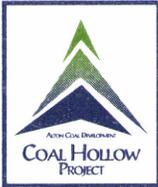


C/025/005 Incoming

#4069

R



Alton Coal Development, LLC

463 North 100 West, Suite 1

Cedar City, Utah 84720

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

Date: March 28, 2012

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

Subject: 2011 Coal Mining Annual Report; Alton Coal Development LLC, Coal Hollow Mine,
C/025/0005

Dear Mr. Haddock,

Alton Coal Development, LLC is providing the 2011 Coal Mining Annual Report for the Coal Hollow Mine. A CD has been provided with an electronic copy.

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

Sincerely

B. Kirk Nicholes
Resident Agent

RECEIVED

MAR 29 2012

DIV. OF OIL, GAS & MINING

Print Form

Submit by Email

Reset Form

Annual Report

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 30, 2012**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Alton Coal Development, LLC	Mine Name	Coal Hollow Mine
Permit Number	C/025/0005	Permit expiration Date	2015-11-08
Operator Name	Alton Coal Development	Phone Number	+1 (435) 867-5331
Mailing Address	463 N. 100 W. Suite 1	Email	knicholes@altoncoal.com
City	Cedar City		
State	Utah	Zip Code	84721

DOGM File Location or Annual Report Location

Excess Spoil Piles

- Required
 Not Required

Refuse Piles

- Required
 Not Required

Impoundments

- Required
 Not Required

Other:

OPERATOR COMMENTS

Ponds 1,1A, 2 and 3 were constructed in the 1st quarter of 2011, certified inspection was completed on February 9, 2011 for the annual. For the second quarter, Excess Spoil Pile and Impoundment inspections were completed on June 15, 2011. For the third quarter, Excess Spoil Pile and Impoundments inspections were completed on September 30, 2011. Fourth quarter, Excess Spoil Pile and Impoundments inspection were completed on December 15, 2011. Copies of the Excess Spoil pile and Impoundment inspections are included in this submittal.

REVIEWER COMMENTS

- Met Requirements Did Not meet Requirements

RECEIVED
MAR 29 2012
DIV. OF OIL, GAS & MINING

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: TOPSOIL AND SUBSOIL SALVAGE

Objective: Monitor topsoil and subsoil salvage by suitability criteria and depth described in Appendix 2-1, Table 4-1.

Frequency: During operations

Status: Long term

Reports: Keep tally of volumes salvaged, stockpiled, live hauled.

Citation: MRP, Volume 1, Chapter 2, Section 231.100, and Appendix 2-1, pg. 4-2.

Operator Comments

20,100 c.y. of topsoil were removed, all of which were placed in the topsoil Pile 4. 81,370 c.y. of subsoil was placed in subsoil Pile 2. No topsoil or subsoil was live hauled in 2011. Appendix 2-2 was added to the MRP and all soil analysis added June 30, 2011.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: PREDATOR CONTROL

Objective: To effectively manage predators and increase the population of birds at the Alton lek.

Frequency: Annually

Status: Ongoing

Reports: Annual summary of work completed to date.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5 page 13

Operator Comments

Alton Coal Development has entered into a 5-year contract with Wildlife Services (copy submitted as addendum to 3-5 of MRP). The 2011 report from Kevin Dustin, predator control specialist with USDA Wildlife Services, indicates 1,100 poison eggs were distributed with an estimated 1 raven killed for every 4 eggs placed or 275 ravens exterminated. Also, Federal Trappers, trapped or killed 18 coyotes from the Alton Area.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: WILDLIFE AWARENESS PROGRAM

Objective: To provide protection for the resident wildlife and minimize impacts (collisions) from vehicles and heavy equipment.

Frequency: Continuous and as needed for new employees throughout the life of the mine.

Status: Ongoing from the onset of mining activities.

Reports: Annual, log of employee awareness meetings, road kills for deer, elk, sage grouse and domestic livestock from the mine site to highway 89.

Citation: MRP, Volume 2, Chapter 3, pages 3-54, 55.

