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GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 06, 2012
Start Date/Time:	11/6/2012 8:00:00 AM
End Date/Time:	11/6/2012 2:00:00 PM
Last Inspection:	Tuesday, October 16, 2012

Representatives Present During the Inspection:	
Company	Kirk Nicholes
OGM	Karl Houskeeper

Inspector: Karl Houskeeper

Weather: Clear Skies, Temp. 66 Deg. F.

InspectionID Report Number: 3287

Accepted by: jhelfric

12/10/2012

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	Total Permitted
289.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

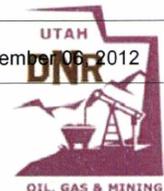
Mining is taking place in the North end of Pit #6. A portion of this seam was blasted on 30-Oct-2012 to loosen the seam so that it can be extracted. The North end of Pit #7 still needs to be mined. Overburden is being removed from the South of Pit #6 and the North of Pit #7 where they intersect each other.

Inspector's Signature:

Date Tuesday, November 06, 2012

Karl Houskeeper,
Inspector ID Number: 49

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



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Inspection Continuation Sheet

REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 06/01/2012 and terminates 06/01/2013.

-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 signs are posted on the fence at the entrance's into the permit area. The signs contain all of the information required by regulation. The signs are large enough to make them legible as you enter the mine site.

3. Topsoil

Topsoil was actively being stripped off the top of Pit #8 & #9 during the complete inspection. The topsoil is being placed into topsoil pile #4.

4.a Hydrologic Balance: Diversions

There is an area North of the diversion that leads to pond #3 that has been seeded and reclaimed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Third quarter 2012 pond inspections were completed on 9/25/2012. The report is P.E. certified, dated, stamped and signed. The reports in the future need to include the elevation of the existing sediment level. To date this elevation has not been part of the report. A reminder was issued on the last complete inspection as was on this current inspection. Kirk Nichols indicated that all of the ponds had water in them during the inspection which made it prohibitive to acquire the existing sediment elevation. .

4.e Hydrologic Balance: Effluent Limitations

Reviewed the July, August and September 2012 discharge monitoring reports as part of the complete inspection. There were no discharges during the referenced month's.

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5. Explosives

The following blasting records were reviewed:

Blast #6 16-Jul-2012 49,761 lbs
Blast #7 17-Jul-2012 1,922 lbs
Blast #8 18-Sept-2012 23,638 lbs
Blast #9 27-Sept-2012 4,898 lbs
Blast #10 11-Oct-2012 4,805 lbs
Blast #11 12-Oct-2012 6,786 lbs
Blast #12 30-Oct-2012 7,160 lbs

Each blast record had a drawing showing the hole pattern and delays used.

