Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720
Phone (435) 867-5331 • Fax (435) 867-1192

March 27, 2015

Daron R. Haddock
Coal Program Manager
Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Subject: 2014 Annual Report; Alton Coal Development LLC, Coal Hollow Mine, C/025/0005

Dear Mr. Haddock,

Alton Coal Development, LLC is providing the 2014 Annual Report for the MRP. The annual report is being submitted electronically via the Divisions Server. Upon approval, a two hard copies will be sent of the items listed on the following C1:C2 forms.

Please let me know if you have any questions or concerns.

Sincerely

B. Kirk Nicholes
Resident Agent

APPLICATION FOR COAL PERMIT PROCESSING

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: Alton Coal Development, LLC
Mine: Coal Hollow Mine **Permit Number:** C/025/0005
Title: MRP Annual Report 2014 amendments to permit

Description, Include reason for application and timing required to implement:
Addition of new topsoil analysis

Instructions: If you answer yes to any of the first eight questions, this application may require Public Notice publication.

☐ Yes ☒ No 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ ☐ increase ☐ decrease.
☐ Yes ☒ No 2. Is the application submitted as a result of a Division Order? DO# _____
☐ Yes ☒ No 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area?
☐ Yes ☒ No 4. Does the application include operations in hydrologic basins other than as currently approved?
☐ Yes ☒ No 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond?
☐ Yes ☒ No 6. Does the application require or include public notice publication?
☐ Yes ☒ No 7. Does the application require or include ownership, control, right-of-entry, or compliance information?
☐ Yes ☒ No 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
☐ Yes ☒ No 9. Is the application submitted as a result of a Violation? NOV # _____
☐ Yes ☒ No 10. Is the application submitted as a result of other laws or regulations or policies?
Explain: _____
☐ Yes ☒ No 11. Does the application affect the surface landowner or change the post mining land use?
☐ Yes ☒ No 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2)
☐ Yes ☒ No 13. Does the application require or include collection and reporting of any baseline information?
☐ Yes ☒ No 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
☐ Yes ☒ No 15. Does the application require or include soil removal, storage or placement?
☐ Yes ☒ No 16. Does the application require or include vegetation monitoring, removal or revegetation activities?
☐ Yes ☒ No 17. Does the application require or include construction, modification, or removal of surface facilities?
☐ Yes ☒ No 18. Does the application require or include water monitoring, sediment or drainage control measures?
☐ Yes ☒ No 19. Does the application require or include certified designs, maps or calculation?
☐ Yes ☒ No 20. Does the application require or include subsidence control or monitoring?
☐ Yes ☒ No 21. Have reclamation costs for bonding been provided?
☐ Yes ☒ No 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream?
☐ Yes ☒ No 23. Does the application affect permits issued by other agencies or permits issued to other entities?
☐ Yes ☒ No 24. Does the application include confidential information and is it clearly marked and separated in the plan?

Please attach three (3) review copies of the application. If the mine is on or adjacent to Forest Service land please submit four (4) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

B. Kirk Nicholes	Environmental Specialist	03/27/2015	B. Kirk Nicholes
Print Name	Position	Date	Signature (Right-click above choose certify then have notary sign below)

Subscribed and sworn to before me this 27 day of March, 2015
Notary Public: Marty Nicholes, state of Utah.
My commission Expires: 9-11-2017
Commission Number: 670359
Address: 1670 S Millstone Cir
City: Enoch State: UT Zip: 84721

Notary Public
MARTY NICHOLES
Commission #670359
My Commission Expires
Sept 11, 2017
State of Utah

For Office Use Only:	Assigned Tracking Number:	Received by Oil, Gas & Mining

APPLICATION FOR COAL PERMIT PROCESSING
Detailed Schedule Of Changes to the Mining And Reclamation Plan

Permittee: Alton Coal Development, LLC
Mine: Coal Hollow Mine **Permit Number:** C/025/0005
Title: MRP Annual Report 2014 amendments to permit

Provide a detailed listing of all changes to the Mining and Reclamation Plan, which is required as a result of this proposed permit application. Individually list all maps and drawings that are added, replaced, or removed from the plan. Include changes to the table of contents, section of the plan, or other information as needed to specifically locate, identify and revise the existing Mining and Reclamation Plan. Include page, section and drawing number as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIAL TO BE CHANGED
☐ Add	☒ Replace	☐ Remove	Volume 7, Chapter 7, Appendix 7-5, Facility Spill Plan
☐ Add	☐ Replace	☐ Remove	
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Any other specific or special instruction required for insertion of this proposal into the Mining and Reclamation Plan.	Received by Oil, Gas & Mining

Print Form | Submit by Email | Reset Form

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	
Permit Number	C/025/0005	Permit expiration Date	
Operator Name	Alton Coal Development, LLC	Phone Number	
Mailing Address	463 N. 100 W. Suite 1	Email	
City	Cedar City		
State	Utah	Zip Code	84721

		DOGM File Location or Annual Report Location
Excess Spoil Piles	☒ Required ☐ Not Required	
Refuse Piles	☐ Required ☒ Not Required	
Impoundments	☒ Required ☐ Not Required	
Other:		

OPERATOR COMMENTS

Certified inspection of sediment ponds 1, 1B, 2, 3 and 4 was completed on March 26, 2014. Certified inspection of the Excess Spoils Pile was completed on a quarterly on a quarterly basis on March 26, 2014, June 30, 2014, September 24, 2014 and December 11, 2014. Copies of the inspection reports can be found at the Cedar City Office and the Coal Hollow Mine office. They were also emailed to the Division each quarter and copies are included with this Annual Report.

REVIEWER COMMENTS ☐ Met Requirements ☐ Did Not meet Requirements

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 AND FINAL RECLAMATION PLACEMENT

Objective: Monitor topsoil and subsoil salvage by suitability criteria and depth described in Appendix 2-1, Table 4-1.

Frequency: During operations. Sampling regime will be reviewed and updated as necessary. In 2015 monitoring, add-in water soluble selenium analysis to the list of parameters run on replaced topsoil/subsoil.

Status: Long term

Reports: Provide laboratory reports and keep a tally of volumes salvaged, stockpiled and live hauled. In 2015 monitoring, add-in water soluble selenium analysis to the list of parameters run on replaced topsoil/subsoils.

Citation: MRP, Volume 1, Chapter 2, Section 231.300 (topsoil sampling), Section 232.500 (subsoil sampling), and Appendix 2-1, pg. 4-2.

Operator Comments

Topsoil Stockpiles:	#1 25,289 cyds	Subsoil Stockpiles:	#1 73,070 cyds
	#2 137,021 cyds		#2 242,761 cyds
	#3 Consumed in 2013		#3 Consumed in 2014
	#4 51,234 cyds	Livehaul Subsoil:	151,107 cyds
	#5 8,671 cyds		
Livehaul Topsoil:	58,619 cyds		

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

Title: PREDATOR CONTROL

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

Frequency: Annually

Status: Ongoing

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 effective from May 17, 2011 and continuing through May 16, 2016, continued it's predator control program in 2014. Widlife Servicies annual summary of work completed is included with this report as "Wildlife Services Report".

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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: Ongoing

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 25, 2014 for all employees. Instruction was given by Kirk Nicholes. Printed pages from the Power Point presentation that was presented and a copy of the sign in sheets for employees is included with this submittal. No new employees were hired during 2014.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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 and completed in October of 2010 and is fully functional. Modifications to the MRP have eliminated the removal of overburden from the area origionally identified as pits 11-15.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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

Sage-grouse mitigation has continued in proximity to the Sink Valley Sage-grouse population. In 2014 ACD participated in funding two Watershed Restoration Initiative Projects (project Id 3011 and 2701). Also, ACD entered into an agreement with Utah State University to study the movements of Sage-grouse in the Sink Valley population. This agreement is atached.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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

Birds use monitoring continued in the Sage-grouse Conservation Area in 2014 with the addiition of noise monitoring. As per information information found in Appendix 3-5 for the conservation area, ACD will expand Sagebrush treatment in late 2015.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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

Sage-grouse mitigation has continued in prximity to the sink Valley Sage-grouse population. In 214, Alton Coal Development participated in funding two Watershed Restoration Initiative projects (Project Id. # 2701 and #3011).

Reviewer Comments ☐ Did Not Meet Requirements ☐ Met Requirements

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 S ink Valley Sage-grouse have been utilizing an area west of the historic lek for three seasons. This location is on BLM prc at this time will not be disturbed by mining.

Reviewer Comments ☐ Did Not Meet Requirements ☐ Met Requirements

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 23 acres to be reclaimed, 2014 66 acres to be reclaimed, 2015 75acres to be reclaimed, 2016 50 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

66 acres have been planted in preperation for the 2015 growing season. Drawing 5-38 has been updated with the underground Amendment (pending approval). The reclaimation schedual has been modified with 71 acres to be reclaimed in 2015, 37 acres to be reclaimed in 2016 and 140 acres reclaimed in 2017.

Reviewer Comments ☐ Did Not Meet Requirements ☐ Met Requirements

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

66 acres of topsoil was placed in late 2014 early 2015. Nutrimulch was added to all topsoil placed and planted. Sampling for fertility will be completed in early 2015 to detrmine if additional amendments are necessary. Results for these samples will be added to the permit when available.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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, dimunition 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 Erik Petersen of Petersen Hydrologic dated March 22, 2014 has been included with the Annual Report.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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.
Operator Comments

The Spill Plan found in Chapter 7, Appendix 7-5 was review. Updates have been made to out dated information. The plan has been certified by an Engineer. The plan is included with this report along with C1/C2 for inclussion in the MRP.

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

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 and other interested parties each October to discuss the sage grouse monitoring data collected that year and to provide recommendations for monitoring in the upcoming year.

Reports: Annual Summary of work completed.

Citation: MRP, Volume 2, Chapter 3, Appendix 3-5, page 14, 15, and 20.

Operator Comments

ACD was again allowed to put collars on Sage-grouse in the Sink Valley population. ACD entered into a contract with Utah State University to utilize Dr. Frey to collar and track grouse from this population. Also, ACD employes Dr. Petersen of Brigham Young University to complete flush surveys during various times through out the year. Information concerning the results of these surveys along with UDWR lek counts for Sink Valley and Hoyts Ranch are found in the 2014 Annual Progress Report.

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: 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.