Operator Comments

Two wildlife awareness discussions were given with Coal Hollow Mine employees in 2011 , logs of these meetings are included. There were no road kills of deer, elk, sage-grouse or domestic livestock at the mine site or between the mine an highway 89 by Coal Hollow Mine Employees.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: WATER REPLACEMENT WELL

Objective: Alton Coal Development, LLC commits to having the water-replacement well (or other appropriate water replacement source as approved by the Division) drilled and developed before beginning overburden removal for Pits 13, 14 and 15.

Frequency: One time, when needed

Status: Well was drilled October of 2010, but its function as a water replacement well will not occur until overburden removal on pits 13, 14 and 15 occurs.

Reports: Report status of well and target date for overburden removal in annual report.

Citation: MRP, Volume 7, Chapter 7, Section 731.530, page 7-59

Operator Comments

As indicated the well was drilled and is functional as of October 2010. At the current rate of production it is anticipated that overburden removal on Pits 13, 14, and 15 will occur in the second half of 2013. As the well is installed and functional, if necessary, it will be used as a water replacement well.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: DEVELOPING THE HOYT'S RANCH CONNECTIVITY CORRIDOR

Objective: To reestablish connectivity between the Alton and near by Hoyt's Ranch sage grouse populations.

Frequency: Annual summary of work completed.

Status: Ongoing, radio collared birds have been using the corridor in 2008, 2009 and 2010.

Reports: Annual summary in Annual report

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5 page 4

Operator Comments

Approximately 155 acres of additional corridor improvement was completed in 2011. Additional information regarding the connectivity corridor and monitoring have been included in the "Greater Sag-grouse Population and Habitat Improvement - Progress Report" in Appendix 3-6 of the MRP.

Reviewer Comments Met Requirements Did Not Meet Requirements

Title: SAGE GROUSE CONSERVATION AREA

Objective: To protect and develop a 72 acre parcel of sage grouse habitat.

Frequency: Annual summary until complete

Status: Ongoing. The permittee has disked 40 acres as noted in the MRP and correspondence. The completed area needs to be surveyed for percent cover of sagebrush and species composition.

Reports: Annual summary of work in annual report.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, page 5.

Operator Comments

The overall Conservation Area is approximately 72 acres, of this , there was approximately 40 acres of intact dense sagebrush (considered to be too dense for sage-grouse use) of which approximately 2.5 acres were treated by disking and planting in 2010. The initial survey of the progress of this area were completed in 2011 and results are included in the "Greater Sag-grouse Population and Habitat Improvement - Progress Report" in Appendix 3-6 of the MRP.

Reviewer Comments Met Requirements

Did Not Meet Requirements

Title: REDUCTION OF JUNIPER TREES WITHIN KEY HABITATS OF THE ALTON AREA.

Objective: To reduce raptor perches and increase sage grouse habitat.

Frequency: Annual summary of utilization for nesting and brood rearing.

Status: Ongoing, work completed in 2006.

Reports: Annual summary of utilization for nesting and brood rearing.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, pages 7-10

Operator Comments

This area is part of the 75 acres Sage-grouse Conservation Area and has been the focus of additional sagebrush treatments in 2010. In 2011 vegetation surveys were completed to asses success of the vegetation treatment. Wildlife use was looked for but not observed in the vegetation transacts. In 2011 there were employee sighting of grouse in the meadow area immediately east of this treatment area in September.

Reviewer Comments Did Not Meet Requirements

Met Requirements

Title: LEK MANAGEMENT

Objective: To attract birds to an alternate lek during active mining operations.

Frequency: Annually during spring

Status: Ongoing each spring during active mating periods.

Reports: Annual summary of work completed to date.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, page 11

Operator Comments

In 2011 there was no attempt to attract birds to an alternate site, with better clarification of the requirement of this comment, ACD has began a program in 2012 with the direction of Dr. Petersen to fulfill this commitment. Currently it is anticipated that the traditional lek will be mined in 2014.

Reviewer Comments Did Not Meet Requirements

Met Requirements

Title: RECLAMATION TIMETABLE

Objective: To ensure timely reclamation

Frequency: No more than 40 acres to be disturbed at any given time.