6. Disposal of Excess Spoil, Fills, Benches

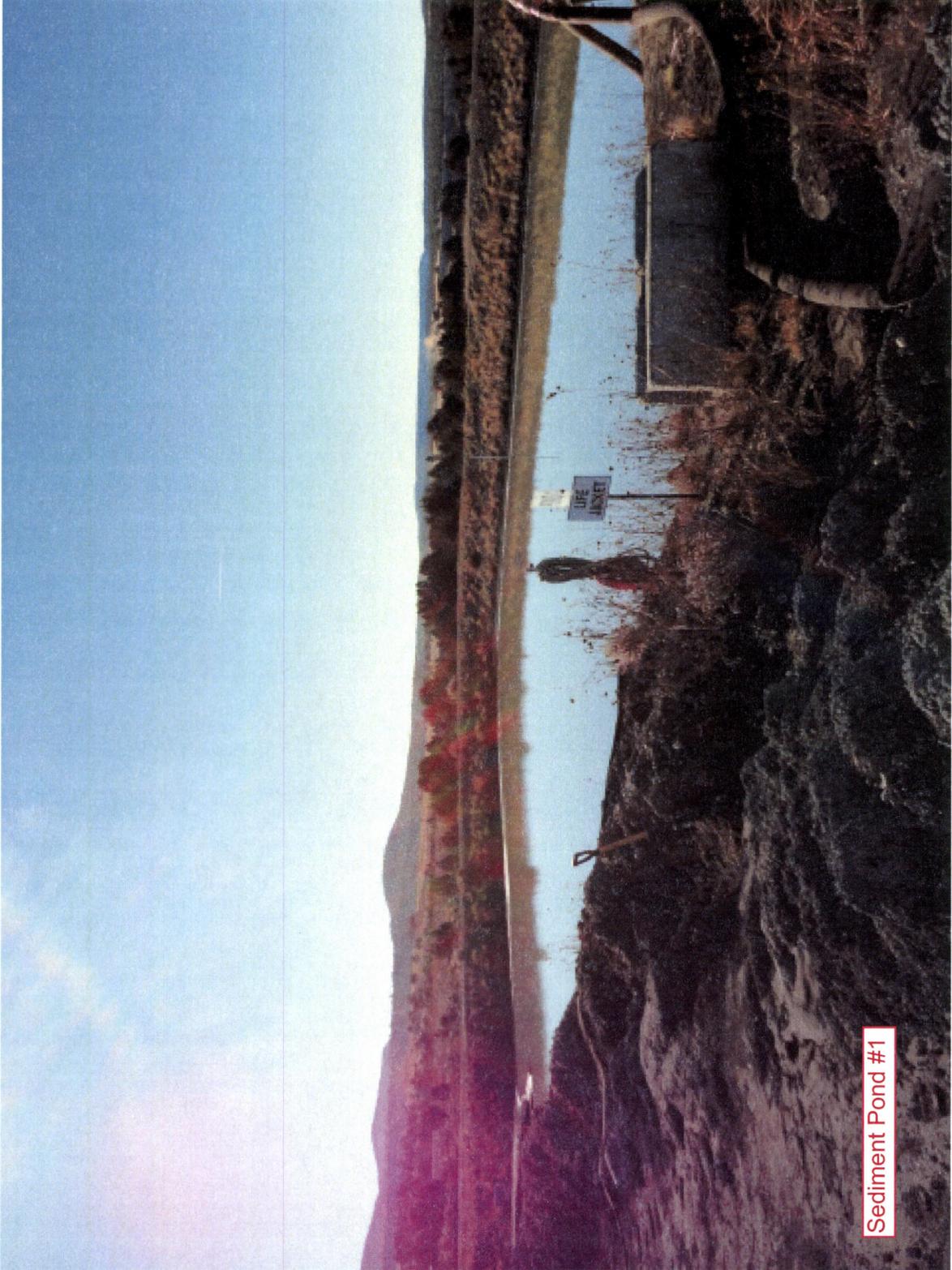
The excess spoil pile was inspected for the third quarter 2012 on 9/25/2012. The report is P.E. dated signed and certified stamped.