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:

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	5-38	☒	☐	☐	☒
MSHA Mine Map	Figure 7	☒	☐	☐	☒
		☐	☐	☐	☐
		☐	☐	☐	☐
		☐	☐	☐	☐

Reviewer Comments ☐ Met Requirements ☐ Did Not Meet Requirements

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	**Report Date 03/26/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	**Pile Name**	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	26-Mar-14		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)			
		Attachments to Report? No	

Field Evaluation

No significant problems with the waste site were observed during the 1st Quarter 2014.

1. **Foundation preparation, including the removal of all organic material and topsoil.**

Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2 **Placement of underdrains and protective filter systems.**

N/A - There are no underdrains or other filter systems associated with this pile.

3. **Installation of final surface drainage systems.**

The present surface drainage and diversion systems are operational and final. The pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond No 3.

4. **Placement and compaction of fill materials.**

Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. Compaction tests ran on new spoils on 05/13/13 show compaction ranged from 88% to 98%. No new tests have been run since the 2nd quarter, since very little new spoil has been placed on the pile.

5. **Final grading and revegetation of fill.**

The fill is in the early stage of development. The north, west and south outslopes of the pile have been been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Seeding is completed on 15.2 acres. Approximately 5.2 additional acres have been sloped and soiled. An additional 14 acres have been sloped.

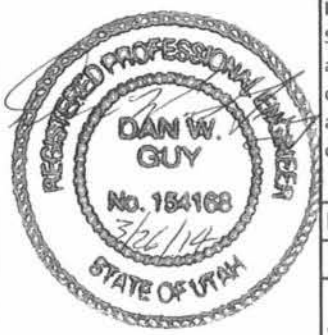
Appearances of instability, structural weakness, and other hazardous conditions.

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Latest compaction tests show adequate compaction, with results ranging from 88% to 98%. The pile is being constructed at different levels to aid in the compaction. A very small amount of new spoils have been added and no new compaction tests were done this quarter.

7. **Other Comments. Describe any changes in geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

As noted above, the pile is in the early stage of development. The pile appears stable and is being constructed in accordance with the approved plan.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 03/26/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**26-Mar-14**
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Annual Inspection and Certification

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

None Noted.

Required for an impoundment which functions as a SEDIMENTATION POND.	2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6912.26 (1.26')

100% Elevation: 6913.03 (2.03')

The pond contained approximately 1' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6911.0. Some sediment buildup is evident at the south inlet.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00')

Required runoff storage: 2.57 Acre-Feet

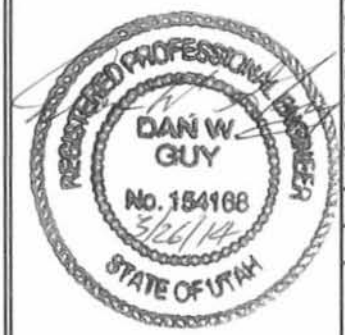
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6912.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond. A berm has been installed on the upper side of the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change noted since the last inspection was the decrease in the water level and the pond is no longer frozen.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 03/26/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**26-Mar-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Annual Inspection and Certification.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6900.00 (6.00')

100% Elevation: 6902.08 (8.08')

The pond contained approximately 6.5' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6893.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45)

Required runoff storage: 0.50 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6899.0. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear stable and are functioning properly. The outlet is also open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change to the pond since the last inspection is the decrease in the water level, and the pond is no longer frozen.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 03/26/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	
IMPOUNDMENT INSPECTION			
Inspection Date	**26-Mar-14**		
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)		
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Annual Inspection and Certification.	

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6894.07 (3.07')

100% Elevation: 6895.72 (4.72')

The pond contained approximately 3.5' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6890.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09')

Required runoff storage: 1.70 Acre-Feet

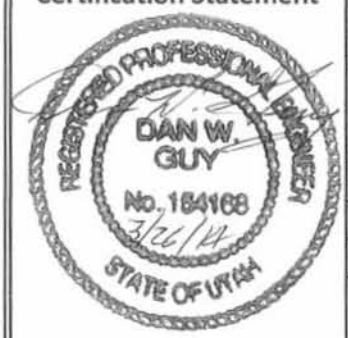
4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6893.5. The single pond inlet is rip-rapped. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change in the pond since the last inspection was a slight increase in the water level and the pond is no longer frozen.

Certification Statement



I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 03/26/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION		
Inspection Date	**26-Mar-14**	
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Annual Inspection and Certification.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6807.80 (7.74')

100% Elevation: 6808.50 (8.44')

The pond contained approximately 5.5' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate average sediment elevation is 6799.3.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 3 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 12.96 Acre-Feet (Elev. 6811.00')

Required runoff storage: 6.72 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The water level is approximately at elevation 6806.0. Permanent Inlet Ditch 4 has been installed and is functional. The open-channel spillway has been rebuilt and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The pond has been enlarged to 12.96 ac-ft capacity and recertified. The only change since the last inspection is the pond is no longer frozen.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 03/26/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 4	
	Impoundment Number	Pond 4	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**26-Mar-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Annual Inspection and Certification.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6832.0 (3.78')

100% Elevation: 6833.0 (4.82')

The pond contained approximately 2.0' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The bottom of pond and approximate sediment elevation is 6828.2.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6834 feet (The outlet structure for Pond 4 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 5.50 Acre-Feet (Elev. 6834.00')

Required runoff storage: 2.10 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The average water elevation is approximately 6830.0. The open-channel spillway is in place and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change since the last inspection is a slight decrease in the water level and the pond is no longer frozen.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 3/26/14

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	**Report Date 06/30/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	**Pile Name**	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	30-Jun-14		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)			
		Attachments to Report? No	

Field Evaluation

No significant problems with the waste site were observed during the 2nd Quarter 2014.

1. **Foundation preparation, including the removal of all organic material and topsoil.**

Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2 **Placement of underdrains and protective filter systems.**

N/A - There are no underdrains or other filter systems associated with this pile.

3. **Installation of final surface drainage systems.**

The present surface drainage and diversion systems are operational and final. The pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond No 3.

4. **Placement and compaction of fill materials.**

Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. Compaction tests ran on new spoils on 05/13/13 show compaction ranged from 88% to 98%. No new tests have been run since the that time, since very little new spoil has been placed on the pile.

5. **Final grading and revegetation of fill.**

The fill is in the early stage of development. The north, west and south outslopes of the pile have been been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Seeding is completed on 15.2 acres. Approximately 5.2 additional acres have been sloped and soiled. An additional 14 acres have been sloped.

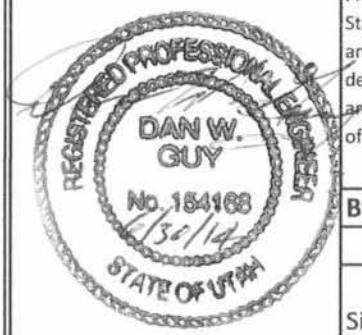
Appearances of instability, structural weakness, and other hazardous conditions.

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Latest compaction tests show adequate compaction, with results ranging from 88% to 98%. The pile is being constructed at different levels to aid in the compaction. A very small amount of new spoils have been added and no new compaction tests were done this quarter.

7. **Other Comments. Describe any changes in geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

As noted above, the pile is in the early stage of development. The pile appears stable and is being constructed in accordance with the approved plan.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 06/30/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**30-Jun-14**
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

None Noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6912.26 (1.26')

100% Elevation: 6913.03 (2.03')

The pond contained approximately 2' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6910.5. The south inlet has been cleaned and additional rip-rap has been added.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00')

Required runoff storage: 2.57 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6913.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond. A berm has been installed on the upper side of the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change noted since the last inspection was the slight increase in the water level and some cleaning and addition of rip-rap at the south inlet.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 06/30/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION		
Inspection Date	**30-Jun-14**	
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)	
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6900.00 (6.00')

100% Elevation: 6902.08 (8.08')

The pond contained approximately 4.5' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6893.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45)

Required runoff storage: 0.50 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6897.0. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear stable and are functioning properly. The outlet is also open and functional.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change to the pond since the last inspection is the decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 06/30/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**30-Jun-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6894.07 (3.07')

100% Elevation: 6895.72 (4.72')

The pond is dry. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6890.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09')

Required runoff storage: 1.70 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The pond is dry. The single pond inlet is rip-rapped. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change in the pond since the last inspection is that the pond is now dry.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 06/30/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**30-Jun-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6807.80 (7.74')

100% Elevation: 6808.50 (8.44')

The pond contained approximately 2.5' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate average sediment elevation is 6799.3.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 3 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 12.96 Acre-Feet (Elev. 6811.00')

Required runoff storage: 6.72 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The water level is approximately at elevation 6803.0. Permanent Inlet Ditch 4 has been installed and is functional. The open-channel spillway has been rebuilt and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The pond has been enlarged to 12.96 ac-ft capacity and recertified. The only change since the last inspection is the decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 06/30/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 4	
	Impoundment Number	Pond 4	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**30-Jun-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6832.0 (3.78')

100% Elevation: 6833.0 (4.82')

The pond contained approximately 1.5' of water in the upper end only. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The bottom of pond and approximate sediment elevation is 6828.2.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6834 feet (The outlet structure for Pond 4 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 5.50 Acre-Feet (Elev. 6834.00')

Required runoff storage: 2.10 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The average water elevation is approximately 6829.5. The open-channel spillway is in place and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change since the last inspection is a slight decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 6/30/14

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	**Report Date 09/24/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	**Pile Name**	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	24-Sep-14		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)		**Attachments to Report? No**	

Field Evaluation

No significant problems with the waste site were observed during the 3rd Quarter 2014.

1. **Foundation preparation, including the removal of all organic material and topsoil.**

Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2 **Placement of underdrains and protective filter systems.**

N/A - There are no underdrains or other filter systems associated with this pile.

3. **Installation of final surface drainage systems.**

The present surface drainage and diversion systems are operational and final. The pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond No 3.

4. **Placement and compaction of fill materials.**

Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. Compaction tests ran on new spoils on 05/13/13 show compaction ranged from 88% to 98%. No new tests have been run since the that time, since very little new spoil has been placed on the pile.

5. **Final grading and revegetation of fill.**

The fill is in the early stage of development. The north, west and south outslopes of the pile have been been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Seeding is completed on 15.2 acres. Approximately 19.2 additional acres have been sloped and subsoiled.

