



# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

**MICHAEL R. STYLER**  
Executive Director

### Division of Oil, Gas and Mining

**JOHN R. BAZA**  
Division Director

# Inspection Report

Permit Number:	<b>C0250005</b>
Inspection Type:	COMPLETE OVERSITE
Inspection Date:	Wednesday, April 04, 2012
Start Date/Time:	4/4/2012 10:00:00 AM
End Date/Time:	4/4/2012 3:00:00 PM
Last Inspection:	Wednesday, March 21, 2012

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 70 Deg. F.

InspectionID Report Number: 3067

Accepted by: jhelfric

5/7/2012

Representatives Present During the Inspection:	
Company	Kirk Nicholes
Company	Larry Johnson
OGM	Karl Houskeeper
OSM	Christine Belka
OGM	Steve Christensen
OGM	April Abate
OGM	Kenneth Hoffman
OGM	Amanda Daniels
OSM	Brent Means
OSM	Paul Clark

Permittee: **ALTON COAL DEVELOPMENT LLC**

Operator: **ALTON COAL DEVELOPMENT LLC**

Site: **COAL HOLLOW**

Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**

County: **KANE**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

#### Current Acreages

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

#### Mineral Ownership

- Federal
- State
- County
- Fee
- Other

#### Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

A complete oversight inspection in addition to effluent discharges or potential discharges were evaluated.

Inspector's Signature:

*Karl R. Houskeeper*

Date

Monday, April 09, 2012

Karl Houskeeper,

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 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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## Inspection Continuation Sheet

*Page 2 of 5*

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

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

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

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

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

The current DOGM permit C/025/0005 was issued effective 11/08/2010 and expires 11/08/2015.

-Certificate of Insurance policy number MNG880007-01, issued 06/01/2011 and terminates 06/01/2012.

-UPDES permit # UTG040027 effective 05/01/2009 and expires @ midnight 04/30/2013.

-Air Quality permit DAQE-AN0140470-02-10, issued November 10, 2010.

-SPCC Plan dated 05/04/2011. The Plan is P.E. certified, stamped, signed and dated by a Utah P.E.

## **2. Signs and Markers**

The mine identification sign is posted on the fence at the entrance into the permit area. The sign contains all of the information required by regulation. The signs are large enough to make them legible as you enter the site.

### **4.a Hydrologic Balance: Diversions**

The Robinson Creek re-routed diversion was observed and traversed during the inspection. Items of concern were the erosion of the bottom of the diversion. This item has been identified in the past and plans were made at that time to armour the bottom of the diversion. Those plans are still in place and are planned for in the spring of 2012. In addition one location along the bank showed some erosion from a water build up that has flowed down into Robinson Creek. This area needs to be repaired.

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

Sediment ponds 1, 1a, 2, and 3 were visited during the complete inspection. Pond 3 is near the decant line, but remains functional. The inlet near the outlet on pond 2 was discussed and alternatives were weighed to prevent short circuiting without proper retention time.

Fourth quarter 2011 pond inspections were completed on 12/15/2011. The report date is 12/15/2011. The report is P.E. certified, dated, stamped and signed on 12/15/2011. The reports in the future need to include the elevation of the existing sediment level.

First quarter 2012 pond inspections have been done, but the reports were not available at the time of the inspection..

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

Removal of silt fences near pond 1a were discussed. It was decided that siltation structures are still needed, but that wattles are an acceptable alternative.

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

Reviewed the January 2012 discharge monitoring reports as part of the complete inspection. There were no discharges during the month of January 2012.

**5. Explosives**

No explosives are kept on site. Reviewed the blasting records from three separate blasts that have occurred. The blasts were done by a certified blaster in the State of Utah (Matt Raddon). A copy of his certificate is kept on file at the mine site. The blasts occurred on 11/18/2011, 1/5/2012 and 2/28/2012. It was discussed that the reports need to be a little more clear of how many pounds of explosive were detonated within each 8 ms delay.

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

The excess spoil pile was inspected on 12/15/2011, A report dated 12/15/2011 was compiled. The report is P.E. Dated signed and certified stamped on 12/15/2011.

**8. Noncoal Waste**

The entire mine site was observed as part of the complete oversight inspection. The site was found to be free of noncoal waste items.

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

The roads were graded and functional. The need for as-built drawings on site in addition to the main office located in Cedar City was brought out during the inspection.

**21. Bonding and Insurance**

A current copy of the bond needs to be kept at the mine site in addition to the copy located at the main office in Cedar City.

Bond #1057708 for \$6,045,000.00 on October 22, 2010.