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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

February 26, 2014

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

Subject: IBC & Highwall Mining Alternative, Alton Coal Development, LLC, Coal Hollow Mine, C/025/0005, Task ID #4502

Dear Mr. Nicholes:

The Division has reviewed the IBC & Highwall Mining Alternative plans at the Coal Hollow Mine received on January 16, 2014. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application.

If you have any questions, please feel free to call me at (801) 538-5325 or Priscilla Burton at (435) 613-3733.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs
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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0250005
TaskID: 4502
Mine Name: COAL HOLLOW
Title: IBC & HIGHWALL MINING ALTERNATIVE

General Contents

Permit Term

Deficiencies Details:

Section 116 of the MRP describes three phases of mining that began in 2010 and is anticipated to be completed in 2017. Section 116 states that there are 394 acres total to be disturbed during all three phases of mining. Phase 1 is listed as 269 acres disturbance. Phase 2 is listed as 57 acres disturbance. Phase 3 is listed as 68 acres disturbance. The cover letter accompanying this submittal states that the acreage listed in Section 116 is consistent with the three phases shown on Dwg 5-3 (bonded acreage).

In accordance with R645-301-121, to accurately reflect the bonded acreage, the following changes should be made to the plan: 1) Section 116 should state that Phase 1 is 289 acres and Phase 2 is 40 acres (as shown on Drawing B-2 of the Revised Reclamation Agreement Exhibit D, signed 12/13/13), and
2) Phase 3 will correspond to the remaining acreage shown on Drawing 5-3 Phase 3; and,
3) Phase 2 shown on Drawing 5-3 must reflect the same area drawn as Phase 2 on Drawing B-2 of the Revised Reclamation Agreement Exhibit D (signed 12/13/13); and,
4) Drawing 5-3 must provide the bonded acreage figures in the legend for each phase of bonding.

pburton

Maps and Plans

Deficiencies Details:

The information is not adequate to meet the requirements of this section of the regulations. Prior to approval the following information must be provided in accordance with R645-301-140; Plate 3-7 needs to be revised to show the current phases of mining and the proposed highwall mining activities. The current plate is for a three year surface operation.

jhefric

Environmental Resource Information

Land Use Resource Information

Deficiencies Details:

The information is not adequate to meet the requirements of this section of the regulations. Prior to approval the following information must be provided in accordance with R645-301-411.140; ACD needs to include a commitment in Chapter 4, section 411.140 to conduct a presite survey of the proposed 500 foot disturbance associated with the trench and any additional disturbances associated with the development of the proposed highwall mining activity.

jhefric

Prime Farmland

Deficiencies Details:

In accordance with R645-301-121.100, Section 221 of the MRP must be revised to state that the NRCS has made a determination that 80 acres of the 85.88 acre IBC Dame lease are considered Farmlands of Statewide and Local Importance. A copy of the referenced letter should be included in Section 1 of Appendix 2-1 with the previous NRCS correspondence.

pburton

Operation Plan

Fish and Wildlife Protection and Enhancement Plan

Deficiencies Details:

The impacts to wildlife from the extended mining activities are not adequately addressed in chapter three of the current Mining and Reclamation Plan, (MRP). Prior to approval the following information must be provided;

In accordance with R645-301-333.300. During the meeting on January 7, 2014 ACD agreed to provide a commitment to restore the wet meadow habitat, the location is shown on drawing 3-1(Meadow). The application needs to include a commitment to restore the wet meadow habitat in the 85.88 parcel in the event of habitat loss due to water diminution. This commitment has not been included in the application,

In accordance with R645-301-322.200, .220, 342.100, 358.400 a narrative describing how springs SP-8, SP-14, SP-20, SP-22, SP-40 and wells C4, C2, C3, C5, and Y-61 that sustain the critical brood rearing habitat will be restored in the event of water diminution,

In accordance with R645-301-322.100 a table that includes a schedule to initiate compensatory mitigation of 343.52 acres for the addition of the 85.88 acre parcel by no later than August 1, 2014 and complete the mitigation within six months or by January 31st 2015,

In accordance with Chapter 3, Appendix 3-5 and R645-301-333.300 a commitment to monitor the vegetation and bird use in the 85.88 acre parcel for vegetation (annually) and bird use (monthly except for May, June and July),

In accordance with R645-301-121.200 Chapter 3, Page 3-7, the last sentence needs to include the word surface before disturbance.

In accordance with R645-301-322.100 Chapter 3, Page 3-34 ACD needs to provide valid documentation that defines the amount of acreage of the 808 acres they have been given credit for by the Division and this sentence needs to be revised to reflect that,

In accordance with R645-301-322.100 Chapter 3, Page 3-34 ACD needs to provide written concurrence from the surface management agency, (BLM), verifying the completion of the lop and scatter pinyon/juniper removal from the 355 acre parcel,

In accordance with R645-301-330Page 3-44, Sage-Grouse Work, Sentence #4 needs to be revised to read as follows The implementation of the highwall miner provides an additional method for recovering coal. This is because the disturbance associated with the development of the 500 foot disturbance associated with the trench (Figure 5-41) will be located in the middle of the lek and nesting and brood rearing areas for an extended period of time and perhaps indefinitely with the addition of underground mining.

