GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, December 16, 2014
Start Date/Time:	12/16/2014 7:30:00 AM
End Date/Time:	12/16/2014 12:00:00 PM
Last Inspection:	Tuesday, November 18, 2014

Inspector: Priscilla Burton,

Weather: partly cloudy 25 F

InspectionID Report Number: 4054

Accepted by: JHELFRIC
12/18/2014

Representatives Present During the Inspection:	
OGM	Priscilla Burton
OGM	Cheryl Parker
OGM	Keenan Storrar
Company	Larry Johnson
Company	Kirk Nicholes

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

- [x] **Federal**
- [ ] **State**
- [ ] **County**
- [x] **Fee**
- [ ] **Other**

Types of Operations

- [ ] **Underground**
- [x] **Surface**
- [ ] **Loadout**
- [ ] **Processing**
- [ ] **Reprocessing**

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

Inspected repairs to the Temporary Diversion of Robinson Creek outlet, and those made to Pond #3 spillway. Division staff observed the progress of Robinson Creek reconstruction, the grading of Pits 24 – 28 to AOC and the seeding of the Excess Spoil Pile and topsoil pile #2. Mining activity: No activity in Pit 10. Auger cutter head still stuck east of Pit 9. Haul trucks were removing overburden from HWT 1 to a location immediately adjacent to the trench. Trucks were being loaded from the coal stockpile. Refer to Dwg 5-10A for location of high wall trenches (HWT) and pit locations. Refer to Dwg 5-3 for pond locations.

Cheryl Parker

Digitally signed by Cheryl Parker, P.E. M.S.
DN: cn=Cheryl Parker, P.E. M.S., o=DOGM, ou=Mine Engineer, email=cherylparker@utah.gov, c=US
Date: 2014.12.22 15:18:42 -07'00'

Inspector's Signature:

Priscilla Burton,
Inspector ID Number: 37

Date Wednesday, December 17, 2014

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UTAH DNR OIL, GAS & MINING

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 performace 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	☐	☐	☐	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☑	☐	☑	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☐	☑	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☐	☐	☐	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☑	☐	☑	☐
11. Contemporaneous Reclamation	☐	☐	☐	☐
12. Backfilling And Grading	☑	☐	☑	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☑	☐	☑	☐
16.b Roads: Drainage Controls	☐	☐	☐	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☐	☐	☐	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☑	☐	☑	☐
22. Other	☐	☐	☐	☐

3. Topsoil

All but two piles of topsoil along east boundary has been live-hauled to the Robinson Creek reconstruction area. The remaining two piles will also be moved for use in reclamation by January. See attached figure for live-hauled and rogue piles locations.

Topsoil pile 4 berm signs were visible. The southeast side berm was recently repaired and will be seeded. The west side berm along the road needs definition.

4.a Hydrologic Balance: Diversions

Robinson Creek Temporary Diversion: refer to Dwgs 5-20 and 5-21. The Robinson diversion ditch repairs were place with geofabric visable in bunches between the riprap.
Robinson Creek Reconstruction refer to Dwgs 5-20A and 5-21A. We observed this work from a distance. Two road graders and a dozer were working the subsoil. According to the approved design, rock riprap and mulch matting will be installed.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Sediment Pond #3 spillway: Refer to Dwg 5-30. The pond spillway has been rebuilt to design. Fabric has been laid beneath the rip-rap to strengthen the spillway outlet. The water level in the pond is still elevated from it was filled during the rain storms in September.

4.c Hydrologic Balance: Other Sediment Control Measures

Excelsior logs were placed along the west side of reclaimed Pit #3. Logs were installed using wooden stakes, in the area recently graded. Extra logs at the site will be installed by January to connect the line of logs to the berm along the dam at the south end of the Reconstruction of Robinson Creek.

Another excelsior log is requested above culvert C9.

