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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

June 30, 2014

Mr. Kirk Nicholes  
Alton Coal Resources, LLC  
463 north 100 West, Ste 1  
Cedar City, Utah 84720

Subject: 2013 Annual Report Review Completion, Coal Hollow Mine, C/025/0005, Task ID #4558

Dear Mr. Nichols:

The Division staff has completed the review of the 2013 Annual Report. Enclosed is a copy of the review with each reviewer's comments completed on June 30, 2014. There are several biology reporting issues which need resolution.

Thank you for your diligence in completing the Annual Report. If you have any questions, please call me at (801) 538-5325 or Joe Helfrich at 801-538-5290.

Sincerely,

Daron R. Haddock  
Coal Program Manager

DRH/sqs  
Enclosure  
O:\025005.COL\WG4558\Task 4558 ReviewCompletionLetter.doc

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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	
Operator Name		Phone Number	
Mailing Address		Email	
City			
State		Zip Code	

## DOGM 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

Certified inspection of ponds 1, 1B, 2 and 3 were completed on Mar. 21,2013. Pond 4 was certified and pond 3 was re-certified after enlarging on Jun. 26, 2013. Certified inspection of the Excess Spoils Pile was completed on a quarterly basis on Mar. 21, 2013, Jun. 26, 2013, Sep. 18, 2013 and Dec. 18, 2013. Copies of the inspection reports were emailed to the Division each quarter and copies are included with the Annual Report.

## REVIEWER COMMENTS

Met Requirements  Did Not meet Requirements

The annual certification of the sediment ponds 1, 1B, 2 and 3 was completed on March 21,2013. Pond 4 was certified (New Construction) and pond 3 (Re-Construction/Enlargement) was re-certified on June 26, 2013. The certifications are available at the mine site and were also e-mailed to the Division quarterly and included in the 2013 Annual Report. (KRH)

The Excess Spoil Pile was inspected quarterly through 2013 on the following dates: First Quarter 2013 on March 21, 2013, Second Quarter 2013 on June 26, 2013, Third Quarter 2013 on September 18, 2013 and Fourth Quarter 2013 on December 18, 2013. (KRH)

# 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

Topsoil Stockpiles: #1-25,289 cyds, #2-137,021 cyds, #3-Consumed, #4-51,234 cyds, #5-8,671 cyds  
Subsoil Stockpiles: #1-73,070 cyds, #2-118,244 cyds, #3-31,206 cyds  
Live Hauled Topsoil: 25,327 cyds  
Live Hauled Subsoil: 161,949 cyds

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Priscilla Burton on 4/10/2014. Locations of topsoil stockpiles and design capacities are shown on Dwg. 2-2. New in 2013 was topsoil stockpile #5 which is a temporary pile stockpiled for reclamation of the southern pits. Subsoil pile #2 increased in volume over the year 2013 from 81,370 to 118,244 cyds. Subsoil pile #3 is also a new temporary pile developed during mining of pit #28. Live hauled material went from pits 28 and 27 to the reclamation of pits 3 & 5.

## Title: PREDATOR CONTROL

**Objective:** To effectively manage predators and increase the population of birds at the Alton lek.

**Frequency:** Annually

**Status:** Overdue, please provide locations of coyote control efforts.

**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 26

### Operator Comments

ACD through a contract with Wildlife Services continued it's predator control requirements in 2013. The Wildlife Services report on predator control is included in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report 2013, a copy of which has been submitted for inclusion to the MRP.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Joe Helfrich on 6/25/2014. The division provided comments on the 10/24/2013 report requesting that a map showing the locations of the trapped coyotes be included in the report.

**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: Overdue. Please provide written verification noting specific training on sage-grouse identification, seasonal patterns in sage-grouse development and movement and deer and elk observations and migratory patterns in the Alton area has been provided by sage grouse specialists (ACD, UDWR, UDOGM).**

**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

Wildlife Awareness training was held on January 26, 2013 for all employees, instruction was given by Kirk Nicholes. Printed pages from the Power Point presentation that was presented are and a copy of the sign in sheet is included with this submittal.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Joe Helfrich on 6/25/2014. This information was presumably included in the previous annual report. ACD is required to provide the DWR, DOGM and other appropriate entities the opportunity to attend the awareness training. This report needs to include awareness training for new employees since January of 2013.

