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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

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Division Director

December 11, 2014

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

Subject: Initial Completeness Review, Rejection of Underground Mining Amendment, Alton Coal Development LLC, Coal Hollow, C/025/0005, Task ID #4730

Dear Mr. Nicholes:

Pursuant to R645-303-221, the Division completed the requisite 15-day Initial Completeness Review (ICR) for the underground mining application received on December 1, 2014 and denies the application for a technical review. As we discussed during a meeting on December 3, 2014, this denial is based on the application not meeting the requirements of R645-301-120 *et seq.* (Permit Application Format and Contents).

Mining activity has advanced to the point where one mine plan is evident and all competing scenarios must now be removed from the MRP so as to avoid confusion between all of the various scenarios. Please resubmit your application with one mine layout replacing all previous scenarios by December 31, 2014. Please indicate on the C2 form that the amended drawings supersede and replace all previous drawings. As currently numbered: revised Dwg 5-10A would replace Drawings 5-10 and 5-10B; revised Dwg 2-2A replaces Dwg 2-2; revised Dwg 3-7A replaces 3-7, revised Dwg 5-2A replaces 5-2; revised Dwg 5-9A replaces 5-9; Dwg 5-16A replaces 5-16, etc. Cross sections of the haul road shown on Dwgs 5-22A through 5-22H should be removed. Dwg 5-3 should show the separation between the Excess spoil pile and the temporary spoil pile and the diversion between the two. Appendix 8-1 bonding information and a single map replacing Dwg 5-17 through 5-19 should be provided for the mine layout as well. This is not a comprehensive list. You should review the MRP for additional outdated drawings that should be removed from the plan.

Section 116 "Permit Term" should be revised to provide the total disturbed acres with reference to the amended Dwg. 5-2A, Disturbance Sequence (which will be the only disturbance sequence). As part of the "Permit Term" revisions, the legal description of the site in the MRP needs to be updated to reflect the entire disturbance area, Phases 1-3 on Figure 5-3.



The contingency plan to use Sediment Pond 3 to handle excess groundwater from mine portals does not adequately address hydrologic performance standards as given under Sediment Control Measures R645-301-742.221.32, R645-301-742.221.32, and 645-301-742.223.1. Please address this issue in the underground mining submittal.

Your underground mining application will need to address the reclamation costs associated with this stage of mining. You were recently sent a letter (December 10, 2014) regarding the need to revise your bond information. We also expect to receive an application for Phase I bond release (R645-301-880.100) on land that was bonded and has now been backfilled and graded, in accordance with R645-301-880.310. This should be submitted by December 31, 2014.

If you have any questions, please call Daron Haddock (801) 538-5325 or Priscilla Burton at (435) 613-3733 for further details.

Sincerely,



Daron R. Haddock
Coal Program Manager