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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
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Division of Oil, Gas and Mining

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Division Director

November 5, 2014

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

Subject: Alluvial Valley Floor Determination, Alton Coal Development, LLC, North Private Lease Area, Near the Coal Hollow Mine, C/025/0005, Task ID #4704

Dear Mr. Nichols:

The Division has completed a review of the report titled, *Alluvial Valley Floor Field Investigation in the North Private Lease* (the report) from Alton Coal Development, LLC (ACD). The report was received on July 17, 2014, an errata sheet received on August 15, 2014 (Task 4641) and supplemental information received October 10, 2014. Pursuant to R645-302-321.100, the Division has analyzed the information and conducted field investigations on leased, fee-coal lands north of the Coal Hollow permit area in T. 39 S., R. 5 W., Sections 7, & 18 and T. 39 S., R. 6 W., Sections 12, & 13 as depicted on Figure 1 of the application.

The Division determines that ACD has accurately identified the alluvial valley floor within the proposed permit area as shown on the map titled, 'Probable Alluvial Valley Floor Area.'

At such time that Alton Coal Development applies for a permit to conduct coal mining and reclamation activities within this study area, you will need to ensure that the requirements of R645-302-322 are followed. The Alluvial Valley Floor Report and supplemental information should be made part of the application. Additional information will need to be submitted during the permitting process which will characterize the coal seam and the relative depths of coal and overburden. A Geologic cross section through the valley is also needed. Further, when applying for a new permit, this report should be accompanied by verification of the number of cattle that are currently grazing each landowner's parcel.

Another thing to consider when making an application to permit this area is the prime farmland. The NRCS concluded that there were 292 acres of prime farmland soils within the North Lease fee-coal area and the Division agrees with this assessment. Prime farmland within the permit area that has historically been used as cropland and that is currently being irrigated and used for agriculture is illustrated on Soil Map 9 of the report.



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Consequently, the requirements of R645-302-317.400 for soils handling and R645-302-317.500 for soil replacement will apply to the selected area described as irrigated prime farmland within the North lease fee area as shown on Soils Map 9.

Thank you for your assistance in helping us make this determination. Please call me at (801) 538-5325 if you have any questions.

Sincerely,



Daron R. Haddock
Coal Program Manager

DRH/pwb/sqs
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