6. Disposal of Excess Spoil, Fills, Benches

A two and a half acre area on the south side of the Excess Spoil pile was recently seeded. The area was snow covered and seen from a distance.
Haul trucks were dumping spoil from High Wall Trench 1 onto the bench adjacent to the highwall. The temporary spoil pile east of the Excess Spoil pile was not being utilized.

9. Protection of Fish, Wildlife and Related Environmental Issues

A coyote was seen adjacent to the eastern permit boundary. Concurrent with this inspection, Joe Helfrich and Larry Johnson were observing sage grouse mitigation areas.

10. Slides and Other Damage

The gully on the Excess Spoil pile was seeded last week. Straw matting was placed over the seeded area and pinned down. One ton bale of hay was scattered at the crown of the hilll. Additional waddles were added above the site of the repair to divert direct runnoff from channeling. It was not closely inspected, due to snow cover. The repair was observed from Pond 3 and appeared to be stable.

The subsoil that has been placed over Pits 26-27 appeared to have rills developing on the surface. The rills will need to be repaired before topsoil and seeding takes place.

12. Backfilling And Grading

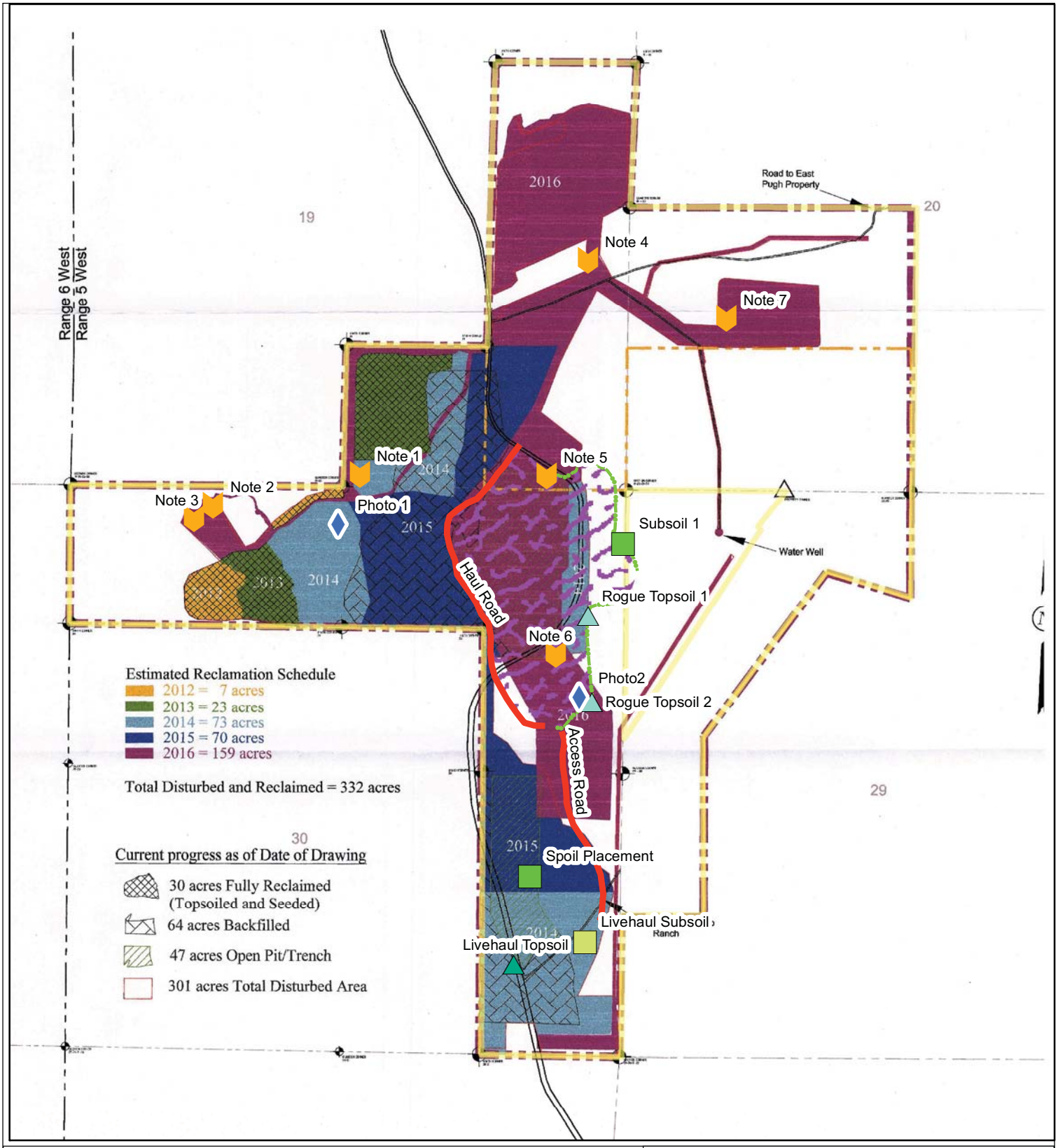
A dozer was pushing fill over Pit 24, near Subsoil 2 on the attached figure. Subsoil was placed on the southern pits 28 - 26. Some erosion of the subsoil was evident near the permit boundary. This subsoil will require regrading prior to topsoil application. Grading to AOC continues along Pits 24-25 and along with the Robinson Creek reconstruction through Pits 3, 5, amd 6. The attached figure shows the approximate disturbed area that contains active, open pit 9-10 and highwall mining operations.