20. Air Quality Permit

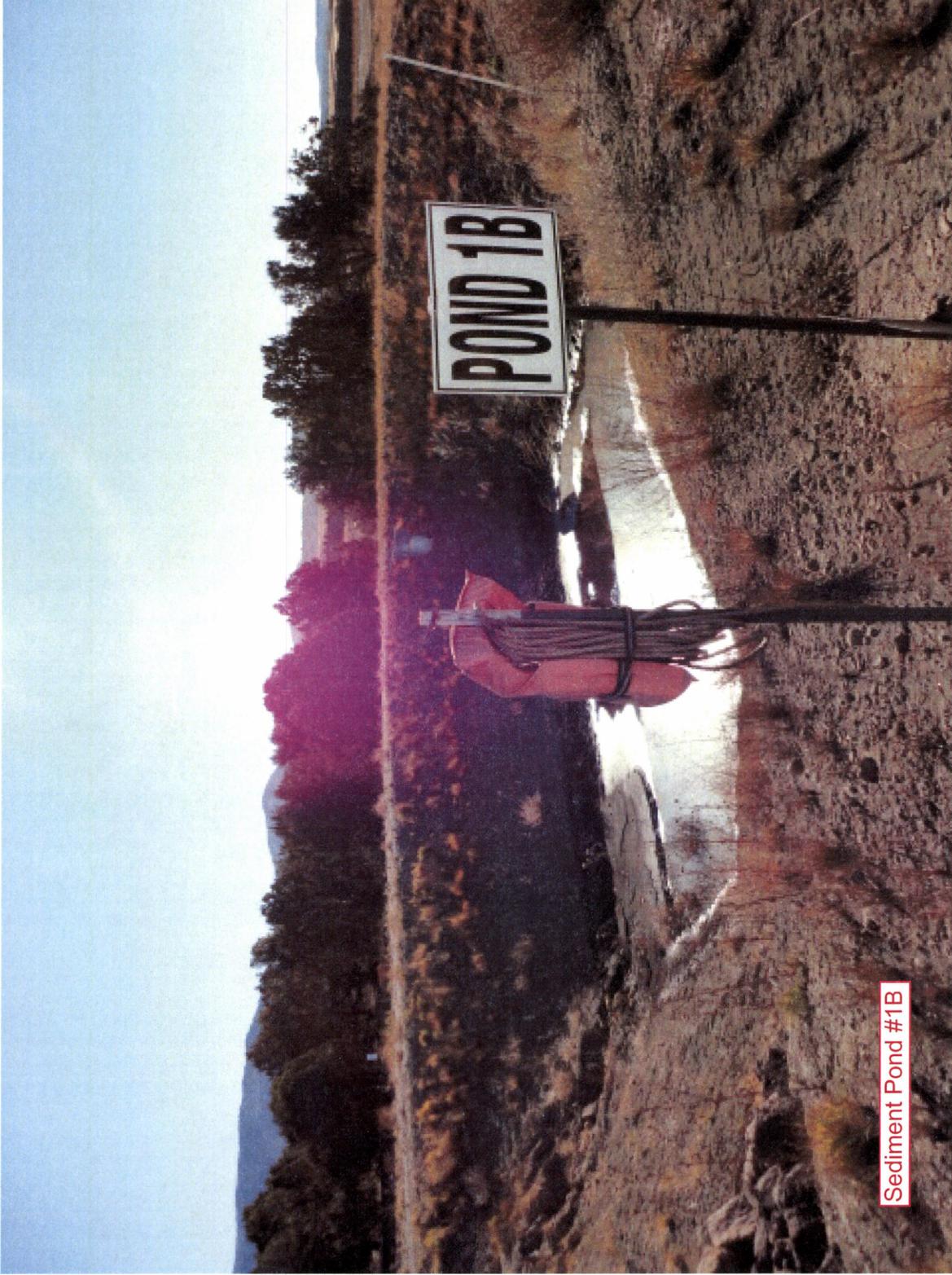
DAQEAN0140470002-10 ISSUED November 10, 2010.