**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 pits 13-15 will not occur until 2015 if CHM continues to mine with the conventional method of surface mining.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

The water replacement well was completed in the fall of 2010 as required. Based on current mining projects, the overburden removal for pits 13-15 will not occur until 2015, based on the conventional methods currently being utilized by the Permittee. With the addition of the high-wall mining machine, the timing of mining activity in pits 13-15 could change. As the utilization of the high-wall mining machine is a relatively new development at the site (April 2014), the extent to which it will revise the timing of mining at the property is not yet known (SKC- 05/27/2014)

**Title: DEVELOPING THE HOYT'S RANCH CONNECTIVITY CORRIDOR**

**Objective:** To reestablish connectivity between the Alton and near by Hoyt's Ranch sage grouse populations.

**Frequency:** Annual summary of work completed.

**Status:** Ongoing, radio collared birds have been using the corridor in 2008, 2009 and 2010.

**Reports:** Annual summary in Annual report

**Citation:** MRP, Volume 2, Chapter 3, Appendix 3-5 page 4

Operator Comments

ACD participated in the completion of an 885 acre corridor to reestablish connectivity between Alton and Hoyt's Ranch in 2009-2011. Although DWR has not allowed ACD to continue the radio collar/tracking of Sage-grouse, it would appear that grouse do migrate into the Alton area from other places as is documented in monthly ground surveys conducted by Dr. Petersen showing fluctuation in Sage-grouse numbers through out the year. Information on the corridor and monitoring is included in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report 2013, a copy of which has been submitted for inclusion to the MRP

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Joe Helfrich on 6/25/2014. The permittee needs to meet with the Division to clarify the text in the operator comment section of this report.

**Title: SAGE GROUSE CONSERVATION AREA**

**Objective:** To protect and develop a 72 acre parcel of sage grouse habitat.

**Frequency:** Annual summary until complete

**Status:** Ongoing. The permittee has disked 40 acres as noted in the MRP and correspondence. The completed area needs to be surveyed for percent cover of sagebrush and species composition.

**Reports:** Annual summary of work in annual report.

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

Operator Comments

Vegetation surveys were completed in 2011 and 2012, results from these surveys are contained in the annual report for the respective years.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Joe Helfrich on 6/25/2014. Vegetation data from 2013 needs to be included does it not, and the final annual report is still pending.

**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 began a 355 acre pinyon/juniper lop and scatter project adjacent to the southwest property boundary. Work is to be completed on this project in 2014 as per the BLM letter dated February 28, 2014. A location map and information regarding tree densities are contained in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report 2013, a copy of which has been submitted for inclusion to the MRP

Reviewer Comments  Did Not Meet Requirements  Met Requirements

Reviewed by Joe Helfrich on 6/25/2014. The progress report has not been submitted to date as there are two mitigation issues regarding monitoring collars and habitat improvement projects that need to be addressed.

**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 17

Operator Comments

The Sage-grouse have been utilizing an area west of the historic lek for the last two seasons. This location is on BLM property that at this time will not be disturbed. Some calling was done during the mating period, more information is contained in the Greater Sage-grouse Population Monitoring and Habitat Improvement Progress Report 2013, a copy of which has been submitted for inclusion to the MRP

Reviewer Comments  Did Not Meet Requirements  Met Requirements

Reviewed by Joe Helfrich on 6/25/2014. Again the 2013 progress report is pending and I believe the company is aware of this.

**Title: RECLAMATION TIMETABLE**

**Objective:** To ensure timely reclamation

**Frequency:** Acreage to be reclaimed annually is itemized and shown on Dwg. 5-38

**Status:** in 2012, 7 acres reclaimed, 2013 55 acres to be reclaimed, 2014 59 acres to be reclaimed, 2015 51 acres to be reclaimed, 2016 60 acres to be reclaimed, 2017 173 acres to be reclaimed

**Reports:** Annual summary of work completed to date.

**Citation:** MRP, Volume 2, Chapter 3, page 56, Chapter 5, page 5-59.

Operator Comments

In 2013, approximately 63.9 acres were brought to grade for reclamation, of this approximately 32 acres had subsoil placed at the required depth. Approximately 25.1 acres were topsoil and reseeded with the final reclamation seed mix. Drawings 5-38 and 5-38A depicts the areas of 2013 reclamation activity along with the previous years reclamation. Revised copies have been included with the submission of this Annual Report.

Reviewer Comments  Did Not Meet Requirements  Met Requirements

Reviewed by Joe Helfrich on 6/25/2014. Backfilling and grading did not occur in a timely manner preventing seeding in certain areas for another season.

**Title: SAMPLING FINAL GRADED, TOPSOILED SURFACE**

**Objective:** To ensure a fertile growth medium.

**Frequency:** One composite sample every 2-5 acres based on variability.

**Status:** Contemporaneous with reclamation.

**Reports:** Laboratory analysis of available phosphorus, soluble potassium and nitrate-nitrogen.

**Citation:** MRP, Volume 1, Chapter 2, Section 231.300 and 243.

Operator Comments

Two composite sample were taken of topsoil live hauled to the 2013 reclamation sight. They have been submitted for inclusion into the MRP in Chapter 2 Appendix 2-2.