Appearances of instability, structural weakness, and other hazardous conditions.

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Latest compaction tests show adequate compaction, with results ranging from 88% to 98%. The pile is being constructed at different levels to aid in the compaction. A very small amount of new spoils have been added and no new compaction tests were done this quarter.

7. **Other Comments. Describe any changes in geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

As noted above, the pile is in the early stage of development. The pile appears stable and is being constructed in accordance with the approved plan.

Certification Statement

I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Professional Engineer, State of Colorado

(Full Name and Title)

Signature: Dan W. Guy Date: 9/24/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 09/24/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**24-Sep-14**
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

None Noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6912.26 (1.26')

100% Elevation: 6913.03 (2.03')

The pond contained approximately 5' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6911.5. The south inlet has been cleaned and additional rip-rap has been added.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00')

Required runoff storage: 2.57 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6916.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond. A berm has been installed on the upper side of the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change noted since the last inspection was the slight increase in the water level and some cleaning and addition of rip-rap at the south inlet.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 9/24/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 09/24/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**24-Sep-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6900.00 (6.00')

100% Elevation: 6902.08 (8.08')

The pond contained approximately 11.5' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6894.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45)

Required runoff storage: 0.50 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6904.0. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear stable and are functioning properly. The outlet is also open and functional. There is some sediment accumulation in the NW inlet.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change to the pond since the last inspection is the increase in the water level and some sediment accumulation in the inlet.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 9/24/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 09/24/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**24-Sep-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6894.07 (3.07')

100% Elevation: 6895.72 (4.72')

The pond contained approximately 8.5' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6890.5.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09')

Required runoff storage: 1.70 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6899.0. The single pond inlet is rip-rapped and has minor sediment accumulation. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change in the pond since the last inspection is the increase in water level and minor sediment accumulation in the inlet.

Certification Statement	I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.
	By: Dan W. Guy, P.E.
	(Full Name and Title)
	Signature: Dan W. Guy Date: 9/24/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 09/24/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**24-Sep-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6807.80 (7.74')

100% Elevation: 6808.50 (8.44')

The pond contained approximately 11.0' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate average sediment elevation is 6800.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 3 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 12.96 Acre-Feet (Elev. 6811.00')

Required runoff storage: 6.72 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The water level is approximately at elevation 6811.0. Permanent Inlet Ditch 4 has been installed and is functional. The open-channel spillway has been rebuilt and rip-rapped. The pond is full to nearly the spillway, but there was no discharge during the time of the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The pond has been enlarged to 12.96 ac-ft capacity and recertified. The only change since the last inspection is the increase in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 9/24/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 09/24/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 4	
	Impoundment Number	Pond 4	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**24-Sep-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6832.0 (3.78')

100% Elevation: 6833.0 (4.82')

The pond contained approximately 4.5' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The bottom of pond and approximate sediment elevation is 6828.5.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6834 feet (The outlet structure for Pond 4 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 5.50 Acre-Feet (Elev. 6834.00')

Required runoff storage: 2.10 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The average water elevation is approximately 6832.5. The open-channel spillway is in place and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change since the last inspection is an increase in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 9/24/14

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE			
Permit Number	C/025/0005	**Report Date 12/11/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Excess Spoil Pile or Refuse Pile Identification	**Pile Name**	Coal Hollow Mine Excess Spoil Pile	
	Pile Number		
	MSHA Mine ID Number	42-02519	
Inspection Date	11-Dec-14		
Inspected By	Dan W. Guy, P.E.		
Reason for Inspection - Quarterly Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)			
		Attachments to Report? No	

Field Evaluation

No significant problems with the waste site were observed during the 4th Quarter 2014.

1. **Foundation preparation, including the removal of all organic material and topsoil.**

Based on observation and discussion with the operator, the foundation preparation has been completed according to the approved plan.

2 **Placement of underdrains and protective filter systems.**

N/A - There are no underdrains or other filter systems associated with this pile.

3. **Installation of final surface drainage systems.**

The present surface drainage and diversion systems are operational and final. The pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond No 3.

4. **Placement and compaction of fill materials.**

Placement and compaction of fill material appears to be in accordance with the approved plan, based on evaluation of compaction test results, site observation and discussion with the operator. Compaction tests ran on new spoils on 05/13/13 show compaction ranged from 88% to 98%. No new tests have been run since the that time, since very little new spoil has been placed on the pile.

5. **Final grading and revegetation of fill.**

The fill is in the early stage of development. The north, west and south outslopes of the pile have been been final graded to a slope of 3H:1V. A berm has been placed on the south edge to control runoff. Seeding is completed on 15.2 acres. Approximately 22.0 additional acres have been sloped and subsoiled.

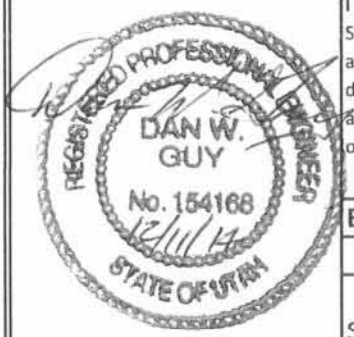
Appearances of instability, structural weakness, and other hazardous conditions.

N/A - There were no appearances of instability, structural weakness or other hazardous conditions noted during this inspection. Latest compaction tests show adequate compaction, with results ranging from 88% to 98%. The pile is being constructed at different levels to aid in the compaction. A very small amount of new spoils have been added and no new compaction tests were done this quarter.

7. **Other Comments. Describe any changes in geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and Minimum lifts of materials placed in the pile, elevations of active benches, total and remaining capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period.**

As noted above, the pile is in the early stage of development. The pile appears stable and is being constructed in accordance with the approved plan.

Certification Statement



I hereby certify that: I am experienced in the construction of earth and rock fills: I am qualified and authorized in the State of Utah to inspect and certify the condition and apperance of earth and rock fills in accordance with the certified and approved designs for this structure: that the fill structure has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, Registered Professional Engineer, State of Utah

(Full Name and Title)

Signature: Dan W. Guy Date: 12/11/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 12/11/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1	
	Impoundment Number	Pond 1	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**11-Dec-14**
Inspected By	Dan W. Guy, P. E. (Accompanied by B. Kirk Nicholes)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

None Noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6912.26 (1.26')

100% Elevation: 6913.03 (2.03')

The pond contained approximately 4' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6911.5.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6920 feet (The outlet structure for Pond 1 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 3.1 Acre-Feet (Elev. 6920.00')

Required runoff storage: 2.57 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6915.0. Rip-rap has been placed on both inlets. The outlet culvert, which serves as both principle and emergency outlet, is open and functional. There is no discharge from the pond. A berm has been installed on the upper side of the pond.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change noted since the last inspection was the decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 12/11/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 12/11/2014**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 1B	
	Impoundment Number	Pond 1B	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**11-Dec-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6900.00 (6.00')

100% Elevation: 6902.08 (8.08')

The pond contained approximately 6.5' of water. The sediment marker is in place. Field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6894.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6906 feet (The outlet structure for Pond 1B serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 0.894 Acre-Feet (Elev. 6906.45)

Required runoff storage: 0.50 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6899.0. There are 2 inlets to the pond - both have been rip-rapped. Both inlets appear stable and are functioning properly. The outlet is also open and functional. There is some sediment accumulation in the NW inlet.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change to the pond since the last inspection is the decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 12/11/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 12/11/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 2	
	Impoundment Number	Pond 2	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**11-Dec-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

N/A - No appearance of any instability, structural weakness or other hazardous condition was noted.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6894.07 (3.07')

100% Elevation: 6895.72 (4.72')

The pond contained approximately 3.0' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate sediment elevation is 6890.5.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6900 feet (The outlet structure for Pond 2 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 2.675 Acre-Feet (Elev. 6901.09')

Required runoff storage: 1.70 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level is approximately at elevation 6893.5. The single pond inlet is rip-rapped and has minor sediment accumulation. The outlet is open and functional. No other problems were noted during the inspection.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change in the pond since the last inspection is the decrease in water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 12/11/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 12/11/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 3	
	Impoundment Number	Pond 3	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**11-Dec-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6807.80 (7.74')

100% Elevation: 6808.50 (8.44')

The pond contained approximately 9.0' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The approximate average sediment elevation is 6800.0.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6811 feet (The outlet structure for Pond 3 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 12.96 Acre-Feet (Elev. 6811.00')

Required runoff storage: 6.72 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The water level is approximately at elevation 6809.0. Permanent Inlet Ditch 4 has been installed and is functional. The open-channel spillway has been rebuilt and rip-rapped.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The pond has been enlarged to 12.96 ac-ft capacity and recertified. The only change since the last inspection is the decrease in the water level and the completion of the outlet repair.

Certification Statement	I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.
	By: Dan W. Guy, P.E.
	(Full Name and Title)
	Signature: Dan W. Guy Date: 12/11/14

IMPOUNDMENT INSPECTION AND REPORT			
Permit Number	C/025/0005	**Report Date 12/11/14**	
Mine Name	Coal Hollow Mine		
Company Name	Alton Coal Development, LLC		
Impoundment Identification	**Impoundment Name**	Pond 4	
	Impoundment Number	Pond 4	
	MSHA Mine ID Number	42-02519	

IMPOUNDMENT INSPECTION	
Inspection Date	**11-Dec-14**
Inspected By	Dan W. Guy, P.E. (Accompanied by B. Kirk Nicholes.)
Reason for Inspection (Annual, Quarterly or Other Periodic Inspections, Critical Installation, or Completion of Construction)	Quarterly Inspection.

1. **Describe any appearance of any instability, structural weakness, or any other hazardous condition.**

No instability of the embankment or hazardous condition was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. **Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.**

Sediment Storage Capacity:

60 % Elevation: 6832.0 (3.78')

100% Elevation: 6833.0 (4.82')

The pond contained approximately 2.0' of water. The sediment marker is in place, and field observation shows the sediment level to be well below the cleanout elevation. The bottom of pond and approximate sediment elevation is 6828.5.

3. **Principle and emergency spillway elevations.**

Principle and Emergency Spillway Elevation: 6834 feet (The outlet structure for Pond 4 serves as both the Principle and Emergency Spillways)

Total volume of pond at Spillway: 5.50 Acre-Feet (Elev. 6834.00')

Required runoff storage: 2.10 Acre-Feet

4. **Field Information.** Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions or other related activities associated with the pond decanting, embankment erosion/repairs, monitoring information, vegetation on outlopes of embankments, etc.

