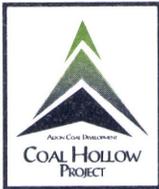


C/025/005 Incoming

#4390

OK



Alton Coal Development, LLC

463 North 100 West, Suite 1
Cedar City, Utah 84720
Phone (435) 867-5331 • Fax (435) 867-1192

August 8, 2013

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

Subject: Clarification of mitigation commitments, Alton Coal Development, LLC, Coal Hollow Project, Kane County, Utah, C/025/0005

Dear Mr. Haddock,

Alton Coal Development, LLC (ACD) met with Division of Oil, Gas, and Mining (DOG M) employees concerning Citation #10123 on July 22, 2013. DOGM was adamant that the required mitigation for Sage-grouse for Coal Hollow Mine would be 4:1 or 4 acres of mitigation for each acre disturbed rather than the 1700 acres Please find enclosed 2 (two) redline strike out and 2 (two) clean copies for review and insertion into the MRP. Please do not hesitate to contact me if you have any questions.

Sincerely

B. Kirk Nicholes
Environmental Specialist

RECEIVED

AUG 09 2013

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer

Permittee: Alton Coal Development, LLC

Mine: Coal Hollow

Permit Number: C/025/0005

Title: Appendix 3-5 Change

Description, Include reason for application and timing required to implement:

Clarification of mitigation commitments

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- Yes No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ increase decrease.
- Yes No 2. Is the application submitted as a result of a Division Order? DO# _____
- Yes No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
- Yes No 4. Does the application include operations in hydrologic basins other than as currently approved?
- Yes No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
- Yes No 6. Does the application require or include public notice publication?
- Yes No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
- Yes No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
- Yes No 9. Is the application submitted as a result of a Violation? NOV # _____
- Yes No 10. Is the application submitted as a result of other laws or regulations or policies?

Explain: _____

- Yes No 11. Does the application affect the surface landowner or change the post mining land use?
- Yes No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
- Yes No 13. Does the application require or include collection and reporting of any baseline information?
- Yes No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
- Yes No 15. Does the application require or include soil removal, storage or placement?
- Yes No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
- Yes No 17. Does the application require or include construction, modification, or removal of surface facilities?
- Yes No 18. Does the application require or include water monitoring, sediment or drainage control measures?
- Yes No 19. Does the application require or include certified designs, maps or calculation?
- Yes No 20. Does the application require or include subsidence control or monitoring?
- Yes No 21. Have reclamation costs for bonding been provided?
- Yes No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
- Yes No 23. Does the application affect permits issued by other agencies or permits issued to other entities?

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

B. Kirk Nicholes

Print Name

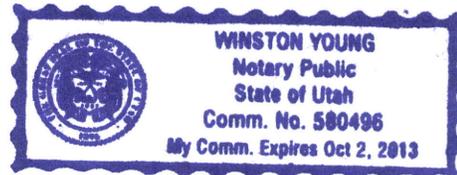
B. Kirk Nicholes, Env. Specialist, 8/5/13

Sign Name, Position, Date

Subscribed and sworn to before me this 8 day of August, 2013

[Signature]
Notary Public

My commission Expires: 10/02, 2013 }
Attest: State of UTAH } ss:
County of IRON



<p>For Office Use Only:</p>	<p>Assigned Tracking Number:</p>	<p>Received by Oil, Gas & Mining</p> <p style="font-size: 1.2em; color: red; font-weight: bold;">RECEIVED</p> <p style="font-size: 1.2em; color: black; font-weight: bold;">AUG 09 2013</p> <p style="color: red; font-weight: bold;">DIV. OF OIL, GAS & MINING</p>
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To establish effective plans for habitat improvement and connectivity, UDOGM, UDWR, ACD and interested biologists (such as Renee Chi, Amy Defreese, Kevin Heaton and Lisa Church) will be invited to meet and work on these plans. The purpose for these improvements is to increase connectivity for sage-grouse migration and critical sage-grouse nesting and brood-rearing habitat. The goal for habitat improvement will be returning a sustainable ecological condition (state) that facilitates plant community establishment and increased ecological resilience along with providing improved habitat for sage-grouse.

~~1700 acres are required during the life of the mine. Currently, 1200 acres remain to be treated, or approximately 240 acres per year. ACD agrees to mitigate acres disturbed by mining activities on a four to one ratio, i.e., treatment of four acres for each acre of disturbance per year.~~ The emphasis of this work will consist of pinyon-juniper removal and some sagebrush/Rabbitbrush treatments. Treatment types (options for habitat improvement) associated with PJ removal include:

- 1) Chaining (and seeding if necessary)
- 2) Lop and scatter
- 3) Bullhog (and seed if necessary)
- 4) Bulldozer / track hoe for knocking trees down (stack and burn optional)
- 5) Prescribed fire (and seed if necessary) and chaining

Pinyon juniper removal efforts will be focused on the following areas (in order of treatment)

- 1) Private lands east of the mine site (Pugh and Heaton, see Figure 6)
- 2) Private lands south of Alton
- 3) Private lands within the occupied sage-grouse habitat regions delineated by the UDWR which includes PJ woodlands from immediately south of Sink Valley through Skutumpah Terrace (Drawing 3-9).

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ACD and UDOGM will reevaluate these habitat improvement plans on an annual basis to ensure that habitat treatments are being implemented with optimal sage-grouse