

C/025/005 Incoming

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#4437

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DENVER
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October 18, 2013
VIA HAND DELIVERY

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OCT 18 2013

DIV. OF OIL, GAS & MINING

Mr. Daron Haddock
Utah Division of Oil, Gas and Mining
1594 West North Temple
Salt Lake City, Utah 84116

RE: Response to September 11, 2013 Request to Vacate NOV 10123 -- Alton Coal Development, LLC, Coal Hollow Mine, C/025/0005, Task ID #4390

Dear Daron:

On behalf of Alton Coal Development, LLC (“Alton” or “ACD”), enclosed in response to the Division’s request dated September 11, 2013 is the executed C-1; C-2 application for coal permit processing amending Appendix 3-7, 2013 Sage Grouse Habitat Mitigation Project as follows:

1. Amendment to the text of MRP Appendix 3-7 to address the 355 acre mitigation project;
2. Tree Density Estimate Study prepared by Dr. Steven Petersen confirming that the 355 acre mitigation treatment area is in or adjacent to critical habitat for the Greater Sage-grouse. This study confirms that Alton’s treatment proposal should receive full credit for the entire 355 acres.
3. Project approvals including:
 - (a) BLM’s letter to dated September 19, 2013, authorizing Alton to undertake the mitigation project with the 355 acres of BLM surface lands; and
 - (b) BLM’s letter dated August 1, 2013 to the State Historic Preservation Officer seeking concurrence, which is executed as of August 6, 2013 with SHPO’s concurrence.
4. Photographs showing the treatment area prior to mitigation.
5. Maps to the scale of 1:24,000 showing the 2013 mitigation.

Mr. Daron Haddock
October 18, 2013
Page 2

On the basis of this submittal and pursuant to the settlement agreement between Alton and the Division, we request termination of NOV #10123.

Please let me know if you have questions or would like to discuss this matter further.

Very truly yours,



Denise A. Dragoo

DAD:jmc
Enclosures

cc: Dana Dean (via e-mail)
Kirk Nicholes (via e-mail)
Larry Johnson (via e-mail)
Dr. Steven Petersen (via e-mail)

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 3-7 2013 Sage-grouse Habitat Mitigation Project

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

Task ID #4390

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

- | | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # <u>10123</u> |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies?
<i>Explain:</i> _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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 Nicholas
Print Name

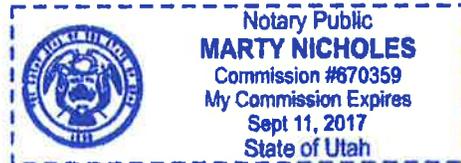
B. Kirk Nicholas, Engr. Specialist, 10/15/2013
Sign Name, Position, Date

Subscribed and sworn to before me this 15 day of October, 2013

Marty Nicholes
Notary Public

My commission Expires:

Attest: State of Utah } ss:
County of Iron



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DIV. OF OIL, GAS & MINING

Appendix 3-7

2013 Sage-grouse Habitat Mitigation Project

Throughout the year, sage-grouse can typically be found utilizing the sagebrush flat southeast of the current Coal Hollow Mine operations. Within the sagebrush flat and surrounding area, pinyon and juniper trees are invading creating a concern for sustaining the current sage-grouse population. Lisa Church, Wildlife Biologist with the Kanab Field Office, BLM was consulted about the possibilities of the mine completing a P/J Lop & Scatter project to improve the habitat for the current sage-grouse population.

A project area of 355 acres was proposed by ACD Sage-grouse Consultant, Dr. Steven Petersen. This project area is presented in Figure 1. Dr. Petersen has also provided a “Tree Density Estimate Study” with information pertaining to the conditions of the area prior to treatment and the importance of this area to the local population of Sage-grouse. Additional photos have been included to depict conditions of the project area prior to treatment as Figures 2 through 12.