The average water elevation is approximately 6830.0. The open-channel spillway is in place and rip-rapped. No discharge.

5. **Field Evaluation.** Describe any changes in the geometry of the structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The only change since the last inspection is a decrease in the water level.

Certification Statement

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations: and, that inspections and inspection reports are made by myself, or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: Dan W. Guy, P.E.

(Full Name and Title)

Signature: Dan W. Guy Date: 12/11/14

Appendix 7-5

Facilities Spill Plan

ALTON COAL DEVELOPMENT, LLC
COAL HOLLOW MINE
463 NORTH 100 WEST, SUITE 1
CEDAR CITY, UTAH 84721

SPILL PLAN

PREPARED BY:

Alton Coal Development, LLC
463 N. 170 E. Suite 1
Cedar City, Utah 84721

March 2015

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1 Purpose, General Information, and Management Approval

1.1 Purpose and General Information

This Spill Plan (Plan) was developed for the Alton Coal facility located at the Coal Hollow Mine (Coal Hollow) near Cedar City, Utah. The purpose of the Plan is to establish procedures, methods, and equipment to prevent the discharge of oil or other hazardous material from the facility into water or upon the ground or in any way that may affect natural resources. This Plan identifies potential sources of spills, establishes measures of prevention, and defines control, cleanup, and reporting procedures.

1.2 Management Approval

The signature below certifies that the management of Alton Coal fully approves of this Spill Plan and will commit the necessary resources to fully implement this Plan as described.

B. K[illegible]

Name

D. K. K Nicholes

Signature

Environmental Specialist

Title

7/26/15

Date

2 Spill Plan Certification and Amendments

2.1 Professional Engineer Review

This Plan has been reviewed and certified by a Registered Professional Engineer. The Professional Engineer's stamp below certifies that:

- The Professional Engineer or their agent has visited and examined the facility;
- The Plan has been prepared in accordance with good engineering practices, including consideration of applicable industry standards
- Procedures for required inspections and testing have been established; and
- The Plan is adequate for the facility.

Dan W. Guy

Dan W. Guy

154168

Registration Number

Utah

State

3/23/15

Date

2.2 Plan Review

Alton Coal will review and evaluate this Plan at least once every five years to ensure its accuracy and to determine if additional or more effective spill prevention and control technology that is applicable to the facility must be added. The changes will then be implemented as soon as possible. A Spill Plan review form is included in Appendix A. Completed Plan review forms will be contained in Appendix B.

2.3 Plan Availability

Alton Coal will maintain a complete copy of this Plan at the facility and made available as necessary to regulatory agency representatives for on-site review during normal working hours.

3 Facility Information

3.1 General Facility Information

Facility Name and Address:

Company Name: Alton Coal Development, LLC, Coal Hollow Mine

Address: Kane County, UT

City, State, Zip Code:

Facility Owner:

Company Name: Alton Coal Development, LLC

Address: 463 North 100 West

City, State, Zip Code: Cedar City, UT 84721

Facility Contact:

Name: Larry Johnson

Title: Mine Manager

Phone Number: 435.867.5331

Facility Location: The facility is located in Kane County.

Facility Description: The Coal Hollow Mine will be a typical surface coal mining operation. The coal sizing portion of the plant will be similar to a sand and gravel operation, with crushing/sizing, screening, and stockpiling. The coal mining will occur in sequential pits, with backfilling and reclamation immediately following coal removal from each pit. Coal is transported by truck to the on-site processing area for sorting and crushing, then routed via conveyors to the stockpile. A dozer will push the coal from the stockpile into the loadout conveyor for transport. Equipment includes one feeder breaker, one secondary crusher, one stacker belt, and miscellaneous mobile equipment.

Table 3-1 lists the oil storage containers at the facility, including oil-filled equipment and the capacity of each.

Table 3-1 Oil Storage Containers

TYPE OF EQUIPMENT	CONTENTS
Bulk Storage Tanks	Diesel and gasoline tanks
Oil-filled Operating Equipment	Generators
Portable Storage	Totes or 55 gal oil drums

3.2 PHYSICAL LAYOUT OF THE FACILITY

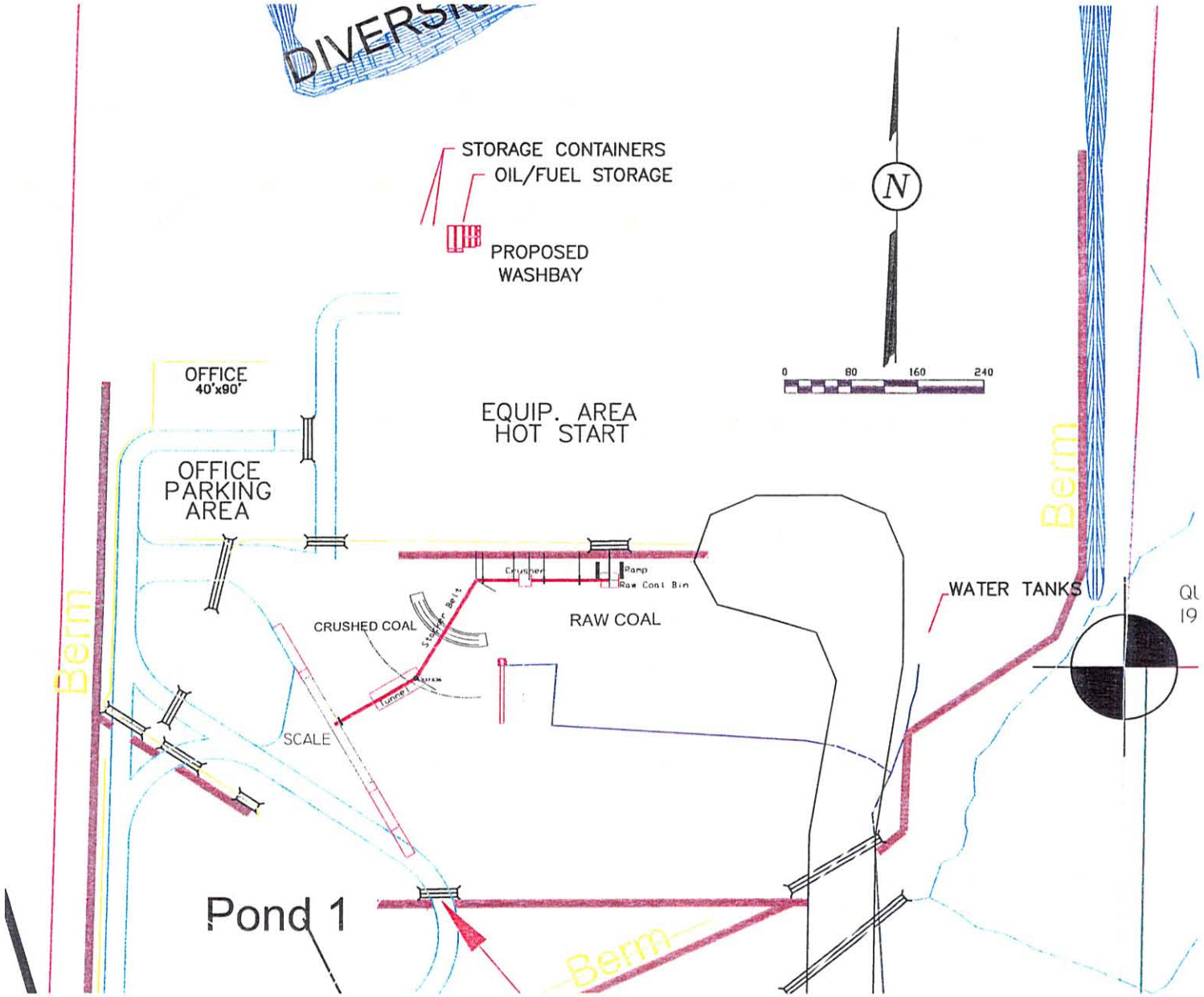
Coal Excavation - Mining at the project site will occur sequentially with work occurring in one 'active disturbed area' at a time, starting at the center of the facility boundaries and then moving towards the southern portion of the facility over a seven year period.

Sizing/Sorting Process – This operation involves crushing/breaking, screening, conveying, and stockpiling and occurs at the northern portion of the facility.

Robinson Creek intersects the facility just north of the initial excavation area. Several other ditches and culverts will exist at the site.

The proposed physical layout of the facility is shown in Figure 3-1. The layout of the facility as well as the equipment quantities and types shown are subject to change.

Figure 3-1 Proposed Facility Site Plan



4 Spill Response, Cleanup, and Disposal Procedures

Alton Coal personnel will use established spill response and cleanup procedures in the event of an oil spill. These procedures are outlined below. However, the procedures will be modified as needed when unforeseen circumstances arise.

4.1 Initial Spill Response Actions

⇒ The first person on the scene must immediately notify their Foreman or Lead Man if the oil spill is outside of a secondary containment area or is greater than 10 gallons inside a secondary containment area (see the Internal Spill Reporting requirements in Section 5.1).

⇒ Evaluate the health hazards in the area before proceeding.

⇒ Evacuate the area and establish a security zone around the spill, if needed, and control access into the security zone. Personnel not directly involved with the spill need to stay away from the spill area.

⇒ Stop release when it is safe to do so:

- Implement safety-related measures.
- Mobilize fire control equipment, if needed.
- Don appropriate personal protective equipment before entering the spill area.
- Remove all ignition sources from the security zone.

⇒ Contain the spill by isolating and immobilizing the spill. Construct containment ditches and berms or place absorbent material in front of flowing material.

⇒ Estimate the volume of material that was spilled.

⇒ The environmental specialist must determine if authorities or regulatory agencies need to be notified and make the notifications as required.

4.2 Spill Cleanup Material and Equipment

Spill clean-up equipment and supplies and their storage locations are listed in Table 4-1.

Table 4-1 Spill Cleanup Equipment and Supplies

QUANTITY	EQUIPMENT OR SUPPLY	STORAGE LOCATION
5+	Spill Cleanup Kits	Near tanks, equipment, and totes/drums

4.3 Spill Cleanup Procedures

⇒ If a large spill occurred or the spill reached a waterway, call a cleanup contractor and they will provide additional equipment to clean up the spill. Contact information is located in Table 5-2.