Reviewer Comments  Met Requirements  Did Not Meet Requirements

Reviewed by Priscilla Burton. Topsoil from pits 27 and 28 was live hauled in 2013 to be used in the Northwest corner of the mine site. In addition, much of pit 28 topsoil was stockpiled adjacent to pit 28. The topsoil was sampled in August 2013 and analyzed by Intermountain labs in October 2013. The topsoil had a texture of clay and clay loam and was limited in nitrate nitrogen. Poultry derived fertilizer was applied to all 2013 reclamation to enhance nitrogen content. This topsoil information was reviewed as task 4509 and was incorporated into the MRP App. 2-2 on 2/13/2014.

**Title: Evaluate Mine Discharges for Impacts to Kanab Creek AVF**

**Objective:** To evaluate discharges that may impact the designated AVF on Kanab Creek.

**Frequency:** Annually

**Status:** Ongoing

**Reports:** 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

**Citation:** Coal Hollow Permit, Attachment A, Special Condition #5

Operator Comments

A copy of the findings as evaluated by Eric Petersen of Petersen Hydrologic date February 6, 2014 has been included with the Annual Report.

REVIEWERS COMMENTS- Based on the data submitted by the Permittee, no discharges of mine water to surface water drainages occurred in 2013. As such, there were no possible impacts to Kanab Creek and the AVF to evaluate. (SKC- 05/27/2014)

Reviewer Comments  Met Requirements  Did Not Meet Requirements

# FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

**Title: REVIEW AND EVALUATE THE FACILITIES SPILL PLAN (APPENDIX 7-5)**

**Objective:** To ensure the accuracy of the Facilities Spill Plan and to determine if additional or more effective spill prevention and control technology that is applicable to the facility must be added.

**Frequency:** At least once every five years.

**Status:** Pending, next review due 2014.

**Reports:** Completed Plan Review form submitted for incorporation into Appendix B of Appendix 7-5.

**Citation:** MRP, Volume 7, Chapter 7, Appendix 7-5, Section 2.2 PLAN REVIEW, page 2.

**Title: RESTORATION OF LEK**

**Objective:** To restore the original lek at the end of mining activities.

**Frequency:** Once

**Status:** Restoration of the lek will begin at final reclamation.

**Reports:** Annual summary of work completed after reclamation begins.

**Citation:** MRP, Volume 2, Chapter 3, Appendix 3-5, page 12.

**Title: SAGE GROUSE MONITORING**

**Objective:** To monitor the population densities at the Hoyt's ranch and Alton leks and migration patterns in between as long as the birds are living.

**Frequency:** Annual summary

**Status:** Ongoing, meet with the Division six months prior to mining through the lek to discuss minimizing impacts to sage grouse.

**Reports:** Annual Summary of work completed.

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

**OPERATOR COMMENTS (OPTIONAL)**

**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:

Excess Spoil Pile and Impoundment Reports for 2012 (1st, 2nd, 3rd, and 4th Quarter)  
Wildlife Awareness Training Log and copies of presentation provided to employees  
February 6, 2014 Petersen Hydrologic evaluation of AVF on Kanab Creek

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	Figure 7	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reclamation Sequence	Drawing 5-38	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reclamation Sequence (Surface & Highwall Mining	Drawing 5-38A	<input checked="" 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"/>

Reviewer Comments     Met Requirements                       Did Not Meet Requirements

Figure 7 depicts areas within the Coal Hollow Mine permit area where current coal recovery activities are occurring as well as the areas where the various phases of reclamation have occurred during 2012 and 2013. The drawing was last updated (revised) on January 6, 2014 by Mr. Kirk Nichols. The date on Figure 7 is noted as April 20, 2007, and the P.E. stamp is not signed or dated. Field verification would be necessary to determine whether Figure 7 is accurate or not.

The Permittee, Alton Coal Development, LLC, submitted two updated maps, Drawing 5-38, RECLAMATION SEQUENCE / Surface Mining Only, and Drawing 5-38A, RECLAMATION SEQUENCE / Surface and Highwall Mining (See Task ID # 4561). Both maps show the amount of acreage to be reclaimed during years 2014 through 2017. Drawing 5-38A shows that there will be approximately 15 acres less of surface disturbance prior to 2015 and 2016 because highwall mining will be utilized in Sections 29 and 30, T 39 S, R 5 W.

**RECLAMATION BACKFILLING AND GRADING MAPS**

Drawing 5-38, RECLAMATION SEQUENCE shows the areas which will be backfilled and rough graded during 2014, 2015, 2016 and 2017. Areas which were reclaimed in 2012 (7 acres) and 2013 (23 acres) which include topsoiling and seeding activities (i.e., full reclamation) are also shown.

Drawings 5-38 and 5-38A are P.E. certified by Mr. Dan W. Guy, Utah registered professional mining engineer, and the certification seals meet the requirements of R156-22-601. (PHH, 4/3/2014)