16.a Roads: Construction, Maintenance, Surfacing

A small berm was defined on access road that runs along the eastern boundary. The active haul road from Pit 21 is shown on the attached figure and in the photo attachment. The majority of the southern area has been regraded to AOC with only the access road to Pit 21 and Pit 21 remaining in the southern area. Pit 28 has been graded to AOC for about six months and rills have formed in the backfilled surface.

21. Bonding and Insurance

Liability insurance policy renewed from 12/10/2014 to 12/10/2015 for Alton Coal Development, LLC. Certificate is on file with the Division and was available on site. Policy producer Jacobs Vanaman Agency, Inc. Insurers: American Mining Insurance; Cincinnati Insurance; and Admiral Insurance Co. $1 million occurrence; $5 million aggregate for site 0250005. Division is named certificate holder.



Legend

- Note
- Photo
- Rogue Top Soil Pile
- Subsoil pile
- Livehaul Subsoil Pile
- Livehaul Top Soil Pile
- Haul road
- Note
- ActiveArea
- Permit Area

Coal Hollow Project
Alton Coal Development

December Partial Inspection
12/16/2014

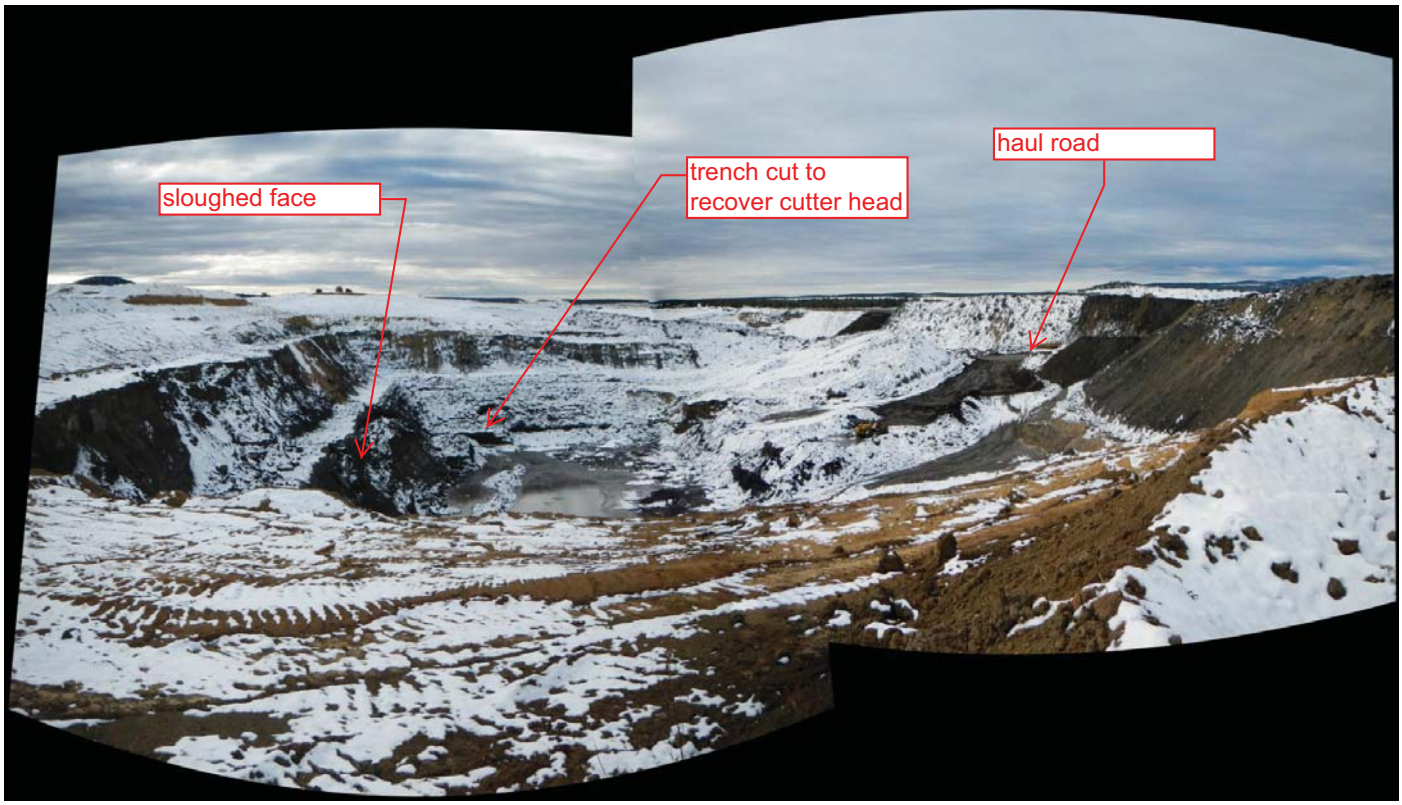
1,250 625 0 1,250 Feet

1 inch = 1,250 feet

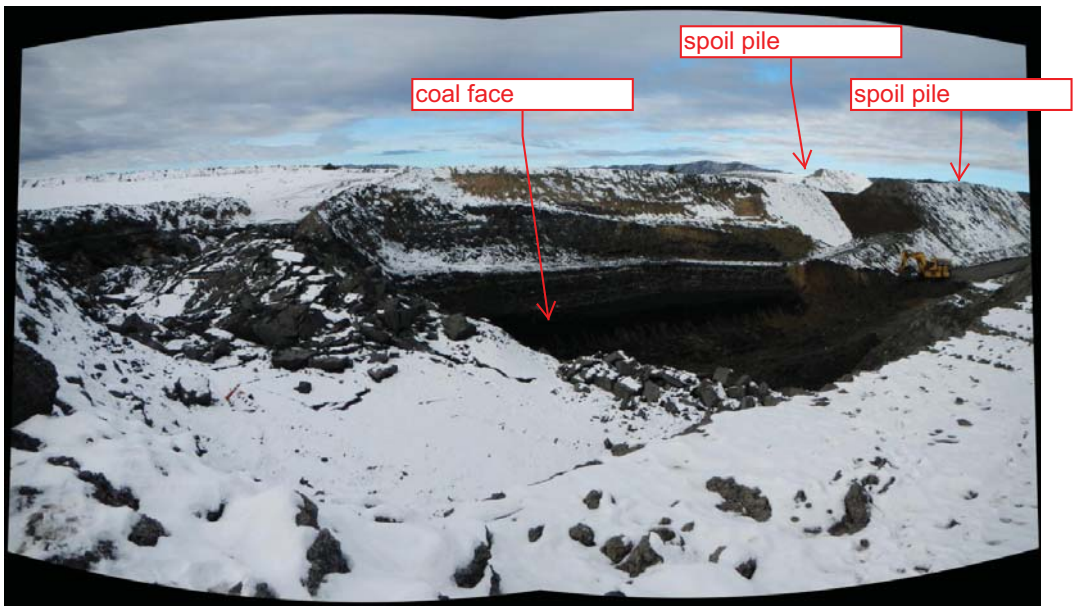
Inspection Points

Date	Label	Comment