⇒ **DO NOT** use water to clear the spill away! Water will mobilize the spill and require additional cleanup efforts.

⇒ Pick up free liquid that has collected in sumps or containment areas with spill cleanup kits. Place free liquid that has been collected in a tank or drums for temporary storage.

⇒ Clean up liquid that has spread over a non-porous surface with absorbent material such as oil-dry or absorbent socks or booms. Collect oil-soaked cleanup materials (*e.g.*, oil-dry, absorbent socks, or booms) and place them in leak-proof containers.

⇒ For spills on gravel or soil, absorb as much of the liquid as possible with absorbent material and then excavate the oil-contaminated gravel or soil down to visibly clean material. Place the excavated material in piles for temporary storage.

4.4 Disposal Procedures

An oil spill is not considered cleaned up until all waste produced during the cleanup activities are properly disposed. The environmental specialist is responsible for disposing oil-contaminated cleanup materials in accordance with federal, state, and local regulations. General guidelines are listed below; however, the exact means of disposal will depend on the nature and volume of contaminated material and whether the material is contaminated with other substances.

⇒ Liquid oil that has been collected should be recycled at an offsite facility, if possible, or disposed of at a regulated and licensed facility.

⇒ Ship oily soil that has been excavated to a landfill or land farm that is permitted to dispose of or treat oil-contaminated soil.

⇒ Dispose of oil-soaked absorbent material in a landfill permitted for this type of industrial waste.

4.5 FOLLOW-UP RESPONSE ACTIONS

⇒ The environmental specialist is to complete a Spill Report Form as outlined in Section 5.1 (blank forms are in Appendix C). Completed Spill Report Forms will be maintained in Appendix D.

⇒ Conduct an investigation as needed to

- Determine the cause of the spill;
- Review the response actions that were taken to identify any improvements for response to future incidents; and,
- Determine if any measures need to be implemented to prevent another spill.

⇒ Revise this Plan to reflect any changes at the facility or in operating procedures that result from an evaluation of the spill.

⇒ Replace all spill cleanup equipment that was used during the cleanup of the spill.

5 Spill Reporting

Proper reporting of spills is very critical and must be done carefully, accurately, and in a timely manner. Table 5-1, at the end of the section, summarizes the spill reporting information outlined in Sections 5.1 through 5.4. A call list with contact names and telephone numbers is located in Table 5-2.

5.1 Internal Reporting Requirements

The person who discovers an oil spill that is outside of a secondary containment area must immediately notify their Supervisor. The Supervisor must then notify the environmental specialist. If the Supervisor is unavailable, the person who discovered the spill must notify the environmental specialist directly.

For any oil spill or release outside of a secondary containment area, the Supervisor or the environmental specialist must complete a Spill Report Form (located in Appendix C).

5.2 Federal Reporting Requirements

The environmental specialist or designated representative will determine if an oil spill must be reported to federal agencies. If the spill is determined to be reportable, the environmental specialist or designated representative will complete the required notifications.

5.3 State Reporting Requirements

The Environmental Manager or designated representative will determine if an oil spill must be reported to state agencies. If the spill is determined to be reportable, the Environmental Manager or designated representative will complete the required notifications.

5.4 Local Reporting Requirements

Contact the Local Emergency Response Commission (LERC), or for an emergency call 911.

Table 5-1 Oil Spill Reporting Table

QUANTITY SPILLED	SPILL AREA	WHEN TO REPORT	REPORT TYPE	WHO REPORTS SPILL	REPORT SPILL TO:
Any	Outside of a secondary containment area or building	Immediately	Verbal	Person who discovered the spill	Supervisor
Any amount that creates a sheen, film, or discoloration	Any location where a spill enters, or has the potential to enter, a stream or natural body of water	Immediately	Verbal	Environmental specialist or designee	NRC UDEQ
>42 gallons – twice in any 12-month period	Any water source or outside secondary containment	Within 60 days	Written	Environmental specialist or designee	UDEQ
= or >1,000 gallons	Any water source or outside secondary containment	Within 60 days	Written	Environmental specialist or designee	UDEQ
Any	Impact to waterfowl or endangered species	Immediately	Verbal	Environmental specialist or designee	USFWS

Table 5-2 Spill Contact Information

CONTACT NAMES	CONTACT INFORMATION
Facility Response Coordinator:	
• Larry Johnson	• 435.867.5331
Other Facility Contacts:	
• Environmental Specialist	• 435.691.1551
Federal Agency Contact Numbers:	
• National Response Center (NRC)	• 800.424.8802
State Agency Contact Numbers:	
• Utah Division of Responses and Remediation Emergencies	• 801.536.4123
• Utah DEQ Division of Water Quality	• 801.538.6146
Local Agency Contact Numbers:	
• Local Emergency Response Commission (LERC)	• 435.586.6511
• Fire Department	• 911

6 Potential for Equipment Failure

The Coal Hollow facility was inspected to identify each area where a potential for an oil spill exists. The rate of flow of a spill could range from a small drip from a crack in a line or tank to an instantaneous spill caused by the rupture of a tank or container. Table 6-1 lists the sources that have a reasonable potential for equipment failure.

Table 6-1 Potential for Oil Spills

	SOURCE	TYPE of OIL	MAJOR TYPE of FAILURE		DIRECTION of FLOW	SECONDARY CONTAINMENT
	Tank	Diesel or gasoline	Leak		SW	Berm and pond system with a drop pipe spillway
	Generators	Diesel	Leak		SW	Berm and pond system with a drop pipe spillway
	Totes/Drums	Diesel	Leak		SW	Berm and pond system with a drop pipe spillway

7 Containment and Diversionary Structures

The Coal Hollow facility will employ berm and pond systems. This is intended to prevent a discharge of oil to navigable waters of the United States. The berm and pond located near the facility operations and oil storage area will be equipped with a drop pipe spillway

8 Inspections, Tests, and Records

An inspection is conducted monthly at the facility. The inspection includes a visual inspection of all oil containers, oil-containing equipment, piping systems, and secondary containment areas. The blank inspection form located in Appendix E describes the steps to be taken during the inspection and will be used to document the monthly inspections. The inspection form will be signed by the person performing the inspection. The completed inspection forms will be submitted to and maintained by the facility engineer for a period of three years from the date of the inspection.

Secondary containment pits are inspected for an oil sheen prior to discharging or draining any water from them. The inspection is recorded on the Secondary Containment Drainage Log, which is located in Appendix F.

Mechanical integrity testing of bulk oil storage tanks will be conducted as described in Section 12. Integrity testing records will be maintained while the tank is located at Coal Hollow.

9 Personnel Training

9.1 Initial Training

All Alton Coal personnel who have the potential to handle oil will receive initial Spill Plan training. New employees or employees whose job function change will receive the initial training within one month of beginning their assigned duties. The initial training will consist of classroom and/or hands-on training. The initial training will include the following topics:

- Operation and maintenance of equipment to prevent discharges;
- Spill response, cleanup, and disposal procedures;
- Applicable pollution control laws, rules, and regulations;
- General facility operations; and,
- The contents of this Plan.

9.2 Designated Person

The environmental specialist has been designated as the person who is accountable for spill prevention at the Coal Hollow facility.

9.3 Annual Briefings

Oil-handling personnel will participate in an annual briefing. The briefing will ensure that personnel have an adequate understanding of this Plan. They will be informed of any known discharges that occurred during the prior year. The response and cleanup actions that were taken and the mode of failure of each spill will be discussed. The refresher training will also include a discussion of any recently developed precautionary measures.

9.4 Training Records

All training will be documented. The documentation will include who attended the training and what was included in the training. Training records will be maintained in the Safety Office. Individual training records will be maintained for the length of employment of the employee.

10 Site Security

10.1 Fencing

Public access to the facility will be controlled by personnel that are trained to recognize and discourage unauthorized access, along with "No Trespassing" signs to deter public entry.

10.2 Drain Valves

Valves permitting outward flow have adequate security measures to remain in the closed position when in non-operating/ non-standby status.

10.3 Oil Pumps

Alton Coal has locked the starter control on each pump in the "off" position and has located it at a site accessible only to authorized personnel when the pump is in a non-operating or non-standby status.

10.4 Facility Piping

Piping is capped not in service or when in standby service for an extended time.

10.5 Facility Lighting

Due to night sky impact concerns in the surrounding area, the entire facility will not be lighted. However, there will be selective lighting. The outdoor lighting at the Coal Hollow facility is adequate to detect spills, inspect secondary containment structures, and to prevent vandalism during hours of darkness.

11 Facility Tank Car and Tank Truck Loading/Unloading Rack

11.1 Loading/Unloading Area Containment System

Transfer areas are sloped to drain to a low area or catchment area that would serve to hold any spills on-site until it can be cleaned up.

12 Materials of Construction

The bulk storage containers located at the Coal Hollow facility and their material of construction are shown in Table 12-1. All of the bulk storage containers onsite are constructed of materials that are compatible with the material stored in them and the temperature and pressure of storage.

Table 12-1 Bulk Storage Containers

BULK STORAGE CONTAINER	CONTAINER CONTENTS	STORAGE PRESSURE	STORAGE TEMPERATURE	MATERIALS OF CONSTRUCTION
Oil and gas fuel tanks	Diesel oil or gasoline	Atm	Ambient	Steel
Totes/Drums	Oil	Atm	Ambient	Steel or plastic

Integrity Testing

The bulk oil storage tanks receive an external visual inspection during the monthly inspection. An external inspection will be conducted by an authorized inspector every 5 years per the American Petroleum Institute (API) Standard 653.

Currently, the tank shell corrosion rate is not known and the diesel and gasoline tanks are less than five years old. Therefore, the first set of thickness readings on the tank shell will be obtained in 2014. The second set of thickness readings will be obtained five years after the first set in order to establish the corrosion rate of the tank shell. The thickness inspection interval will then be set at a maximum of 15 years and will be lower if the corrosion rate is higher than expected.

The bottom of the tanks can be accessed externally; therefore, the thickness of the tank bottom will be determined at the time the tank shell thickness is determined.