21. Bonding and Insurance

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



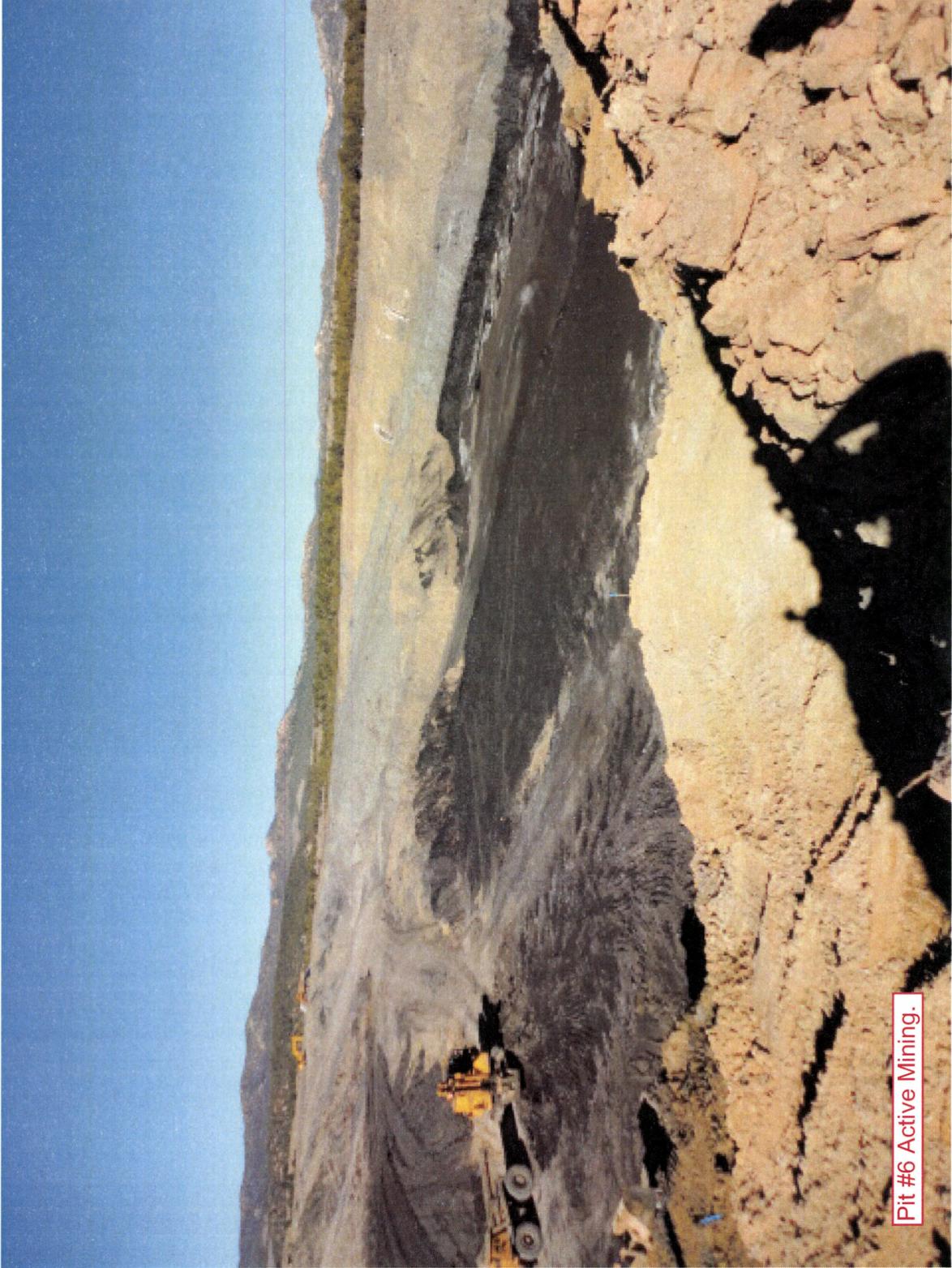
