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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 the date specified in the cover letter. 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, LLC	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

DOG M File Location or Annual Report Location

Excess Spoil Piles	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Other:		

OPERATOR COMMENTS

Ponds 1, 1B, 2, and 3 were constructed in the 1st quarter of 2011. Certified inspection of all ponds and the Excess Spoils Pile was completed on Mar. 27, 2012. Certified Inspection of the Excess Spoils Pile and Quarterly inspections of the constructed ponds were completed on 6/20/2012 for 2nd quarter, 9/25/2012 for 3rd quarter, and 12/7/2012. Copies of the Excess Spoils pile and Impoundment inspections are included in this submittal.

REVIEWER COMMENTS Met Requirements Did Not meet Requirements

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

31,480 c.y. of topsoil were removed, all of which was placed in Topsoil Pile #4. Approximately 40,000 c.y. of subsoil was live hauled to the area reclaimed on the Excess Spoils pile 2012.

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. Please include any reports from USDA Wildlife Services.

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

Operator Comments

ACD through a contract with Wildlife Services continued it's predator control requirements in 2012. Wildlife Services report and a drawing showing the location of predator control are included in Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report 2012, a copy of which has been attached with this submittal.

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

A wildlife awareness discussion was held on Sept. 15 2012 in conjunction with other training. A copy of the sign in sheet is attached with this submittal.

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

The water replacement well was drilled in October of 2010 and is fully functional. Overburden removal for pit 13 will not occur until late 2014 and pit 14, 15 in 2015.

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

ACD completed tree removal and Rabbitbrush treatment on approximately 146 acres of private property adjacent to the Coal Hollow Mine. Additional information is included in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report for 2012.

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

Decoying was employed in 2012 at an alternate lek. Additional information is provided in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report for 2012

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, Chapter 5, page 5-59.

Operator Comments

Reclamation began in the fall of 2012 with the planting of 7 acres of the Excess Spoils Pile. It is anticipated that 50 - 60 acres of reclamation will be completed every year with approximately 170 acres being completed the final year of mining.

Reviewer Comments Did Not Meet Requirements Met Requirements

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 Training Log
Excess Spoil Pile and Impoundment Reports for 2012 (1st, 2nd, 3rd, and 4th Quarter)
EOY Mine Map
Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report