Status: Ongoing, once reclamation begins (no more than 40 acres disturbed at a time).

Reports: Annual summary of work completed to date.

Citation: MRP, Volume 2, Chapter 3, page 56

Operator Comments

The initial area to begin reclamation (the west end of the spoils pile) is approaching the permitted final form. It is anticipated that it will be planted in the spring of 2012.

Reviewer Comments Did Not Meet Requirements Met Requirements

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: REVIEW AND EVALUATE THE FACILITIES SPILL PLAN (APPENDIX 7-5)

Objective: To ensure the accuracy of the Facilities Spill Plan and to determine if additional or more effective spill prevention and control technology that is applicable to the facility must be added.

Frequency: At least once every five years.

Status: Pending, next review due 2014.

Reports: Completed Plan Review form submitted for incorporation into Appendix B of Appendix 7-5.

Citation: MRP, Volume 7, Chapter 7, Appendix 7-5, Section 2.2 PLAN REVIEW, page 2.

Title: RESTORATION OF LEK

Objective: To restore the original lek at the end of mining activities.

Frequency: Once

Status: Restoration of the lek will begin at final reclamation.

Reports: Annual summary of work completed after reclamation begins.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, page 12.

Title: SAGE GROUSE MONITORING

Objective: To monitor the population densities at the Hoyt's ranch and Alton leks and migration patterns in between as long as the birds are living.

Frequency: Annual summary

Status: Ongoing, meet with the Division six months prior to mining through the lek to discuss minimizing impacts to sage grouse.

Reports: Annual Summary of work completed.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, page 13.

OPERATOR COMMENTS (OPTIONAL)

REVIEWER COMMENTS

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

Wildlife Awareness Logs
Excess Spoil Pile and Impoundment Reports for 2011
Mine Map

Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2011, are to be provided to the Division as an attachment to this report in accordance with the requirements of R645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
Annual Mine/ Reclamation Area Map		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reviewer Comments Met Requirements Did Not Meet Requirements

Kane Mining LLC
Coal Hollow Mine
Safety Meeting

Date: 9-12-11
Meeting Conducted By: Kirk Nicholes

Safety Topic: Protection of resident wildlife, minimize impact to wildlife during mining.

Speed limits of all vehicles will be 25 mph in side the permit area. Information about important wildlife species in the area. No coal mining and reclamation operations will be conducted that would likely jeopardize T&E species. ACD will report to the State of Utah, DOGM any state or federally-listed T&E species within the permit area of which the operator becomes aware of. ACD keep log records of any road kill of deer, elk, sage-grouse and domestic livestock from coal haul and associated vehicles from the mine site to highway 89. Ensure that electric power lines and other transmit ion facilities used for, or incidental to, coal mining and reclamation on the permit area are designed and constructed to minimize electrocution hazards to raptors. Coal Hollow will design fences, overland conveyers and potential barriers to permit passage for large mammals.

Attendees:

[Handwritten signatures on lined paper]

[Handwritten signature: Jake Kumpel Sr.]

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	2-9-2011
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	2-9-2011		
Inspected By	Kerry Benson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Annual	
1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.			
No instability of the embankment or hazardous condition was noted during the inspection.			
Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.		
	Sediment Storage Capacity: 60 % Elevation: 1.25' 100% Elevation: 2.02' No existing sediment.		
	3. Principle and emergency spillway elevations.		
	Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 3.0995 Acre-Feet (Elevation 6920.00') Required runoff storage: 2.57 Acre-Feet 100 % Sediment Storage: 0.53 Acre-Feet (Elevation 6922.02') 60 % Sediment Storage: 0.32 Acre-Feet (Elevation 6921.25')		

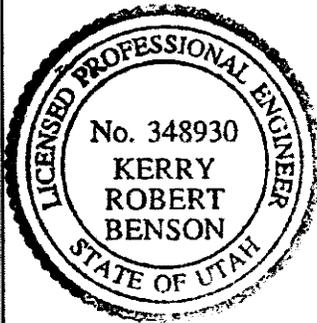
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlooses of embankments, etc.