Sediment Pond #1



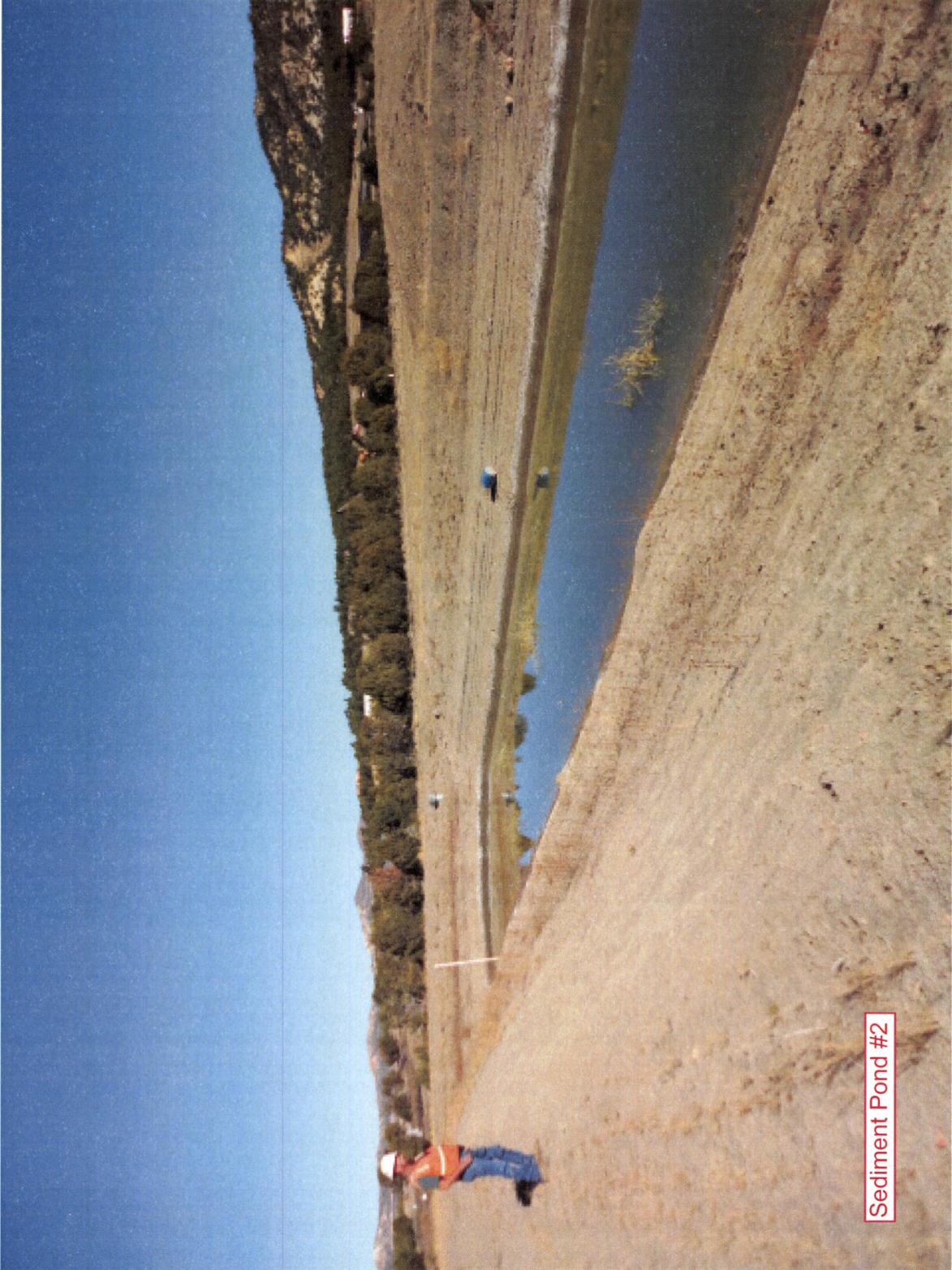
Sediment Pond #1B



Pit #6 Active Mining.



