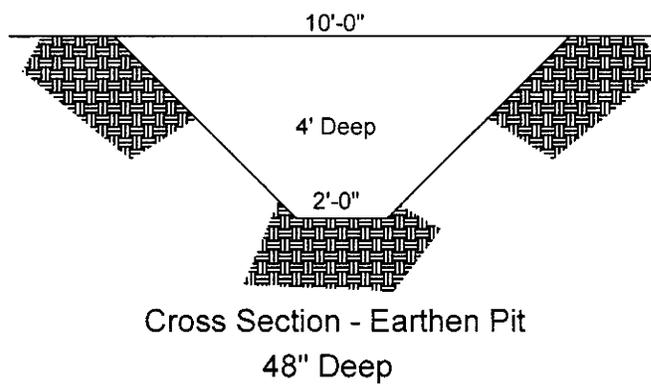
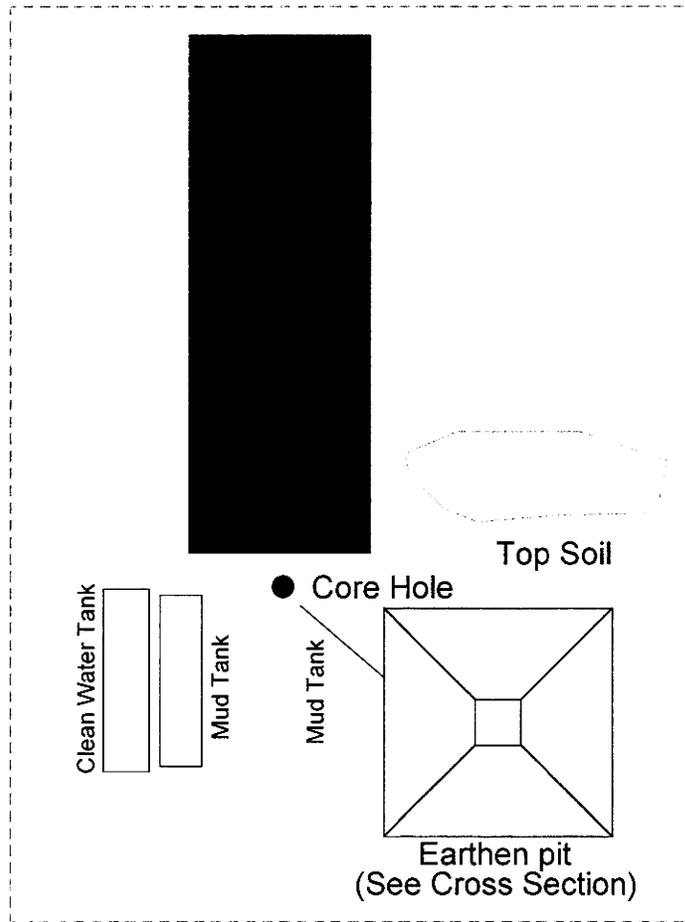
|                            |
|----------------------------|
| Possible Disturbed Acreage |
|----------------------------|

| Hole ID | 13-39-06-001 | 13-39-06-002 | 13-39-06-003 | 12-39-06-004 | 12-39-16-005 |
|---------|--------------|--------------|--------------|--------------|--------------|
| Access  | 0.19         | 0.10         | 0.01         | 0.32         | 0.02         |
| Pad     | 0.03         | 0.03         | 0.03         | 0.03         | 0.03         |
| Total   | 0.22         | 0.13         | 0.04         | 0.35         | 0.05         |

| Hole ID | 7-39-05-008 | 18-39-05-009 | 18-39-05-010 |  |  |
|---------|-------------|--------------|--------------|--|--|
| Access  | 0.01        | 0.54         | 0.55         |  |  |
| Pad     | 0.03        | 0.03         | 0.03         |  |  |
| Total   | 0.04        | 0.57         | 0.58         |  |  |

|                                  |      |
|----------------------------------|------|
| Total Possible acreage disturbed | 1.76 |
|----------------------------------|------|

**This revision is specifically for the change from dry drilling to wet drilling for the four wells referenced in this revision. All other specifications, requirements, and details of the approved plan pertain to the drilling program.**



# Typical Drilling Site Detail

June 25, 2012