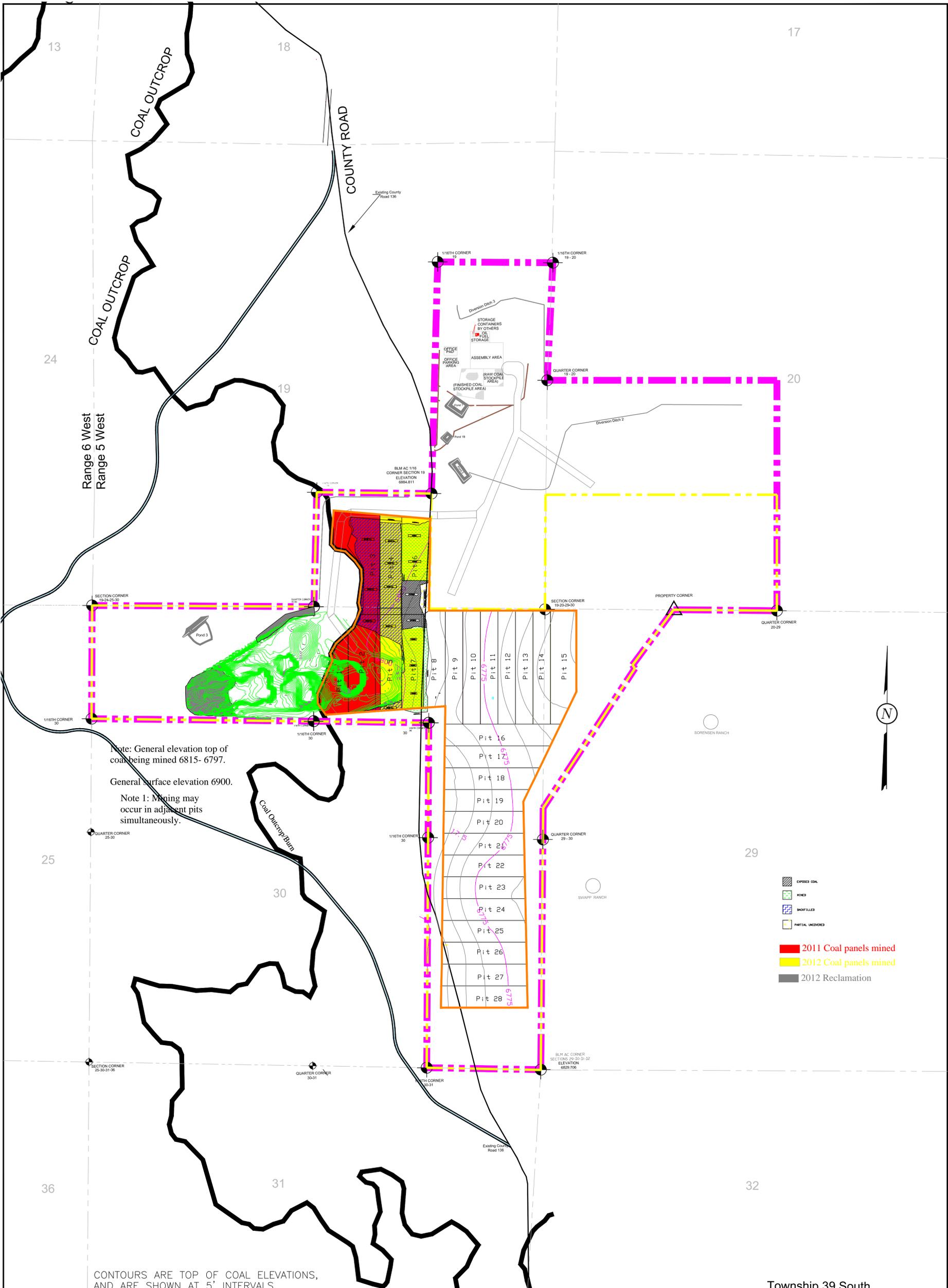
Reviewer Comments

MAPS

Copies of mine maps, current and up-to-date, 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



Note: General elevation top of coal being mined 6815- 6797.
 General surface elevation 6900.
 Note 1: Mining may occur in adjacent pits simultaneously.

CONTOURS ARE TOP OF COAL ELEVATIONS, AND ARE SHOWN AT 5' INTERVALS.

Township 39 South

LEGEND:

- PERMIT BOUNDARY
- PRIVATE COAL OWNERSHIP
- COAL LINE BOUNDARY
- SECTION LINE
- COUNTY ROAD
- FOUND SECTION CORNER
- FOUND PROPERTY CORNER

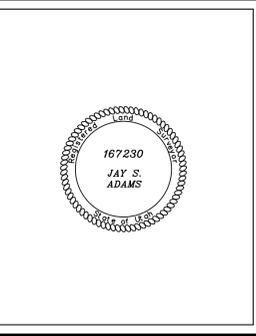
DRAWN BY: J. STANSFIELD C. McCOURT	CHECKED BY: LWJ
DRAWING: FIG. 7	DATE: 04/20/07
JOB NUMBER: 1400	SCALE: 1" = 500'
	SHEET

REVISIONS	
DATE:	BY:
09/20/12	JKSR
11/02/12	JKSR
12/04/12	JKSR
01/04/13	JKSR

MINE MAP

COAL HOLLOW PROJECT
 2060 S. ALTON ROAD
 ALTON UTAH, 84710

FIGURE 7



Alton Coal Development
Coal Hollow Project

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

Range 6 West
Range 5 West



Acres	Disturbance
105.5	Ancillary Areas
53.1	Area of Spoils Pile formation
19.7	Mining
44.1	Backfill/Grading for Reclamation
15.5	Topsoil Removal prior to Mining
9.0	Topsoiled for Reclamation
7.3	Reclaimed
254.2	Total Disturbance

Township 39 South

LEGEND:

	PERMIT BOUNDARY
	PRIVATE COAL OWNERSHIP
	COAL LINE BOUNDARY
	SECTION LINE
	FOUND SECTION CORNER
	FOUND PROPERTY CORNER

DRAWN BY: C. McCOURT	CHECKED BY: LWJ
DRAWING:	DATE: 4/20/07
	SCALE: 1" = 500'
JOB NUMBER:	SHEET

REVISIONS	
DATE:	BY:
7/19/13	KN

MINING DISTURBANCE
as of 7/19/13

COAL HOLLOW PROJECT
ALTON, UTAH

167230
JAY S. ADAMS
7-30-13

Coal Hollow PROJECT

Alton Coal Development
463 North 100 West, Suite 1
Cedar City, Utah 84721
Phone (435)867-5331
Fax (435)867-1192