Pond is newly constructed, clean and dry.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

None.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: KERRY ROBERT BENSON, PE

(Full Name and Title)

Signature: [Handwritten Signature] Date: 2-9-2011

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	2-9-2011
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 18	
	Impoundment Number	Pond 18	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	2-9-2011		
Inspected By	Kerry Benson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Annual		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No instability of the embankment or hazardous condition was noted during the inspection.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 6.00' 100% Elevation: 8.08'</p> <p>No existing sediment.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6906.45 feet (The outlet structure for Pond 18 serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 0.894 Acre-Feet (Elevation 6906.45')</p> <p>Required runoff storage: 0.50 Acre-Feet</p> <p>100 % Sediment Storage: 0.394 Acre-Feet (Elevation 6895.72')</p> <p>60 % Sediment Storage: 0.236 Acre-Feet (Elevation 6894.07')</p>		

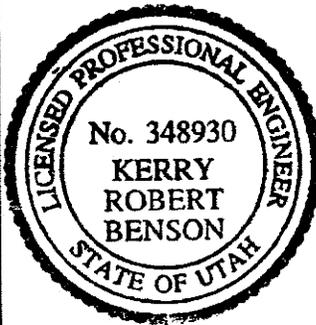
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

Pond is newly constructed, clean and dry.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

None.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: KERRY ROBERT BENSON PE

(Full Name and Title)

Signature: [Handwritten Signature] Date: 2-9-2011

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	2-9-2011
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	2-9-2011		
Inspected By	Kerry Benson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Annual	
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No instability of the embankment or hazardous condition was noted during the inspection.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 3.07' 100% Elevation: 4.72'</p> <p>Sediment level was not determined because of ice cover.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6900.09 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 2.675 Acre-Feet (Elevation 6901.09') Required runoff storage: 1.70 Acre-Feet 100 % Sediment Storage: 0.975 Acre-Feet (Elevation 6895.72') 60 % Sediment Storage: 0.585 Acre-Feet (Elevation 6894.07')</p>		

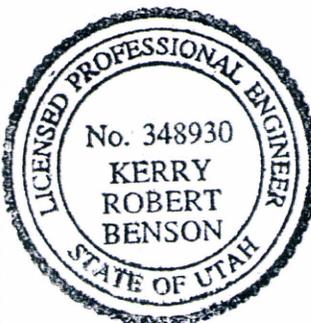
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond is newly constructed. Water level is at approximately 5 feet below top of berm (Elev. 6898).

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Storm water depth is approximately 7'. Estimated water storage 1.61 Acre-Feet. 1.065 Acre-Feet remaining storage capacity.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: KERRY ROBERT BENSON, PE
(Full Name and Title)

Signature: [Handwritten Signature] Date: 2-9-2011

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	2-9-2011
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	2-9-2011		
Inspected By	Kerry Benson		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Annual		
1. Describe any appearance of any instability, structural weakness, or any other hazardous condition. No instability of the embankment or hazardous condition was noted during the inspection.			
Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment. Sediment Storage Capacity: 60 % Elevation: 2.17' 100% Elevation: 2.82' No existing sediment.		
	3. Principle and emergency spillway elevations. Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 7.98 Acre-Feet (Elevation 6811.00') Required runoff storage: 6.72 Acre-Feet 100 % Sediment Storage: 1.26 Acre-Feet (Elevation 6803.82') 60 % Sediment Storage: 0.756 Acre- Feet (Elevation 6801.17')		

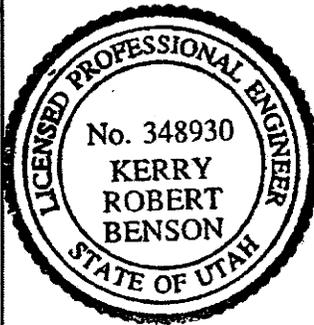
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

Pond is newly constructed, clean and dry.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

None.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: KERRY ROBERT BENSON PE
(Full Name and Title)

Signature: [Handwritten Signature] Date: 2-9-2011

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE

Permit Number	C/025/0005	Report Date	6/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	Pile Name	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	15-Jun-11		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Attachments to Report? No	

Field Evaluation

No significant problems with the waste site were observed during the 2nd quarter 2011.

