



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, November 18, 2014
Start Date/Time:	11/18/2014 9:00:00 AM
End Date/Time:	11/18/2014 3:30:00 PM
Last Inspection:	Tuesday, October 28, 2014

Representatives Present During the Inspection:	
OGM	Priscilla Burton
Company	Kirk Nicholes

Inspector: Priscilla Burton,

Weather: sun 40 F

InspectionID Report Number: 4027

Accepted by: JHELFRIC
12/3/2014

Permitee: **ALTON COAL DEVELOPMENT LLC**
 Operator: **ALTON COAL DEVELOPMENT LLC**
 Site: **COAL HOLLOW**
 Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**
 County: **KANE**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

721.00	Total Permitted
329.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

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

Reviewed recent water monitoring and blasting. Inspected sediment control. Observed the following mining activity. A track hoe was loading overburden from the Pit 10 highwall into haul trucks. The haul trucks were dumping the waste rock adjacent to the haul road for the purpose of filling in Pit 9 once the auger bit is recovered from pit 9. That recovery should occur by the end of the month. Augering in Pit 22 is completed. Pit 21 has been developed for auger mining. Eleven panels had been completed in this pit. A twelfth panel was being readied. The auger can reach no further than 70 ft. due to sand channels. A dozer (D9) was pushing overburden into the ramp leading from Pits 25 to 24. Refer to Maps 5-10 and 5-10A for pit locations. Refer to Maps 5-3 and 5-3A for ditch and culvert locations.

Inspector's Signature:

Priscilla Burton,

Inspector ID Number: 37

Digitally signed by Priscilla Burton
 DN: cn=Priscilla Burton, o, ou,
 email=priscillaburton@utah.gov, c=US
 Date: 2014.12.04 17:59:37 -07'00'

Date Wednesday, November 19, 2014



REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

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

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

1. Permits, Change, Transfer, Renewal, Sale

Underground mining amendment Task 4652 was denied and returned on October 30, 2014. Mr. Nichols expects to file a response by the end of November. The Alluvial Valley Floor submittal, Task 4704, was reviewed and found complete November 5, 2014.

2. Signs and Markers

Signs are located at the north and south entrance and on the west side fence. The signs are legible and contain the required information. The west sign needs to be secured.

3. Topsoil

Random piles of topsoil on the east side of Pit 10 and HWT 1 need to be collected and stored in a location that is noted on Map 2-2 in accordance with the topsoil handling plan of the MRP by December 10, 2014. Topsoil pile 5 has not been seeded and must be used in 2014 reclamation or be protected as a long term pile as described in the MRP in the first quarter of 2015. Topsoil pile 4 requires reshaping of the berm along its western and eastern sides. The work on Topsoil pile 4 must be completed and the topsoil sign needs to be replaced on Topsoil pile #4 by December 10, 2014.

4.a Hydrologic Balance: Diversions

Berms and culverts were inspected in the facilities yard (Dwg 5-3 and 5-3A). Some additional culverts in the vicinity of C-10 and C-11 need to be added to Dwg 5-3A. Maintenance required on the Re-aligned Lower Robinson Creek outlet due to a storm event in September must be completed by December 10, 2014.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Pond inspections were last completed by Dan Guy in the third quarter 2014 (September). Pond 1 has since been cleaned out.

4.c Hydrologic Balance: Other Sediment Control Measures

Straw bales at the main entrance need maintenance to continue to function properly. This work should be done by December 10, 2014. Seven rolls of excelsior logs have been delivered for use along the west edge of reclaimed former Pit 3 in order to control sediment along the edge of the reclaimed, topsoiled, seeded Pit 3. This work should also be done by December 10, 2014.

4.e Hydrologic Balance: Effluent Limitations

UPDES permit #UT0025992 issued 8/6/2013. Reports were filed on 10/23/2014, 9/23/2014 and 8/22/2014 in accordance with this permit. Outfalls 001A, 002A and 003A discharged in September according to the October filing. A Whole Effluent Toxicity test (WET test) was performed on a sample taken 9/9/2014 from outfall 003A into Lower Robinson Creek. The results of the WET test were filed with the monthly report.

5. Explosives

Blastis #38 and #39 occurred on October 9 and October 21, 2014, respectively. Blasts are conducted by ORCA Mountain West, Matt Raddon, blaster in charge. Each blast occurred in the Tropic Shale in the southern Pits 21 and 22.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil pile has MSHA ID #42-02519. A compaction test run on May 13, 2013 by AGEK St. George, Utah reported 88-98% compaction. The spoil pile was inspected on September 24, 2014 by Dan Guy, P.E. who reported the slopes were 3h:1v and 15.2 acres were seeded and 19.2 acres were sloped and subsoiled.

7. Coal Mine Waste, Refuse Piles, Impoundments

Pit 10 was drained of water and approximately 2/3 of the coal had been removed from the pit. The water was then used for dust suppression or hauled to a pond.

9. Protection of Fish, Wildlife and Related Environmental Issues

Lower Robinson Creek was observed at a distance of approximately 300 ft. upstream from C-9, no coal fines were noted in the channel. No coal fines were noted in the re-aligned channel downstream.

A coyote was seen on the eastern boundary of the permit area.

11. Contemporaneous Reclamation

Reclamation must be completed by December 31, 2014 as described on Plates 5-38 and 5-38A. Some of the subsoil piled along the east and north sides of the Lower Robinson Creek channel reconstruction had been removed. Further work will be completed in this location before December 31, in accordance with the designs shown on Dwg 5-21A and Dwg 5-20A.

12. Backfilling And Grading

Subsoil pile #2 must either be utilized in 2014 reclamation or be protected as described in the MRP.

17. Other Transportation Facilities

Transfer of coal from conveyor to stockpile is contributing coal fines to undisturbed ground in the location of culverts C-7, C-8 and C-9. This undisturbed ground is within the permit area. However, the Operator must control this source of deposition to prevent an offsite impact/compliance issue no later than December 31. Some possibilities for control include a downspout on the conveyor and/or vacuuming the fines.

20. Air Quality Permit

DAQEAN0140470002-10 was issued November 10, 2010. Mr. Nichols has filed an NOI with the DAQ for the Underground mining amendment.

21. Bonding and Insurance

Liability insurance expires 12/10/2014. The renewed policy should reference Alton Coal Development at their corporate address, rather than Kane Mining LLC.

Phase 1 and Phase II bond is in place. A survey of the disturbed area was recently completed for review by Division engineers to confirm the amount required for current operations.

22. Other

Meteorologic station recorded 4.76 inches of precipitation in August and 4.98 inches in September.



North end of pit 10 where spoil is being trucked from the highwall to the excess spoil pile loca



South end of pit 10 and location of HWT 1 development.



Above: access road on east side of pit 10. Below: access road approaches Sec. 19 20 29 30 corner. (fenceline)



Western gate and location of ID sign. Dozer pushes fill above Pit 24.



Looking south from west gate at backfilled pits 26, 27, 28.



Above: farthest eastern edge of disturbance. Sorenson property in background.



Auger miner in Pit 21 just completed panel 11.