12.1 Discharge Prevention for Bulk Storage Containers

One of the following high liquid level devices is provided on each bulk oil storage container:

- High liquid level alarm with audible of visual signals
- High liquid level pump cutoff device
- Direct audible or code signal communication
- A fast response system, including direct vision gauge (personnel present)

The liquid level sensing devices are tested regularly during inspections

12.2 Visible Discharges

All visible oil leaks will be promptly corrected. Leaks will be cleaned up and reported as outlined in Sections 4 and 5, respectively. Accumulations of oil within secondary containment areas will be promptly cleaned up and reported, if required.

12.3 Mobile or Portable Oil Storage Containers

Mobile or portable containers are located such that any leakage is directed to secondary containment or catchment areas within the facility area.

12.4 Facility Transfer Operations

12.4.1 Pipe Supports

Based upon observations at the facility, the pipe supports for the oil transfer lines appear to be designed to minimize abrasion and corrosion and allow for expansion and contraction of the pipelines

12.4.2 Piping Inspections

Aboveground valves, piping, and appurtenances are inspected during the monthly Plan inspection.

Appendix A
Spill Plan Review Form

Spill Plan Review Documentation

"I have completed review and evaluation of the Spill Plan for the Coal Hollow facility in Utah on _____, 20____, and will / will not amend the Plan as a result."

_____ _____

Signature Date

_____ _____

Printed Name Title

For technical amendments to the Plan, the following certification from a Professional Engineer is required.

"I certify that the Alton Coal facility in Utah has been examined that this Spill Plan has been prepared in accordance with good engineering practices and industry standards, the required inspections and testing schedules have been established, and that the plan is adequate for the facility."

_____

Name of the Professional Engineer

_____

Registration Number

_____

State

_____

Date

Appendix B
Completed Plan Review Forms

Appendix C
Blank Spill Reporting Form

Spill Reporting Form

GENERAL INFORMATION

FACILITY NAME:_____ PHONE NUMBER:_____

SPILL DISCOVERED BY: _____ TITLE:_____

PERSON REPORTING SPILL:_____ TITLE:_____

DATE OF SPILL:_____ TIME:_____

DATE SPILL WAS DISCOVERED:_____ TIME:_____

DURATION OF THE INCIDENT:_____ hours

MATERIAL SPILLED:_____

ESTIMATED QUANTITY SPILLED:_____

AMOUNT RECOVERED: AMOUNT UNRECOVERED:

SPILL REPORTING INFORMATION

WHO WAS NOTIFIED OF THE SPILL? _____ Supervisor _____ Plant Engineer

_____ General Manager _____ Production Superintendent _____ Moab Fire Dept.

WAS A REPORTABLE QUANTITY SPILLED? _____ YES _____ NO

WHICH AGENCIES WERE NOTIFIED OF THE SPILL? (Only the General Manager or his/her designee is authorized to make notifications):

UDEQ – DWQ
(801) 536-6146
Date:_____
Time:_____
Name:_____

UDERR
(801) 536-4123
Date:_____
Time:_____
Name:_____

LEPC
(435) 259-5602
Date:_____
Time:_____
Name:_____

National Response Center
(800) 424-8802
Date:_____
Time:_____
Name:_____

USFWS – Spill Response Coordinator
(801) 975-3330
Date:_____
Time:_____
Name :_____

Local Fire Department
911
Date:_____
Time:_____
Name:_____

SPILL INFORMATION

ESTIMATED QUANTITY THAT HAS, OR HAS THE POTENTIAL TO ENTER WATERS OF THE STATE OR UNITED STATES:_____gallons NAME OF WATER BODY:_____

SPILL WAS RELEASED INTO (land, water, secondary containment, etc.):_____

WHERE DID THE SPILL GO OR WHICH DIRECTION DID THE SPILL TRAVEL?_____

ESTIMATED QUANTITY THAT WAS RELEASED OR MIGRATED OFFSITE:_____

WEATHER CONDITIONS:_____

EXACT LOCATION OF THE SPILL (include type of terrain, nearest waters or drains, direction the spill is moving as applicable):_____

SPILL INFORMATION (continued):

SOURCE OF THE SPILL:_____

CAUSE OF THE SPILL (include equipment or activities involved in the spill):_____

_____

_____

WAS THE SPILL CONTAINED? _____ YES _____ NO

IF YES, HOW?_____

HAZARD/DAMAGE INFORMATION

IDENTIFY HEALTH HAZARDS OR CHARACTERISTICS:_____

_____

PRECAUTIONS THAT HAVE BEEN OR ARE BEING TAKEN:_____

_____

_____

LIST PERSONAL INJURIES, ENVIRONMENTAL DAMAGE, OR PROPERTY DAMAGE CAUSED BY THE SPILL (environmental damage includes impacts to wildlife, wetlands, or other environmental resources):

_____

_____

EVACUATION NEEDED? _____ YES _____ NO

SPILL CLEANUP INFORMATION

OUTSIDE CONTRACTOR USED FOR SPILL CLEAN UP? _____ YES _____ NO

CONTRACTOR'S NAME, IF USED:_____

CLEAN UP ACTIONS:_____

_____

_____

EFFECTIVENESS OF CLEANUP ACTIVITIES:_____

SPILL FOLLOW-UP

ACTION(S) TO BE IMPLEMENTED TO PREVENT FUTURE OCCURRENCES:_____

_____

_____

WAS THE PLAN REVIEWED AFTER THIS SPILL (applies only to oil spills)? _____ YES _____ NO

DOES THE PLAN REQUIRE MODIFICATION (applies only to oil spills)? _____ YES _____ NO

WAS THE SWPPP REVIEWED AFTER THIS SPILL (applies to spills other than oil)? _____ YES _____ NO

DOES THE SWPPP REQUIRE MODIFICATION (applies to spills other than oil)? _____ YES _____ NO

SIGNATURE: DATE:

Appendix D
Completed Spill Reporting Forms

Appendix E
Monthly Inspection Form

MONTHLY SPILL PLAN INSPECTION CHECKLIST

DATE: _____

TIME: _____

INSPECTOR:

√ = Satisfactory
N/A = Not Applicable
X = Repair or Adjustment Required (see comments under Problems Found

OIL STORAGE TANKS, DRUMS, and CONTAINERS

_____ Level gauges and alarms operating properly.

_____ No signs of deterioration on shell (*i.e.*, discoloration or flaking of coating, shell distortion, localized corrosion at welds, general corrosion, hairline cracks, or bulging).

_____ No damage or deterioration on supports, foundation, and anchor bolts (*i.e.*, cracking, distortion, buckling of supports or saddle, signs of settlement, corrosion, pitting, vehicle damage, or loose anchor bolts).

_____ No deterioration or leakage at pipe connections to container.

_____ No signs of leakage on container, foundation, or supports.

_____ Drain valves on tanks are closed and secured.

_____ Pressure relief devices, emergency vents, or relief vents are clean and free of obstructions.

_____ Mobile or portable containers are provided with secondary containment or located to prevent a discharge to water.

_____ Internal heating coils are operating properly and do not show signs of leakage.

SECONDARY CONTAINMENT AREAS

_____ No signs of leakage or spills, such as stained surfaces.

_____ Containment walls and floors are intact and are not cracked.

_____ Drainage from diked areas is restrained.

_____ Drain valves on dikes areas are closed.

_____ No visible oil sheen on water in containment areas.

_____ No standing water in containment areas.

FACILITY DRAINAGE/TREATMENT

_____ No oil sheen or runoff around oil-containing equipment.

_____ No ruts or unusual drainage patterns around secondary containment areas.

_____ Effluent treatment system operating properly.

SPILL CLEAN UP EQUIPMENT

_____ Spill kits contain proper equipment.

_____ Oil absorbent material is available.

VALVES/PIPELINES

_____ No signs of corrosion or damage on piping, valves, flanges, etc.

_____ Terminal connection of out-of-service pipes capped or blind-flanged and origin is marked.

_____ No leaks or signs of leakage at valves, flanges, or other fittings.

_____ No signs of abrasion or corrosion at pipe support locations.

_____ Piping, flanges, expansion joints, and pipe supports in good condition.

_____ Starter locked in 'Off' position on oil pumps when not in operation.

OIL-FILLED PROCESS and ELECTRICAL EQUIPMENT

_____ Equipment is operating properly.

_____ No signs of leakage.

_____ No rust, corrosion, or pitting on external surfaces.

_____ Equipment foundation/base in good condition.

_____ No oil sheen or runoff from around oil-containing equipment.

SECURITY

_____ Fence and gates in good condition.

_____ Gates around oil tanks/containers are locked.

_____ Facility lighting is adequate & working properly.

LOADING/UNLOADING AREAS

_____ Loading/unloading connections are capped or blind-flanged when not in service.

_____ A means to prevent premature departure of tank trucks is in place and used.

PROBLEMS FOUND: _____

CORRECTIVE ACTIONS: _____

Monthly Inspection Procedure

Observe the general condition of the facility and for conformance with the requirements in the facility's SPCC Plan. The following areas must be observed during the inspection. If any problems are observed, make a note on the inspection form.

Oil storage tanks, drums, and containers:

- Drain valves on tanks are closed and secured.
- Inspect for signs of deterioration on containers shell (*i.e.*, discoloration or flaking of coating, shell distortion, localized corrosion at welds, general corrosion, hairline cracks, or bulging).
- Inspect for damage or deterioration on supports, foundation, and anchor bolts (*i.e.*, cracking, distortion, buckling of supports or saddle, signs of settlement, corrosion, pitting, vehicle damage, or loose anchor bolts).
- Inspect for signs of leakage on container, foundation, or supports.
- Pressure relief devices, emergency vents, or relief vents are clean and free of obstructions.
- Level gauges and alarms operating properly.
- Mobile or portable containers are provided with secondary containment or located as to prevent a discharge to water.
- Internal heating coils are operating properly and do not show signs of leakage.

Oil-filled process and electrical equipment:

- Equipment is operating properly.
- Inspect for signs of leakage.
- Inspect for rust, corrosion, or pitting on external surfaces.
- Equipment foundation/base in good condition.
- Inspect for oil sheen or runoff from around oil-containing equipment.

Diked areas or secondary containment areas:

- Containment walls and floors are intact and are not cracked.
- No visible oil sheen on water in containment areas.
- No standing water in containment areas.
- Inspect for signs of leakage or spills, such as stained surfaces.
- Drainage from diked areas is restrained.
- Drain valves on diked areas are closed.

Effluent treatment system: operating properly.