12/16/2014	Photo 1	Look at Robinson Creek Sitting on excess spoil pile with subsoil. Everything covered in snow is topsoil
12/16/2014	Note 1	Robinson diversion ditch repairs. Reshaped, bunched geotextile was visable between the riprap. Waddles added above. Rills below reclaimed pits repaired with waddles placed along stream edge.
12/16/2014	Note 2	Pond 3. Repair of rill looking good
12/16/2014	Note 3	Spillway location, Difference in pond water level photo. Geo mat visable at spillway inlet and outlet
12/16/2014	Note 4	Coal fines in creek and waddles needing maintenance.
12/16/2014	Note 5	Edge of Active Area. North western edge of pit 10
12/16/2014	Subsoil 1	Subsoil pile
12/16/2014	Rogue Topsoil 1	Rogue top soil pile with trash, requested to be removed by january
12/16/2014	Rogue Topsoil 2	Rogue top soil pile, requested to be removed by january
12/16/2014	Photo2	Photo looking into HW 1 trench
12/16/2014	Note 6	Edge of Active Area. Edge of bench above current HW1 trench
12/16/2014	Spoil Placement	Spoil placement over Pit 24
12/16/2014	Livehaul Subsoil	Subsoil to backfill current pits, rills present in the placed AOC subsoil that will need repairs.
12/16/2014	Livehaul Topsoil	Top soil pile to be spread over active subsoil area grading
12/16/2014	Note 7	Drill seeded 12/11/14. Seeded approximately 1 acre Topsoil pile #2