1. **Foundation preparation, including the removal of all organic material and topsoil.**
Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2. **Placement of underdrains and protective filter systems.**
N/A - There are no underdrains or other filter systems associated with this pile.

3. **Installation of final surface drainage systems.**
The present surface drainage and diversion systems are operational, but are considered temporary. Final systems will be placed when the pile reaches the elevation to allow positive drainage.

4. **Placement and compaction of fill materials.**
Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. A small amount of previously removed wet material is being temporarily stored at the upper end of the pile until it dries sufficiently to allow for proper placement and compaction.

5. **Final grading and revegetation of fill.**
N/A - The fill is in the early stage of development. No final grading or revegetation has taken place.

6. **Appearances of instability, structural weakness, and other hazardous conditions.**

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection.

7. **Other Comments. Describe any changes in geomerty of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occured during the reporting period.**

As noted above, the pile is in the early stage of development. A small amount of material has not yet been compacted in place due to wet conditions, and the diversion carrying pile runoff to Sediment Pond No. 3 is temporary. The pile appears stable and is being constructed in accordance with the approved plan, with the above noted temporary exceptions.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Profession Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 6/15/11

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	06/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION

Inspection Date	15-Jun-11
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
 Some erosion was noted on the NE slope inside the pond. The operator indicated this would be corrected and the drainage routed to the pond inlets. There were no other appearances of instability, structural weakness or hazardous conditions noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 1.26' 100% Elevation: 2.03'</p> <p>The pond contained approximately 6' of water. Sediment markers have not been installed yet. Due to the amount of water, it was not possible to get an accurate elevation of the sediment; however, rough field measurements indicated the sediment level to be well below the cleanout elevation.</p>
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00') Required runoff storage: 2.57 Acre-Feet 100 % Sediment Storage: 0.53 Acre-Feet (Elev. 6922.02') 60 % Sediment Storage: 0.32 Acre-Feet (Elev. 6921.25')</p>

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlooses of embankments, etc.

The water level is approximately at elevation 6914. The operator is planning to recirculate the sediment pond water for dust control on the site, which will increase the storage capacity of the pond. As noted above, there was some erosion noted on the NE inslope of the pond. This will be corrected and the drainage that caused it will be routed to the pond inlets. Rip-rap is being installed on both pond inlets. The outlet culvert which serves as both principle and emergency outlet, is open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only noted change in the structure during the 2nd quarter, other than those listed in No.4 above, was an increase in the depth of the water due to spring runoff.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: *Dan W. Guy* Date: 6/15/11

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	06/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION

Inspection Date	15-Jun-11
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspections, Critical Instaliation, or Completion of Construction)</small>	Quarterly Inspection.

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60% Elevation: 6.00' 100% Elevation: 8.08'</p> <p>The pond contained approximately 9' of water. Sediment markers have not yet been installed. Due to the amount of water, it was not possible to get an accurate elevation of the sediment; however, rough field measurements indicated the sediment level to be well below the cleanout elevation.</p>
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.4'5)</p> <p>Required runoff storage: 0.50 Acre-Feet</p> <p>100 % Sediment Storage: 0.394 Acre-Feet (Elev. 6895.72")</p> <p>60 % Sediment Storage: 0.236 Acre-Feet (Elev. 6894.07')</p>

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

The water level is approximately at elevation 6903. Water from this pond is also planned to be used for dust control on the site. There are 2 inlets to the pond - one with rip-rap and one with erosion mat. Both inlets appears stable and are functioning properly. The outlet is also open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only noted change during the 2nd quarter would be an increase in the depth of the water due to spring runoff.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: *Dan W. Guy* Date: 6/15/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	06/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	15-Jun-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)			
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.</p>			
Required for an Impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 3.07' 100% Elevation: 4.72'</p> <p>The pond contained approximately 2' of water. Sediment markers have not yet been installed. The sediment level was field measured to be approximately at elevation 6891, or close to 100% capacity.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09') Required runoff storage: 1.70 Acre-Feet 100 % Sediment Storage: 0.975 Acre-Feet (Elev. 6895.72') 60 % Sediment Storage: 0.585 Acre-Feet (Elev. 6894.07')</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