RECEIVED
JUL 31 2013
DIV. OF OIL, GAS & MINING

File in:
 Confidential
 Shell
 Expandable
Date Folder: 07/31/13:0250005
Sealing 0002



PETERSEN HYDROLOGIC

11 July 2013

Mr. Kirk Nicholes
Environmental Specialist
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84721

Kirk,

At your request, I have performed an evaluation of Coal Hollow Mine water discharges during 2012 as specified in Stipulation #5 of the approved Coal Hollow Mine Mining and Reclamation Plan. The stipulation states the “the applicant will be required to evaluate discharges from the mine to determine impacts to the designated AVF on Kanab Creek. An annual finding should be placed in the annual report during operation and reclamation of any adverse impacts to the channel, diminution of water quality and impacts to wildlife.”

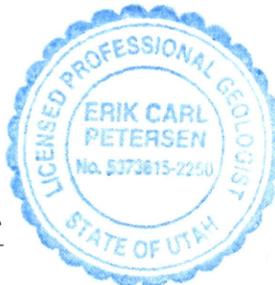


During 2012 there were no discharges of mine water to surface water drainages at the Coal Hollow Mine. Accordingly, there were no impacts to the stream channel, diminution of water quality, or impacts to wildlife associated with the discharge of mine water at the Coal Hollow Mine.

Please feel free to contact me should you have any questions in this regard.

Sincerely,

Erik C. Petersen, P.G.
Principal Hydrogeologist
Utah PG #5373615-225



IMPOUNDMENT INSPECTION AND REPORT		
Permit Number	C/025/0005	3/27/2012
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	27-Mar-12	
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)	Annual Certification	
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 6' of water. The sediment marker is in place. 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 outlooses of embankments, etc.

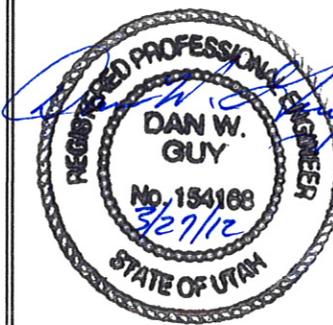
The water level is approximately at elevation 6917.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond. A new berm has been installed on the upper side of the pond.

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 an increase in the water level from runoff, and the installation of the berm on the upper side of 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: 3/29/12

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date 3/27/12	
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	27-Mar-12
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)	Annual Certification.

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: 6900.00 (6.00') 100% Elevation: 6902.08 (8.08')</p> <p>The pond contained approximately 3' of water. The sediment marker is in place. 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) Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45) 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 6897. 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 not frozen and a slight increase 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: *Dan W. Guy* Date: 3/29/12

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	3/27/12
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	27-Mar-12
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)	Annual Certification.
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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: 6894.07 (3.07') 100% Elevation: 6895.72 (4.72')</p> <p>The pond contained approximately 1.5' of water. The sediment marker is in place, 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 6892.5. 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 decrease in water level and the pond is not 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: 3/27/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	3/27/12
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	27-Mar-12		
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)	Annual Certification.		
<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 2.5 ' of water. The sediment marker is in place, 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>		

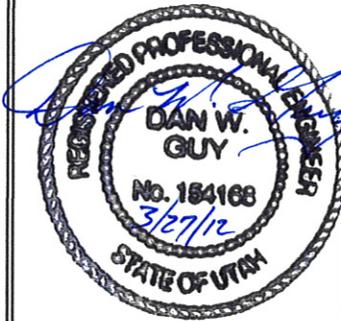
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information,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

The water level is approximately at elevation 6803.5. 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 a slight increase in the water level and the pond is no longer 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: 3/27/12

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	Report Date	3/27/12
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	27-Mar-12		
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 outlopes of the pile have been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff.			

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 87.9% to 94%. 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. 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: 3/27/12

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	Report Date	6/20/12
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	20-Jun-12		
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			
<i>No significant problems with the waste site were observed during the 2nd quarter 2012.</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, west and south outcrops of the pile have been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Topsoil is being placed on the west end. Some topsoil has also been placed along Ditch 4 on the north side.			