In accordance with R645-301-333.300 the application needs to include a monitoring plan for the noise levels in the proposed 85.88 parcel from the mining equipment that will be used to implement the proposed highwall mining activities.

jhefric

Topsoil and Subsoil

Deficiencies Details:

R645-301-121.100 and R645-301-231.100, Please provide a version of Dwg 2-2 for the highwall mining scenario shown in Dwg 5-10A.

pburton

Maps Affected Area

Deficiencies Details:

Two mining methods have been proposed. Under the surface mining method the affected area is shown on Dwg 5-2 disturbance sequence and 5-16 overburden removal map and the reclaimed area is shown on Dwg 5-38 reclamation sequence. For the highwall mining method, the pertinent maps are Dwg 5-2A, 5-16A, and 5-38A. To provide clarity, actual disturbance and reclamation should be provided in an asbuilt submitted with the annual report.

In addition, Drawings 5-2A, 5-16A, and 5-38A appear to align the highwall mine trench along the Section 30 and Section 29 boundary line; whereas the trench is shown centered in Section 30 on Drawings 5-10A and 5-10B. If the trench is constructed with the trench floor as shown in Dwg. 5-10A and 5-10B, then the area disturbed by topsoil & overburden removal and reclamation will be slightly different than that shown on Dwg 5-2A, 5-16A and 5-38A.

Due to the above ambiguity, the following commitment will be required. In accordance with R645-301-521.162 and R645-301-121.100, Please state a commitment in the plan to provide an as-built of the reclamation sequence map (Dwg. 5-38 and/or 5-38A) filed with the annual report each year and include on the as-built map and in the legend:

The acres of open pit and trench;

The acres backfilled;

The acres covered with subsoil.

The acres fully reclaimed (topsoiled and seeded);

Revisions to the reclamation timetable, if any.

The map should be accompanied by a C1C2 form to allow replacement of the existing Dwg. 5-38 or 5-38A in the MRP.

pburton

Maps Mine Workings

Deficiencies Details:

In accordance with R645-301-121.100, plates 5-16 and 5-16A must be in agreement on the area of overburden removed in the past year, 2013.

In accordance with R645-301-121.200, please review and correct as necessary the year shown for overburden removal on the northeast corner of Section 30, because the area shown in pink will either have overburden removed in 2016 (according to the legend) or in 2015 (according to the year written in the pink area).

In accordance with R645-301-553, both plates 5-38 and 5-38A must illustrate compliance with the backfilling and grading rule for surface mining with regard to pits 9 and 10. Pit 9 was mined out in September of 2013 and pit 10 is shown on both Plate 5-10 and Plate 5-10A as being developed in 2014. Therefore, Dwg 5-38 and 5-38A must show reclamation of the pit 9 & 10 area in 2014 and 2015 respectively.

In accordance with R645-301-122.100, please review the active pit location shown on Dwg.5-19, as it does not appear to reflect either reclamation scenario illustrated on Dwg 5-38 or 5-38A.

phess

Reclamation Plan

General Requirements

Deficiencies Details:

The information is not adequate to meet the requirements of this section of the regulations. Prior to approval the following information must be provided in accordance with R645-301-322, -301-323, -301-331, -301-333, -301-341, -301-342- and 301-521

The redline text on page 3-57A, The Alternate highwall mining will reduce the practicable area to be reclaimed, does not describe how and when the highwall mining activity will be reclaimed. As previously stated the application does not include a description of or provide for the reclamation of the proposed highwall mining method.

The application needs to include at a minimum in accordance with R645-301-521.;

A narrative describing how the highwall mining disturbance will be reclaimed,

Where the material for backfilling and grading will come from,

A narrative describing the volume of different materials including topsoil that will be needed for reclamation of the highwall and 500 foot disturbance associated with the trench trench,

A revised time table for reclamation in accordance with R645-301-341.100,

And in accordance with R645-301-352 a commitment to meet with the Division each year in August to define the amount of reclamation to be completed for that calendar year.

jhelfric

Revegetation Timing

Deficiencies Details:

Clean copies of this amendment must be revised to include the wording changes made to Section 341.100, approved January 24, 2013 (Task 4463, DO-13).

pburton

Special Categories

Auger Mining

Deficiencies Details:

In accordance with R645-301-121.200, please update Dwg 5-10 to show the as-built size and location of pits 25 - 28.

pburton

Auger Mining

Deficiencies Details:

R645-302.240: The language on Page 7-61 shall be updated stating "All holes except as provided in R645-302.245.230 will be sealed within 72 hours" and the follow language shall be removed:

"As specified in R645-302-240, all auger holes not discharging water containing acid- or toxic forming material will be sealed with an impervious noncombustible material as contemporaneously as possible with the augering operation, as approved by the Division."

khoffman