The pond contained approximately 2' of water. The pond is mostly incised. Both inlets are functioning O.K.. One inlet shows some minor erosion, but both are scheduled to be rip-rapped. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

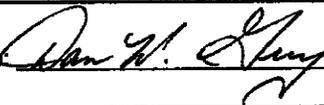
N/A - No changes were noted during the 2nd quarter.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: **Dan W. Guy, P.E.**

(Full Name and Title)

Signature:  Date: 6/15/11

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	06/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION

Inspection Date	15-Jun-11
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
 No instability of the embankment or hazardous condition was noted during the inspection.

Required for an Impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Sediment Storage Capacity:
 60 % Elevation: 2.17'
 100% Elevation: 2.82'

The pond contained approximately 5' of water. Sediment markers have not yet been installed. Due to the amount of water, it was not possible to get an accurate elevation of the sediment; however, rough field measurements indicated the sediment level to be well below the cleanout elevation.

3. Principle and emergency spillway elevations.

Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 7.98 Acre-Feet (Elev. 6811.00')

Required runoff storage: 6.72 Acre-Feet

100 % Sediment Storage: 1.26 Acre-Feet (Elev. 6803.82')

60 % Sediment Storage: 0.756 Acre- Feet (Elev. 6801.17')

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The pond contained approximately 5' of water. Water was being pumped out to the water truck for use as dust suppression. The upper pond inlet shows some minor erosion, but it is within the pond level and shows no instability - this is a temporary inlet. The pond has a single culvert outlet which is also temporary. The open-channel spillway was removed and filled in due to erosion. This spillway will be rebuilt in the future.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Based on discussion with the operator, the main change that has taken place during the 2nd quarter was the removal of the open-channel spillway and the installation of the temporary culvert outlet. The open-channel spillway is scheduled to be re-installed.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: **Dan W. Guy, P.E.**

(Full Name and Title)

Signature: *Dan W. Guy* Date: 6/15/11

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL**PILE OR REFUSE PILE**

Permit Number	C/025/0005	Report Date	09/30/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess	Pile Name	Coal Hollow Mine Excess Spoil Pile	
Spoil Pile or Refuse Pile	Pile Number		
Identification	MSHA Mine ID Number	42-02519	
Inspection Date	26-Sep-11		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Attachments to Report?		No

Field Evaluation

No significant problems with the waste site were observed during the 2nd quarter 2011.

1. Foundation preparation, including the removal of all organic material and topsoil.

Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2. Placement of underdrains and protective filter systems.

N/A - There are no underdrains or other filter systems associated with this pile.

3. Installation of final surface drainage systems.

The present surface drainage and diversion systems are operational, but are considered temporary. Final systems will be placed when the pile reaches the elevation to allow positive drainage.

4. Placement and compaction of fill materials.

Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. A small amount of previously removed wet material is being temporarily stored at the upper end of the pile until it dries sufficiently to allow for proper placement and compaction.

5. Final grading and revegetation of fill.

N/A - The fill is in the early stage of development. No final grading or revegetation has taken place.

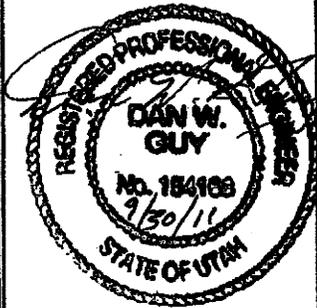
6. **Appearances of instability, structural weakness, and other hazardous conditions.**

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Recent compaction tests show adequate compaction, indicating 86% to 98% compaction. The pile is being constructed at different levels to aid in the compaction.