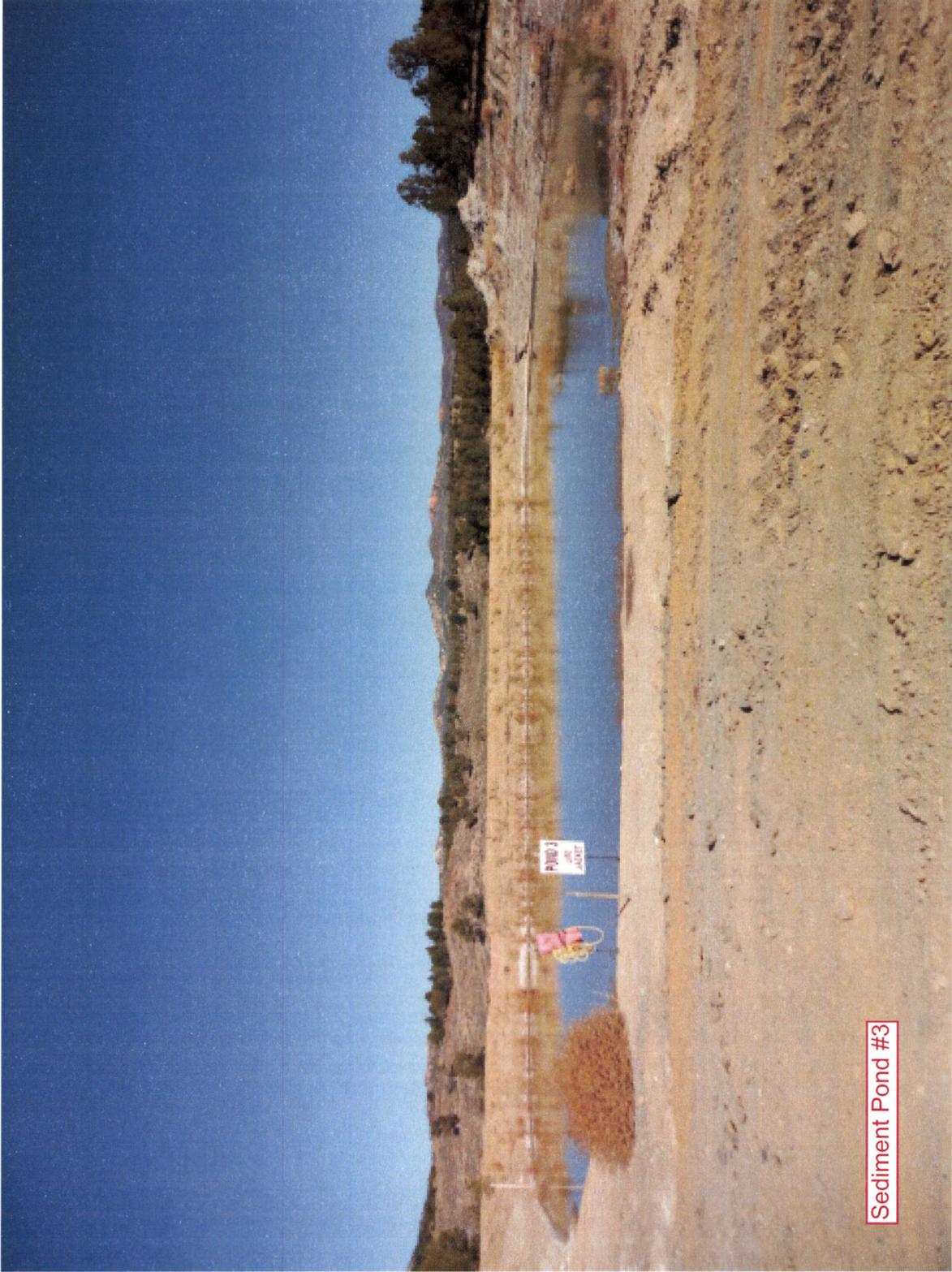
Pit #6 Active Mining.