Loading/unloading areas:

- Loading/unloading connections are capped or blind-flanged when not in service.
- A means to prevent premature departure of tank trucks is in place and used.

Monthly Inspection Procedure *(continued)*

Oil piping systems:

- Oil pump starters are locked in the OFF position when not in operation.
- The terminal connection of out-of-service piping is capped or blind-flanged and origin is marked.
- Inspect for signs of abrasion or corrosion at pipe support locations.
- Inspect for signs of leakage around pipe fittings, flanges, valves, instrumentation, and other fittings.
- Piping, flanges, expansion joints, and pipe supports in good condition (*i.e.*, no corrosion or damage).

Site security measures:

- Fencing and gates are in good condition.
- Gates around oil tanks/containers are locked.
- Facility lighting is adequate for discovering spills and working properly.

Spill Clean-up Equipment:

- Spill kits contain proper equipment.
- Oil absorbent material is available.

Appendix F
Secondary Containment Drainage Log

SECONDARY CONTAINMENT DRAINAGE LOG

Record the following information every time water is drained from a secondary containment area.

DATE	TIME	INSPECTOR	SECONDARY CONTAINMENT AREA[1]	WATER DISCHARGED? (YES/NO)	REASON FOR DISCHARGE[2]	APPEARANCE OF WATER [3]	DESTINATION OF DISCHARGED WATER

NOTES:

(1) Record which secondary containment area is being inspected.

(2) Rain, leak, etc.

(3) Clear, cloudy, dirty, oil sheen, etc. Do not discharge the water if it has an oil sheen or contains oil.

PETERSEN HYDROLOGIC

22 March 2015

Mr. Kirk Nicholes
Environmental Specialist
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84721

Kirk,

At your request, I have performed an evaluation of Coal Hollow Mine water discharges during 2014 as specified in Stipulation #5 of the approved Coal Hollow Mine Mining and Reclamation Plan. The stipulation states that the applicant will be required to evaluate discharges from the mine to determine impacts to the designated alluvial valley floor (AVF) on Kanab Creek. 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.

While there were no discharges during 2012 or 2013, during 2014 there were some discharges of water from the Coal Hollow Mine. These discharges occurred during the month of September 2014. Discharges from Outfalls 001-A, 002-A, and 003-A occurred after an accumulation of precipitation from several large storms that occurred at the mine area. An onsite meteorological station recorded 4.76 inches of precipitation in August and 4.98 inches in September of 2014. There were no other discharges of water from the Coal Hollow Mine during 2014. The water quality information from these discharges is tabulated together with a summary of historic water quality and quantity information from Lower Robinson Creek within the Kanab Creek AVF area (at monitoring station SW-5) in Table 1 below. This information has been submitted electronically to the Utah Division of Oil, Gas and Mining, Utah Coal Mining Water Quality Database.

Table 1 Water quality and quantity information for Coal Hollow Mine discharge waters during 2014 and historical summary of Lower Robinson Creek water monitored in the designated Kanab Creek AVF area.

Location	Sample date	Flow rate (gpm)	TDS (mg/L)	TSS (mg/L)	pH	Oil and grease (mg/L)	Fe (t)	D.O. (mg/L)
Pond 1 (UPDES 001-A)	9/9/14	15.8	380	47	8.8	---	1.47	---
Pond 2 (UPDES 002-A)	9/9/14	14.2	384	44	8.9	None detected	1.59	---
Pond 3 (UPDES 003-A)	9/29/14	25	568	12	9.4	None detected	1.61	---
SW-5 (Lower Robinson Creek below mine area within Kanab Creek AVF area)	9/29/14	8.1	1,020	14	8.55	None detected	0.87	7.49
SW-5 Maximum	'---	410	1,680	284	8.88	3	45.6	9.66
SW-5 Minimum	'---	0	469	0	7.69	<2	0.04	5.9
SW-5 Average	'---	25	1,143	57	8.48	<5	2.81	7.90

It is apparent from the information in Table 1 that the UPDES discharges of water from the Coal Hollow Mine during September 2014 did not cause any appreciable adverse impacts to the water quality or quantity in Lower Robinson Creek in the vicinity of the designated Kanab Creek AVF. It is noteworthy that the water quality in Lower Robinson Creek (as reflected by the TDS concentration) was actually improved by the addition of discharge waters from the mine ponds. The effluent from the ponds had TDS concentrations ranging from 380 to 568 mg/L, which are appreciably lower than the long-term average for the stream. The TSS, pH, oil and grease, and total iron concentrations of the water in Lower Robinson Creek within the Kanab Creek AVF area during September 2014 were all near long-term averages. The dissolved oxygen concentration measured during September 2014 at SW-5 (7.49 mg/L) is near the long term average value of 7.90 mg/L and greater than the long-term third quarter average dissolved oxygen value of 7.30 mg/L. Water quality degradation that could adversely impact wildlife in the AVF area was not identified.

In several traverses of the Lower Robinson Creek stream channel within the designated Kanab Creek AVF area during 2014, there were no indications that the short-term discharges of water from the Coal Hollow Mine had caused adverse impacts to the stream channel. No increased erosion in the stream channel was identified that could be attributed to the short-term addition of a few tens of gallons per minute of mine water to Lower Robinson Creek. This finding is not unanticipated, as much larger discharges of water occur periodically in Lower Robinson Creek. Discharge rates measured in the

drainage have exceeded 8,000 gpm, which exceeds the combined 55 gpm September 2014 pond discharge rate by orders of magnitude.

It should be noted that the surface water in Lower Robinson Creek does not contribute to the essential hydrologic function of the designated AVF in Kanab Creek. Lower Robinson Creek is incised within its channel in the AVF area and the water in the stream is not used for irrigation or sub-irrigation activities at the site. There are no irrigation diversions on Lower Robinson Creek in the AVF area. The lowermost irrigation diversion on Kanab Creek regionally (which is the source of irrigation water for the designated AVF) is located above the confluence of Lower Robinson Creek and thus the be influenced by the water in Lower Robinson Creek.

Based on these considerations, it is our finding that there were no appreciable impacts to the designated AVF on Kanab Creek resulting from the short-term discharge of water from the Coal Hollow Mine during 2014.

Please feel free to contact me should you have any questions in this regard.

Sincerely,

Erik C. Petersen, P.G.
Principal Hydrogeologist
Utah PG #5373615-225

DocuSign Envelope ID: 9BCBF3FC-109B-49F5-B7BF-ED90FDE40BB6

Utah State University

USU Control No. 150261; PO No. 143322

University		Company	
Name:	Utah State University Sponsored Programs Office of Research and Graduate Studies 1415 Old Main Hill Logan, UT 84322-1415 Attn: Devin Hansen	Name: Address:	Alton Coal Development, LLC 435 N. 100 W., Suite 1 Cedar City, UT 84721 Attn: Kirk Nicholes
Email: Phone: Fax:	devin.hansen@usu.edu (435) 797-9153 (435) 797-3543	Email: Phone: Fax:	knicholes@altoncoal.com (435) 867-5331 (435) 867-1192
Make checks payable to:	**Utah State University Controller's Office 2400 Old Main Hill Logan UT 84322-2400**	Send Invoice To: (If different than above) Name: Address:	______ ______ ______

Specialized Research Services Requested: (See attached Exhibit A)

THIS AGREEMENT is entered into upon the signing of both parties. This Agreement is between Alton Coal Development, LLC (Company) having its principal place of business at 6435 N. 100 W. Suite 1, Cedar City, UT 84721, and Utah State University (University), a state-owned institution of higher education.

WHEREAS, Company desires the services detailed in Exhibit A of this agreement, and said services will be provided by Dr. Nicole Frey, a professor for University, the parties agree to the following terms:

1. **Scope of Work** – University shall provide the services identified in the attached Exhibit A.
2. **Payment for Services** – Upon full execution, Company agrees to pay 50% of the fixed price amount of $23,543 ($11,771.50) to University for the costs incurred by University in the performance of the services and in accordance with the budget found in Exhibit A. The remaining 50% of the fixed price amount of $23,543 ($11,771.50) will be paid to University upon the completion of the services identified in Exhibit A.
3. **Term of Agreement** - This Agreement shall be in effect upon the signing of this Agreement by both parties, and will continue until June 30, 2016.
4. **Reports –** Dr. Nicole Frey will provide the Company with an annual report of the progress of the services detailed in Exhibit A by October 1 of each year. Periodic updates will be made available to the company upon reasonable request.
5. **Confidentiality** –"Confidential Information" shall mean any Company-provided materials, written information, and data marked "Confidential" or non-written information and data disclosed which is identified at the time of disclosure as confidential and is reduced to writing and transmitted to the other party within sixty (60) days of such non-written disclosure. University hereby agrees to use the same reasonable care it uses to protect its own confidential information to maintain as confidential any data and interpretation of said confidential information arising out of said Services until Company has had the opportunity to review the same. Publications will be limited to new scientific information regarding Services performed, and University will not disclose proprietary processes, methods of Company, the nature or composition of materials provided by Company or data that is collected from the Services provided. University will provide Company with thirty (30) days to review any manuscripts or proposed publications arising out of Services. University's obligations hereunder do not apply to information in the public domain, or independently known or obtained by University.
6. **Intellectual Property** - During the performance of the services identified in Exhibit A, all rights, title and interest to data and research results derived by University through the use of Company provided materials shall reside in Company. University reserves all rights, title and interest to methodologies, procedures, and processes, used by University to complete Services. USU reserves all rights, title and interest to discoveries made during Services, which are incidental to, or not directly related to Company provided materials.
7. **Publicity** - Neither party will use the name of the other party in any publicity, advertising, or news release without the prior written approval of the authorized representative of the other party.
8. **Termination** - Either party may terminate this Agreement upon fifteen (15) days prior written notice to the other. All reasonable costs and non-cancelable obligations incurred by University at the time of said termination shall be reimbursed by Company. At the request of Company, all unused Company-provided materials at the time of termination shall either be destroyed by University or returned to Company.
9. **University Status** - In the performance of all Services, hereunder, University shall be deemed to be and shall be an independent contractor.
10. **Warranties and Indemnity** - University in no way guarantees Services performed pursuant to this Agreement and makes no warranties, express or implied, regarding the quality of product produced under this Agreement. Company agrees to indemnify and hold harmless University against any claims and costs (including counsel fees) arising out of Company's commercial sale or distribution of products or processes developed under this Agreement, or its reliance upon the reports set forth in Item 5 above.
11. **Export Control** - The University will not accept export-controlled materials or technical information under this agreement. Company warrants that materials and technical information provided to University are not subject to U.S. Export Control laws.
12. **Governing Law** - This Agreement shall be governed and construed in accordance with the laws of the State of Utah.
13. **Priority** - Notwithstanding anything to the contrary contained herein, in the event that the terms of this Agreement conflict with the terms of any Purchase Order or any other agreement entered into by the Parties, the terms of this Agreement will take precedence over any conflicting terms.
14. **Entire Agreement** - This Agreement contains the entire and only agreement between the parties respecting the subject matter hereof and supersedes or cancels all previous negotiations, agreements, commitments representations, understandings, and writings between the parties on the subject of this Agreement. Should processing of this Agreement require issuance of a purchase Agreement or other contractual document, all terms and conditions of said document are hereby deleted in entirety. This Agreement may not be amended in any manner except by an instrument in writing signed by the duly authorized representatives of each of the parties hereto.