Photo Attachments



No activity in pit 10.



HWT 1 development.

Lower Robinson Creek reconstruction.

Photo 1 : West fence and County Rd. Recently seeded Excess spoil pile in distance and to its right the second spoil pile.

Photo 2 : Temporary Diversion outlet and Lower Robinson Creek

Photo 3 : South end of Robinson Creek Reconstruction

Photo 4 : Road grader levels south end of Reconstruction of Robinson Creek

Photo 5 : Repaired Robinson Creek Diversion outlet

Photo 6 : Excelsior logs installed along reclaimed Pit 3 at Temporary Robinson Creek Diversion

Photo 7 : Geotextile wadded up in Robinson Creek Diversion outlet

Photo 8 : Ditch 4 inlet to Pond 3

Photo 9 : Pond 3 with Excess spoil repair visible in background

Photo 10 : Pond 3 Tamarix

Photo 11 : Pond 3 geotextile fabric and rip rap repair of Spillway inlet

Photo 12: Waddles above Culvert 9 needing maintenance

Photo 13 : Topsoil pile 4 berm repair

Photo 14 : Pit 10 Highwall sloughed and the coal face showing

Photo 15 : Subsoil pile seen from east at topsoil pile 4

Photo 16: Highwall Trench 1 construction and spoil piles

Photo 17 : Dozer grading spoil over Pit 24

Photo 18 : Access to Pit 21

Photo 19 : Topsoil pile 2

Photo 20: Erosion of subsoil above reclaimed Pit 28 and subsoil pile