7. **Other Comments. Describe any changes in geomerty of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occured during the reporting period.**

As noted above, the pile is in the early stage of development. Only a very small amount of material has not yet been compacted in place due to wet conditions, and the diversion carrying pile runoff to Sediment Pond No. 3 is still temporary. The pile appears stable and is being constructed in accordance with the approved plan, with the above noted temporary exceptions.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Profession Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 9/30/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	09/30/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	26-Sep-11		
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>None Noted.</p>			
Required for an Impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60% Elevation: 1.26' 100% Elevation: 2.03'</p> <p>The pond contained approximately 18" of water. The sediment marker has been installed. Field observation shows the sediment level to be well below the cleanout elevation.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00')</p> <p>Required runoff storage: 2.57 Acre-Feet</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outsooles of embankments, etc.

The water level is approximately at elevation 6912.5. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Changes noted since the last inspection include a decrease in the water level, installation of the sediment marker, placement of concrete barriers and completion of some grading above the pond.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 9/30/11

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	09/30/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION

Inspection Date	26-Sep-11
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.
 N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment. Sediment Storage Capacity: 60% Elevation: 6.00' 100% Elevation: 8.08' The pond contained approximately 2' of water. The sediment marker has been installed. Field observation shows the sediment level to be well below the cleanout elevation.
	3. Principle and emergency spillway elevations. Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.4'5) Required runoff storage: 0.50 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

The water level is approximately at elevation 6896. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appears stable and are functioning properly. The outlet is also open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

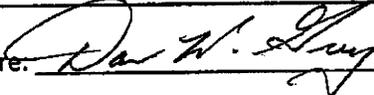
The only noted changes during the 3rd quarter would be a decrease in the depth of the water and the installation of the sediment marker.

Certification Statement

I hereby certify that: I am experienced in the construction of Impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: 

Date: 9/30/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	09/30/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	26-Sep-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)			
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60% Elevation: 3.07' 100% Elevation: 4.72'</p> <p>The pond contained approximately 3.5' of water. The sediment marker has been installed, and field observation shows the sediment level to be well below the cleanout elevation.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09') Required runoff storage: 1.70 Acre-Feet</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

The water level is approximately at elevation 6894.5. Both pond inlets have been rip-rapped. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

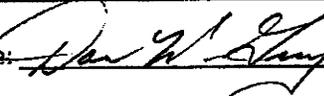
Changes noted during the 3rd quarter include a slight increase in water level and the installation of the sediment marker.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature:  Date: 9/30/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	09/30/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	26-Sep-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No instability of the embankment or hazardous condition was noted during the inspection.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 2.17' 100% Elevation: 2.82'</p> <p>The pond contained approximately 3" of water. The sediment marker has been installed, and field observation shows the sediment level to be well below the cleanout elevation.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 7.98 Acre-Feet (Elev. 6811.00')</p> <p>Required runoff storage: 6.72 Acre-Feet</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The pond contained only a few inches of water. The upper pond inlet shows some minor erosion, but it is within the pond level and shows no instability - this is a temporary inlet. The open-channel spillway has been rebuilt and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The main changes in the 3rd quarter include a decrease in the water level, the installation of the sediment marker and the rebuilt open-channel spillway.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: **Dan W. Guy, P.E.**

(Full Name and Title)

Signature: *Dan W. Guy* Date: 9/30/11

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	Report Date	12/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	Pile Name	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	15-Dec-11		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection <small>(Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)</small>		Attachments to Report? No	
Field Evaluation			
<i>No significant problems with the waste site were observed during the 4th quarter 2011.</i>			
1. Foundation preparation, including the removal of all organic material and topsoil. Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.			
2. Placement of underdrains and protective filter systems. N/A - There are no underdrains or other filter systems associated with this pile.			
3. Installation of final surface drainage systems. The present surface drainage and diversion systems are operational and final. The pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond No 3.			
4. Placement and compaction of fill materials. Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator.			
5. Final grading and revegetation of fill. N/A - The fill is in the early stage of development. No revegetation has taken place. The north, east and south outcrops of the pile have been final graded to a slope of 3H:1V.			

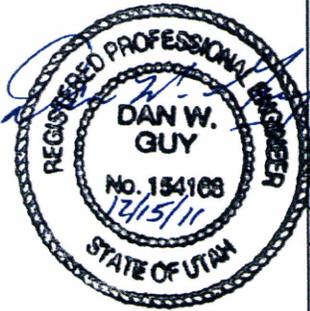
6. Appearances of instability, structural weakness, and other hazardous conditions.