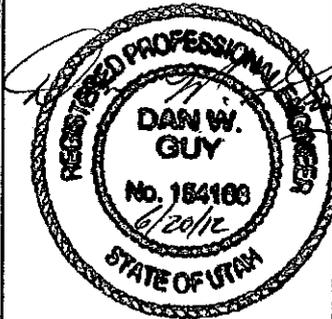
6. **Appearances of instability, structural weakness, and other hazardous conditions.**

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 87% 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, evidance 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. 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. Subsoil and topsoil are being placed on the west end of the pile.

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 Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy

Date: 6/20/12

IMPOUNDMENT INSPECTION AND REPORT		
Permit Number	C/025/0005	6/20/2012
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	20-Jun-12	
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 5' of water. The sediment marker is in place. 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 6916.0. 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. A new berm has been installed on the upper side of 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.

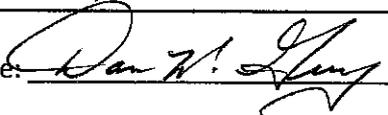
The only change noted since the last inspection was a decrease in the water level.

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: 6/20/12

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	6/20/12
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	20-Jun-12
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: 6900.00 (6.00')

100% Elevation: 6902.08 (8.08')

The pond is dry. The sediment marker is in place. 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. 6906.45)

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 bottom is approximately at elevation 6894. 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.

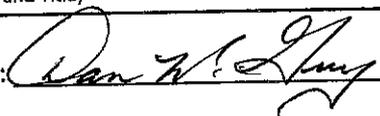
The only noted change since the last inspection is that the pond is now dry.

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: 6/20/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	6/20/12
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	20-Jun-12		
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 1.0' of water. The sediment marker is in place, 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 out slopes of embankments, etc.

The water level is approximately at elevation 6892.0. The single pond inlet is 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 decrease in water level and the the northeast inlet has been eliminated with all inflow directed to a single southeast inlet.

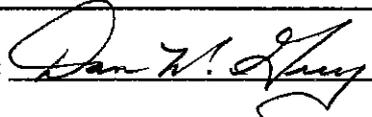
Certification Statement

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: 6/20/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	6/20/12
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	20-Jun-12		
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 0.5 ' of water. The sediment marker is in place, 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 6801.5. 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 only change noted since the last inspection is a 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:

6/20/12

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

Permit Number	C/025/0005	Report Date	9/25/12
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	25-Sep-12		
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 3rd quarter 2012.

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, west and south outcrops of the pile have been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Topsoil has been placed on the west end. Some topsoil has also been placed along Ditch 4 on the north side. Seeding is scheduled for mid-October 2012.

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 85% to 99%. 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. 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. Subsoil and topsoil have been placed on the west end of the pile.

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 Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 9/25/12

IMPOUNDMENT INSPECTION AND REPORT		
Permit Number	C/025/0005	9/25/2012
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	25-Sep-12	
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 5' of water. The sediment marker is in place. 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 outlooses of embankments, etc.

The water level is approximately at elevation 6916.0. 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. A berm has been installed on the upper side of the pond. It was also noted that there is a considerable amount of vegetation growing on the embankment.

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.

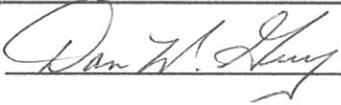
The only change noted since the last inspection was a decrease in the water level.

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: 9/25/12

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	9/25/12
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	25-Sep-12
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.	<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 1' of water. The sediment marker is in place. 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) Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45) 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 outslopes of embankments, etc.

The water level is approximately at elevation 6895. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear 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 contained about 1' of water.

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: 9/25/12

IMPOUNDMENT INSPECTION AND REPORT

Permit Number	C/025/0005	Report Date	9/25/12
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	25-Sep-12
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.
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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: 6894.07 (3.07') 100% Elevation: 6895.72 (4.72')</p> <p>The pond contained approximately 2.0' of water. The sediment marker is in place, 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 6893.0. The single pond inlet is 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.

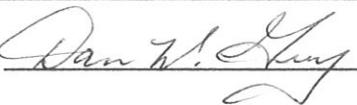
The only change noted since the last inspection is a slight increase in water level.