Figure 1 Ariel Photo of 355 Acre Pinyon/Juniper Lop & Scatter Project

The project size is based on the anticipated total disturbance of the Coal Hollow project in 2013. The mine anticipates having a total disturbance of 255 acres in 2013. Sage-grouse mitigation for the mine has been determined to be a 4:1 ratio, i.e. 4 acres of mitigation for each 1 acre disturbed for mining. Thus Coal Hollow Mine is accountable for 1020 acres of mitigated acres in 2013. A topographic map, scaled 1' = 2,400' has been provided showing the locations of past and proposed mitigation efforts. An accounting of past mitigation efforts completed by the mine and the proposed treatment for 2013 are provided in the following table:

500	Acres credited in the 2009-2011 corridor by DOGM
72	Sage-grouse conservation area

146	Acres P/J-Rabbitbrush completed in 2012
<u>355</u>	<u>Acres proposed in 2013 on BLM lands</u>
1073	Total acres of mitigation

Also, included in this this appendix, are the approvals that were necessary for this project to be completed on lands managed by the BLM. The 355 acre project area falls within the completed Upper Kanab Creek EA, thus once concurrence was obtained from SHPO to hand cut trees located within known archaeological sites BLM approval was granted.

With approvals in place the project will be available to begin October 1, 2013 and will be expected to be completed by November 30, 2013. The work includes cutting all trees of pinyon and juniper species within the project area. This work includes cutting trees to specification, sectioning the boles to 48" with a stump height not to exceed 6". This does not include lopping or cutting the stems from the boles of the cut trees, any pruning on remaining trees or any removal of material from the job site.

Tree Density Study

Because this area is potentially the most important habitat for sage-grouse in the Alton area, it is important to maintain high habitat quality for this area. Small trees could be cut or chemically treated to prevent tree survival and growth. The tall trees may already be impacting habitat use in this area and should be cut and removed. The smaller trees will eventually grow and impair habitat quality (nesting and brood rearing habitat in particular) for this area. Based on this assessment, this area should be treated by removing all juniper and subsequently monitored for further juniper invasion to maintain its high quality habitat. This treatment should include all size classes (Figure 2). Because of its importance to the local sage-grouse population, this area and treatment proposal should be considered as equally important in habitat improvement compared to any other proposed habitat improvement project (deserves full credit).