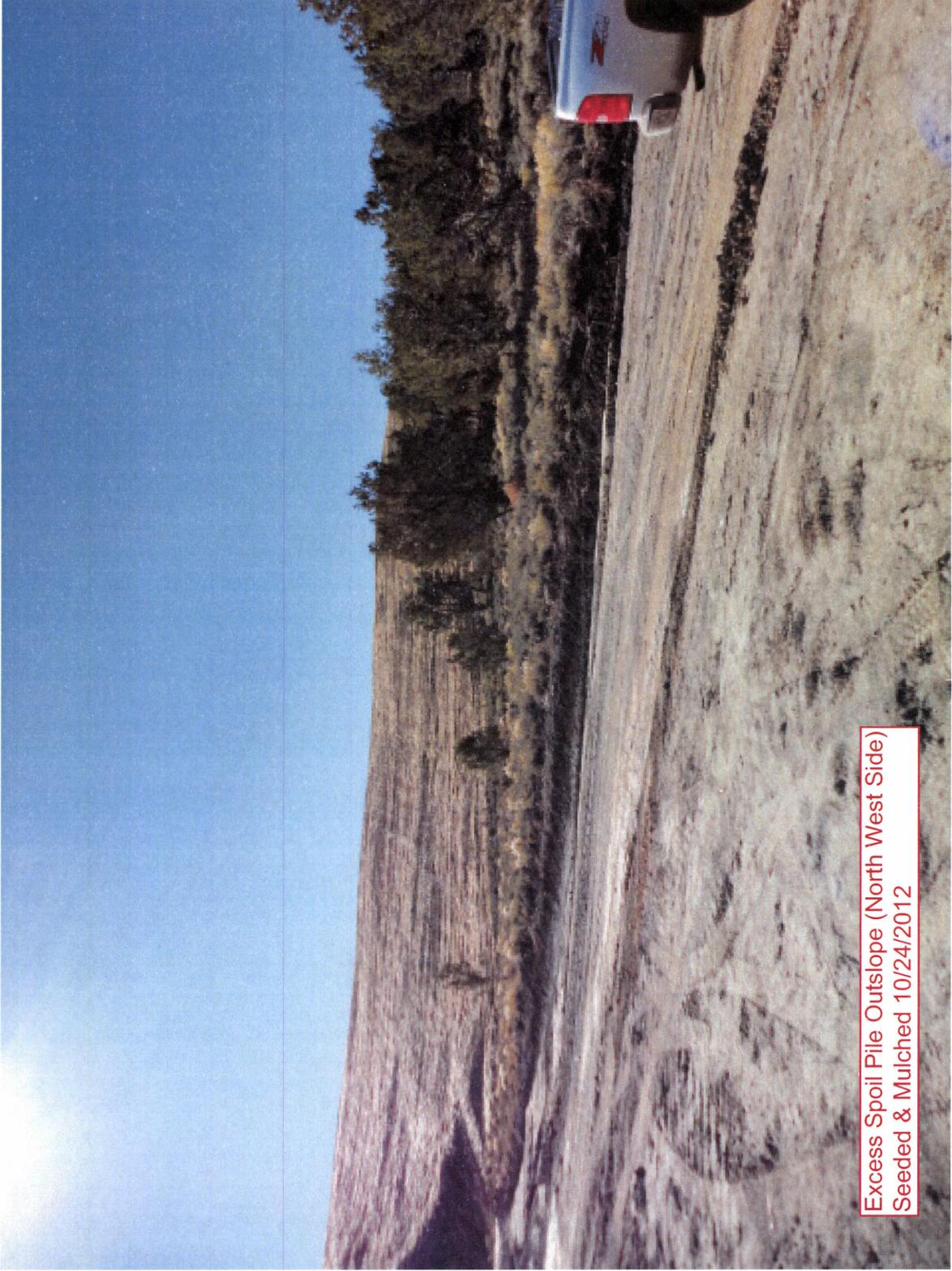
Sediment Pond #2



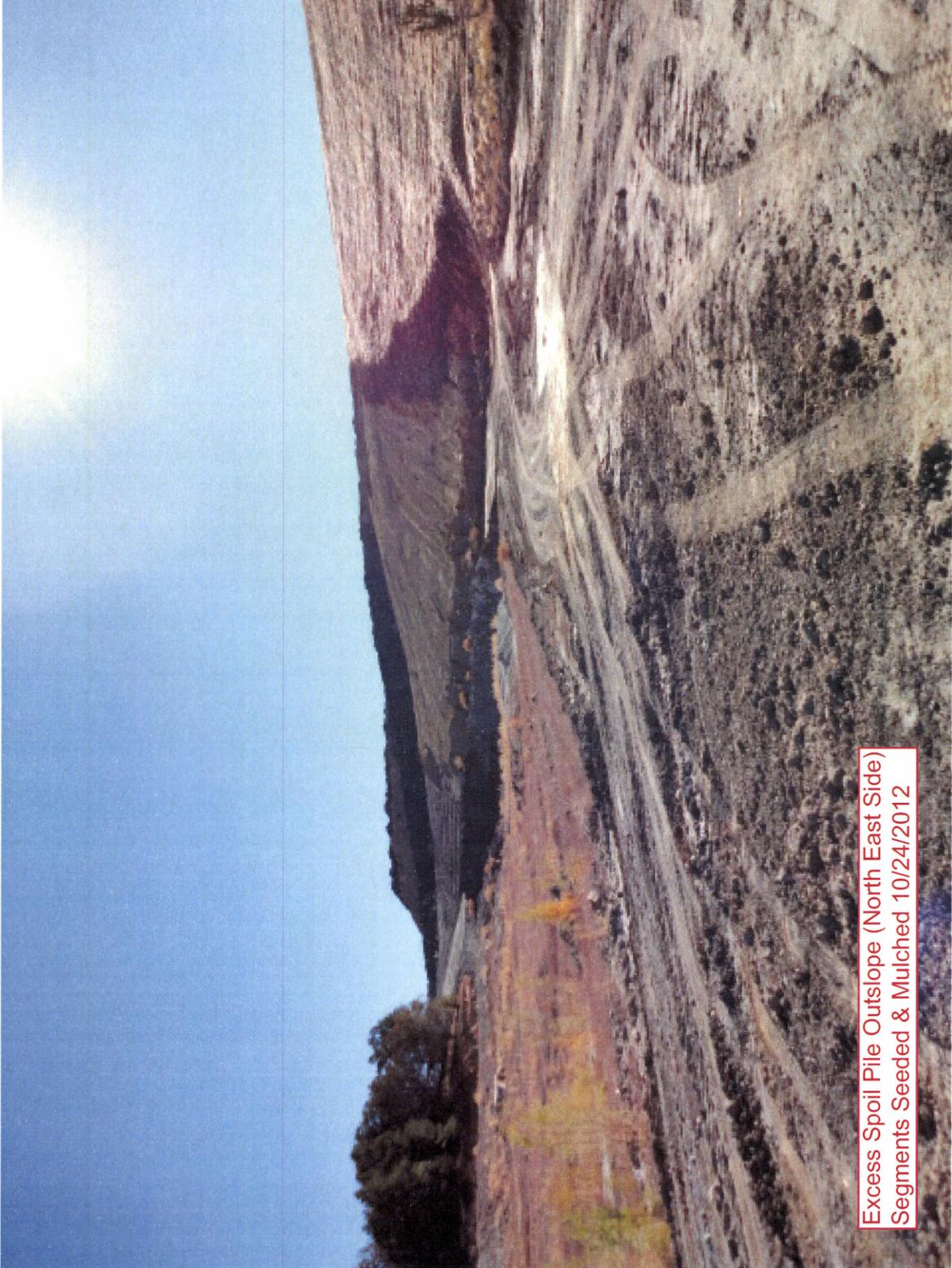
Sediment Pond #2



Sediment Pond #3



Excess Spoil Pile Outslope (North West Side)
Seeded & Mulched 10/24/2012



Excess Spoil Pile Outslope (North East Side)
Segments Seeded & Mulched 10/24/2012