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: 9/25/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	9/25/12
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	25-Sep-12		
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 1.5 ' of water. The sediment marker is in place, 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 6802.5. 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 only change noted since the last inspection is an increase 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: *Dan W. Guy* Date: 9/25/12

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	Report Date	12/07/12
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	7-Dec-12		
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			
<i>No significant problems with the waste site were observed during the 3rd quarter 2012.</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. Compaction tests ran on new spoils on 12/06/12 show compaction ranged from 91% to 98%.			
5. Final grading and revegetation of fill. N/A - The fill is in the early stage of development. The north, west and south outslopes of the pile have been been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Topsoil has been placed on the west end. Some topsoil has also been placed along Ditch 4 on the north side. Seeding was completed on 7 acres on the 26th, 27th and 28th of October, 2012. Quickgard, waddles and straw bales have			

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 91% 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 abatment 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. 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. Subsoil and topsoil have been placed on the west end of the pile. Seven acres of the topsoiled area of the pile was seeded in late October 2012.

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 Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 12/7/12

IMPOUNDMENT INSPECTION AND REPORT		
Permit Number	C/025/0005	12/7/2012
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	7-Dec-12	
Inspected By	B. Kirk Nicholes (Accompanied by Dan W. Guy, P. E.)	
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:</p> <p>60 % Elevation: 6912.26 (1.26')</p> <p>100% Elevation: 6913.03 (2.03')</p> <p>The pond contained approximately 4' of water. The sediment marker is in place. Field observation estimate the sediment level to be approximately 6909.5 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 6915.0. 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. A berm has been installed on the upper side of the pond. It was also noted that there is a considerable amount of vegetation growing on the embankment.

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 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: B. Kirk Nicholes

(Full Name and Title)

Signature: B. Kirk Nicholes Date: 12/2/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/07/12
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	7-Dec-12		
Inspected By	B. Kirk Nicholes (Accompanied by Dan W. Guy, P. E.)		
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>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 bottom of the pond is only wet. The sediment marker is in place. Field observation estimate the sediment level to be approximatly 6892.3 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 6894.3. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear 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 a 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: B. Kirk Nicholes

(Full Name and Title)

Signature: B. Kirk Nicholes Date: 12/7/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date	12/07/12
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	7-Dec-12		
Inspected By	B. Kirk Nicholes (Accompanied by Dan W. Guy, P. E.)		
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.		
	<p>Sediment Storage Capacity:</p> <p>60 % Elevation: 6894.07 (3.07')</p> <p>100% Elevation: 6895.72 (4.72')</p> <p>The pond contained approximately 2.0' of water. The sediment marker is in place. Field observation estimate the sediment level to be approximatly 6889.3 elevation.</p>		
	3. Principle and emergency spillway elevations.		
	<p>Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways)</p> <p>Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09')</p> <p>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 6893.0. The single pond inlet is 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.

There was no noted change in the pond since the last inspection.

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: B. Kirk Nicholes

(Full Name and Title)

Signature: B. Kirk Nicholes Date: 12/2/12

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	Report Date 12/07/12	
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	7-Dec-12		
Inspected By	B. Kirk Nicholes (Accompanied by Dan W. Guy, P. E.)		
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 1.5 ' of water. The sediment marker is in place. Field observation estimate the sediment level to be approximatly 6800.5 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 6802.5. 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.

There was no change noted in the pond since the last inspection.

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: B. Kirk Nicholes

(Full Name and Title)

Signature: *B. Kirk Nicholes* Date: 12/7/12

Alton Coal Development / Kane Mining

TRAINING LOG: MINER'S RIGHTS/ WILDLIFE AWARENESS

September 15, 2012

NAME	
Don	Chris Bickel
Kory Heaton	John Miller
Thayne Cox	Claude Peterson
Dan Spencer	Jack Church
Andrew Hanson	Kevin Mattson
Mauro Campbell	Tom A. S.
Skylar Huntington	Nick Long
Tom P. Lynn	Kumpile
Sam Egan	Tom A. S.
Sammy Spitzer	Nick Long
Tom R. Hill	Tom A. S.
Mark Hill	Tom A. S.
Mike H. Hill	Tom A. S.
Tom Hill	Tom A. S.
Norris Church	Tom A. S.
Tom Hill	Tom A. S.

* Miners Rights instructed by Larry Johnson
Wildlife Awareness instructed by Kirk Nicholas