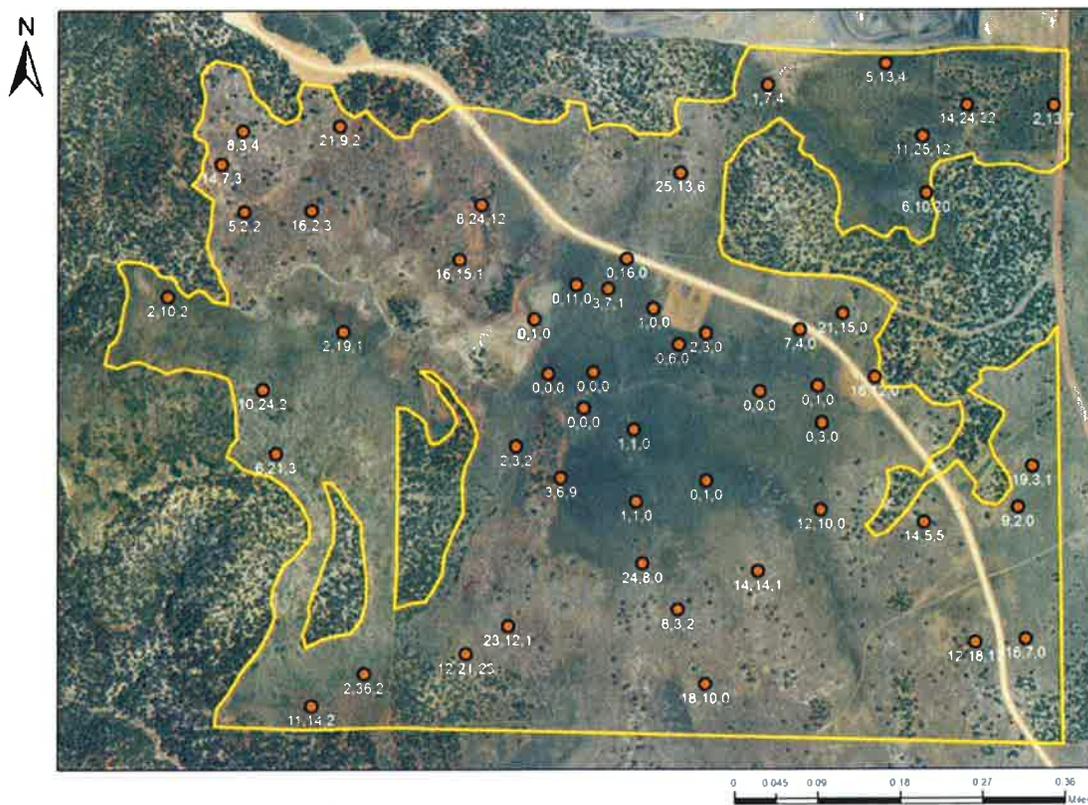


Figure 2. size classes of trees occurring in each plot. Values reported next to each plot represent tree size classes of <2 ft tall, 2-10 ft tall, and >10 ft. tall, respectively.

The number of trees growing in closed woodlands were sampled to compare tree densities with those in the sagebrush field. In two random plots located adjacent the field (east) the total number of trees were counted. One woodland plot had a total of 92 trees (118 trees per acre) and the other had 140 trees (179 trees per acre). These trees represent a limitation of sage-grouse habitat for this area. The complete removal of these woodlands would increase potential habitat for this critically important area.

Steven J. Petersen

Dr. Steven Petersen

ACD Sage-grouse Consultant

597 W. 350 N., Springville, Utah

Steven_Petersen@byu.edu

(801) 422-4885

Approvals



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Color Country District - Kanab Field Office
669 S Highway 89 A
Kanab, Utah 84741
435-644-1200

IN REPLY REFER TO:
LLUTCO04000-3425

September 19, 2013

Kirk Nicholes
Alton Coal Development, LLC
463 North 100 West Suite, 1
Cedar City, UT 84720

Dear Mr. Nicholes:

This letter confirms that BLM has authorized Alton Coal Development, LLC to undertake the removal of pinyon and juniper trees within the 355 acres of BLM surface land adjacent to the Coal Hollow Mine to enhance habitat for Greater Sagegrouse. The 355 acre area is located within Section 26 of Township 39, South Range 6 West, and Section 30 and Township 39 South, Range 5 West, Kane County, UT. We provided and email to you on July 29, 2013, authorizing the activity subject to State Historic Preservation Office (SHPO) concurrence. We received SHPO concurrence on August 6, 2013, of our letter to them dated August 1, 2013, requesting such concurrence. This letter has been provided to you in a previous email.

If you have questions, please feel free to contact me directly at 435-644-1200

Sincerely,

Harry Barber
For Kanab Field Office Manager
llc



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Color Country District Office
Cedar City Field Office
176 East DL Sargent Drive
Cedar City, UT 84721
Telephone (435) 586-2401

www.blm.gov/ut/st/en/fo/cedar_city.html

In Reply Refer To:
8100
(UT-100)

August 1, 2013

Ms. Lori Hunsaker
Deputy State Historic Preservation Officer
Utah State Historical Society
300 Rio Grande
Salt Lake City, Utah 84101-1182

PART I. Project Description

County: Kane
Project Number:

The following undertaking is located in:
T: 39S R: 6W Section 26
T: 39S R: 5W Section 30
On the Alton, Utah USGS 7.5' Quadrangles.

Project Name:
Alton Coal Sage Grouse Mitigation Vegetation Treatment, Kane County, Utah

This undertaking:

Table with 2 columns: checkbox and description. Row 1: x (1) is a non-routine interstate and/or interagency project or program. Row 2: (2) directly affects a National Register eligible or listed property. Row 3: (3) has been determined by BLM, the SHPO or the Council to be highly controversial. Row 4: (4) is one of the following: a land exchange, land sale, Recreation and Public Purpose lease, or transfer. Row 5: x (5) is one which we wish to bring to your attention.

PART II. Determination of Eligibility to the National Register of Historic Places.

Alton Coal is proposing to conduct a vegetation enhancement project near Alton, Utah as mitigation for impacts resulting from the operation and maintenance of the mine. The project is located on lands entirely managed by the Bureau of Land Management Kanab Field Office (BLM). In accordance with the Protocol, I am requesting you review this information because it both exceeds the review thresholds defined in the Protocol and is one which I would like to bring to your attention.