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Latest compaction tests show adequate compaction, with results ranging from 89% to 98%. The pile is being constructed at different levels to aid in the compaction.

7. Other Comments. Describe any changes in geomerty of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.

As noted above, the pile is in the early stage of development. The diversion No. 4 carrying pile runoff to Sediment Pond No. 3 is in place. The pile appears stable and is being constructed in accordance with the approved plan.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Profession Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 12/15/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	15-Dec-11		
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.		
1. Describe any appearance of any instability, structural weakness, or any other hazardous condition. None Noted.			
Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment. Sediment Storage Capacity: 60 % Elevation: 6912.26 (1.26') 100% Elevation: 6913.03 (2.03') The pond contained approximately 12" of water (frozen). The sediment marker has been installed. Field observation shows the sediment level to be well below the cleanout elevation.		
	3. Principle and emergency spillway elevations. Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00') Required runoff storage: 2.57 Acre-Feet		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlooes of embankments, etc.

The water level is approximately at elevation 6912.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

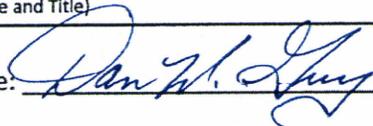
The only change noted since the last inspection was a slight decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: **Dan W. Guy, P.E.**

(Full Name and Title)

Signature: 

Date: 12/15/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	15-Dec-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)</small>	Quarterly Inspection.		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 6900.00 (6.00') 100% Elevation: 6902.08 (8.08')</p> <p>The pond contained approximately 2' of water (frozen). The sediment marker has been installed. Field observation shows the sediment level to be well below the cleanout elevation.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45)</p> <p>Required runoff storage: 0.50 Acre-Feet</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on out slopes of embankments, etc.

The water level is approximately at elevation 6896. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appears stable and are functioning properly. The outlet is also open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

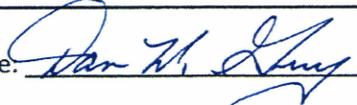
The only noted change since the last inspection is that the pond is frozen.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: 

Date: 12/15/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	15-Dec-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection		
1. Describe any appearance of any instability, structural weakness, or any other hazardous condition. N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.			
Required for an impoundment which functions as a SEDIMENTATION POND.	2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment. Sediment Storage Capacity: 60 % Elevation: 6894.07 (3.07') 100% Elevation: 6895.72 (4.72') The pond contained approximately 2.5' of water (frozen). The sediment marker has been installed, and field observation shows the sediment level to be well below the cleanout elevation.		
	3. Principle and emergency spillway elevations. Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways) Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09') Required runoff storage: 1.70 Acre-Feet		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6893.5. Both pond inlets have been rip-rapped. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

Changes noted since the last inspection include a slight increase in water level and the pond is now frozen.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: *Dan W. Guy* Date: 12/15/11

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/15/11
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	Impoundment Name	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	15-Dec-11		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.		
<p>1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.</p> <p>No instability of the embankment or hazardous condition was noted during the inspection.</p>			
Required for an impoundment which functions as a SEDIMENTATION POND.	<p>2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.</p> <p>Sediment Storage Capacity: 60 % Elevation: 6803.17 (2.17') 100% Elevation: 6803.82 (2.82')</p> <p>The pond contained approximately 2' of water (frozen). The sediment marker has been installed, and field observation shows the sediment level to be well below the cleanout elevation.</p>		
	<p>3. Principle and emergency spillway elevations.</p> <p>Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 3 serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 7.98 Acre-Feet (Elev. 6811.00')</p> <p>Required runoff storage: 6.72 Acre-Feet</p>		

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The water level is approximately at elevation 6803. Permanent Inlet Ditch 4 has been installed and is functional. The open-channel spillway has been rebuilt and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

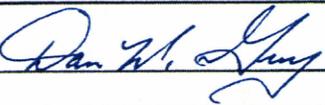
The changes noted since the last inspection include an increase in the water level and the installation of the inlet ditch No. 4 per the permit.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature:  Date: 12/15/11