Treatments are planned for 355 acres of sagebrush, pinyon and juniper on lands administered entirely by the BLM. The area was previously treated using bullhog equipment, but at the time size restrictions were placed on larger trees, resulting in a number of remaining pinyon and juniper trees. In addition, all eligible archaeological sites were avoided, leaving often large islands of pinyon and juniper trees. This area has been identified as prime sage grouse habitat and an essential corridor for the southern most sage grouse population in the Western U.S.

BUREAU OF LAND MANAGEMENT
CEDAR CITY, UT 84721

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Removing the remaining pinyon and juniper trees will reduce the potential for sage grouse predators and improve overall habitat conditions. Trees will be removed using chainsaws.

The project area was most recently inventoried by Montgomery Archaeological Consultants in 2005 (U05MQ1568). Within the proposed project area, a total of 25 archaeological sites were identified. Of those 25 sites, 19 have been determined to be Eligible for the National Register of Historic Places (NRHP).

Although crews will be removing vegetation within eligible site boundaries, the proposed project should not affect eligible sites in a manner that would compromise the attributes which make the sites eligible for the NRHP. Therefore, the proposed project should have No Historic Properties Affected on cultural resources.

BLM requests your concurrence on the following determinations of eligibility and effect:

DETERMINATION OF ELIGIBILITY					DETERMINATION OF EFFECT ON HISTORIC PROPERTIES		
SITE NUMBER	NOT ELIGIBLE	NEED DATA	ELIGIBLE	ELIGIBILITY CRITERIA	NO EFFECT	NO ADVERSE EFFECT	ADVERSE EFFECT
42KA1267			X	D		No Effect	
42KA1313			X	D		No Effect	
42KA1314			X	D		No Effect	
42KA2041			X	D		No Effect	
42KA2045			X	D		No Effect	
42KA2046	X					No Effect	
42KA2047			X	D		No Effect	
42KA2048			X	D		No Effect	
42KA2049			X	D		No Effect	
42KA2050			X	D		No Effect	
42KA6109			X	D		No Effect	
42KA6110			X	D		No Effect	
42KA6111	X					No Effect	
42KA6112	X					No Effect	
42KA6113			X	D		No Effect	
42KA6114			X	D		No Effect	
42KA6115			X	D		No Effect	
42KA6116			X	D		No Effect	
42KA6117			X	D		No Effect	

42KA6119			X	D	No Effect
42KA6120			X	D	No Effect
42KA6121			X	D	No Effect
42KA6122	X				No Effect
42KA6123	X				No Effect
42KA6125	X				No Effect

A narrative discussing not eligible, need data, and eligible cultural resources, along with a draft ___ treatment plan/ ___ MOA is attached.

Please review the enclosed documentation, then sign and return this letter with your comments within ten working days.

BUREAU OF LAND MANAGEMENT, COLOR COUNTRY DISTRICT

Samuel H. Hadden 8/1/13
 BY FIELD OFFICE ARCHAEOLOGIST DATE

for *[Signature]* 8/1/13
 BY FIELD OFFICE MANAGER DATE

UTAH STATE HISTORIC PRESERVATION OFFICER

Concur Do Not Concur
[Signature] 8.6.13
 BY DATE

COMMENTS:

Pre-Project Photo's



Figure 2



Figure 3



Figure 4



Figure 5



Figure 6



Figure 7



Figure 8



Figure 9



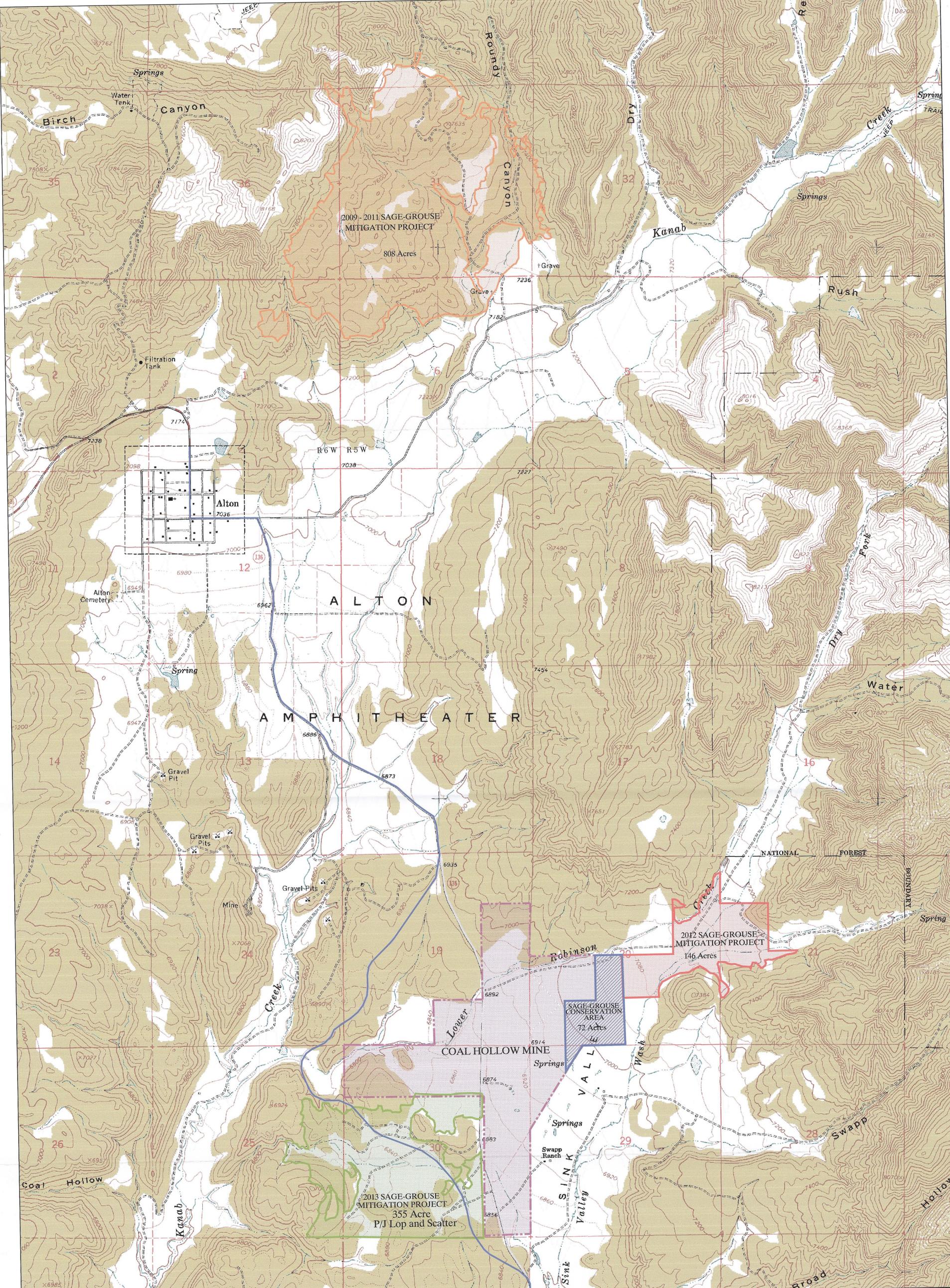
Figure 10



Figure 11



Figure 12



LEGEND:

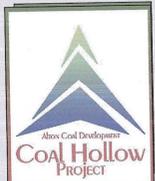
	PERMIT AREA
	2013 MITIGATION PROJECT BOUNDARY
	2012 MITIGATION PROJECT BOUNDARY
	2009-11 MITIGATION PROJECT BOUNDARY
	COUNTY ROAD

DRAWN BY: N. BUTKOVICH	CHECKED BY: LWJ
DRAWING: EXHIBIT	DATE: 9/16/2013
	SCALE: 1" = 2400'
JOB NUMBER:	SHEET

**2013 SAGE-GROUSE
MITIGATION PROJECT**

**COAL HOLLOW
PROJECT
ALTON, UTAH**

REVISIONS	DATE:	9/16/2013
	BY:	KN



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

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