By an Authorized Official of Utah State University DocuSigned by: Norma Rae' Burton CCD98FD46517405... 11/25/2014 Date Sr. Grant & Contract Officer, Division of Sponsored Programs Office of Research and Graduate Studies	By an Authorized Official of Alton Coal Development, LLC B. Kirk Nicholes 11/25/2014 Date Typed Name: B. Kirk Nicholes Title: Environmental Specialist

Exhibit A

11/20/14

Project Title: ACD Grouse
Principal Investigator: Dr. Nicole Frey
Project Duration: August 2014 - December 2016

Statement of Work

Greater sage-grouse are currently listed as a Candidate species for listing under the Endangered Species Act. As such, this species is of special management concern in Utah, particularly in the Panguitch Wildlife Management Area. Within this management area are the southernmost population of birds in the species distribution. Alton Coal Development, LLC (ACD) has been extracting coal in the vicinity of the southern-most population of Greater sage-grouse for several years. In response to the mining activity, it appears that birds have shifted the movements around the mine, but are still carrying out their natural history activity in the area.

I propose to study this population of Greater sage-grouse to assist with determining their movements, so that ACD can effectively implement mitigation activities. In 2013, I began a study of grouse in the Panguitch WMA; in 2014 this study included bird trapped adjacent to current ACD mining activity. ACD personnel assisting in the capture of grouse during spring of 2014. The current study presents ACD the opportunity to participate further by adding to the number of satellite PPT transmitters that are deployed on grouse using the Sink Valley/Ford Pasture area.

Working with ACD personnel, I will purchase 2 satellite transmitters similar to those already deployed in my study of the Panguitch WMA. This fall, August - September 2014,I will deploy the 2 transmitters and manage the data that is collection from them. This data will be pooled with the data collect via the concurrent study for a holistic analysis of this population of birds. However, to meet the requirements of ACD mitigation, I will provide them with an annual report by October 1 of each year, as well as periodic updates as requested. Additionally, a final report will be provided by December 2016, reporting on a) the results of their data specifically, and b) the summation of all data collect on grouse in the Sink Valley area.

Budget:

Principal Investigator Wages:	2,288
Principal Investigator Benefits:	1,058
Total Salary:	**$3,346**
Travel:	**$2,400**
Materials:	$8,000
Other Direct Costs:	$2,880
Total Materials and Others	**$10,880**
Total USU Direct Costs	**$16,626**
Facilities and Admin costs (41.6%)	**$6,916**
Total Costs:	**$23,543**

Budget Summary:

BK 11/20/14

Personnel:

This project will fund 72 hours of time for the principal investigator @ approximately $30/hour ($2288).This time includes efforts spent trapping grouse and deploying transmitters, ground truthing locations, analyzing data, and preparing presentations and reports in 2015. Additionally, the project will support the benefits associated with this effort, at the Utah State University standard rate of 46% of the funded wages ($1058).
The total personnel costs proposed are $3,346.

Travel:

I am projecting $2,400 in travel costs. The request includes mileage round trip from Sink Valley,UT to deploy transmitters at an average mileage rate of $0.5/mile. Additionally, it projects travel to Sink Valley and the surrounding areas for 1 ground truth event per month for 24 months. In actuality, the transmitter locations may be investigated more often; the cost is shared with the concurrent research project.

Materials:

$8,000 is requested to purchase 2 transmitters @ $4,000 a piece.

Other Direct Costs:

We are requesting $2,880 to support the transmission costs of 2 transmitters for 24 months, at an estimated cost of $60/month/transmitter

Facilities and Administration:

The indirect cost rate for the time period of the project is 41.6%, as established by Utah State University. This results in an estimated cost of $6,916.

Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720
Phone (435) 867-5331 • Fax (435) 867-1192

November 20, 2014

Dr. Nicole Frey
Utah State University
Extension Wildlife Specialist
BI Continuing Education Coordinator
Sent via E-mail: Shandra Frey <nicki.frey@usu.edu>

Re: Letter of Award

Hello Nicki,

Alton Coal Development, LLC (ACD) would like to proceed with utilizing your services through USU to monitor Sage-grouse in the Sink Valley/Ford Pasture area. Based on information provided in the attached Statement of work, the cost to ACD would be $ 23,543. As costs are incurred, Utah State University (USU) will bill ACD. Invoices to be sent:

Attention Kirk Nicholes
Alton Coal Development, LLC
435 N 100 W, Suite 1
Cedar City, Utah 84721

Sincerely,

B. Kirk Nicholes
Environmental Specialist
Alton Coal Development, LLC

Kirk Nicholes

From: Steve Petersen <steven_petersen@byu.edu>
Sent: Thursday, March 19, 2015 1:57 PM
To: Kirk Nicholes
Subject: FW: Wildlife services summary report for Alton Coal Mine

From: Teresa Wright [mailto:t2kj@cut.net]
Sent: Tuesday, December 16, 2014 3:50 PM
To: Steven
Subject: Wildlife services summary report for Alton Coal Mine

Sage Grouse Summary for Alton Coal.

This is a summary of the work done by Wildlife Services for Alton Coal Mine, for the protection of Sage Grouse in the area.

The methods used were poison eggs, for the reduction of the raven population to decrease Sage Grouse egg predation in the area and Coyote control to reduce predation to the Grouse.

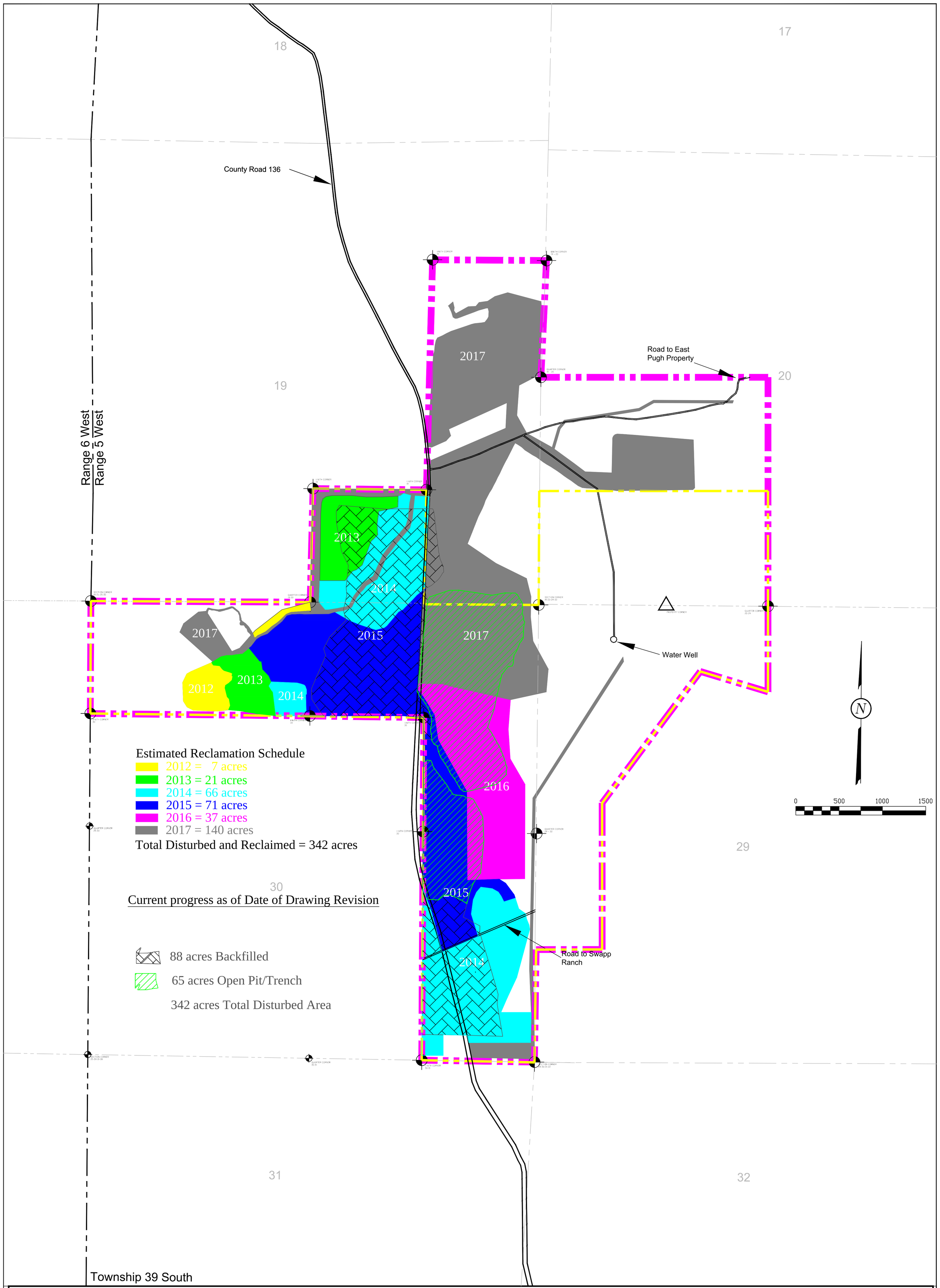
The numbers collected for coyotes taken, are from December 1, 2013 to December 1, 2014 in this time 20 coyotes were taken by trapping and 1 den was removed from Alton Coal Mine property and surrounding areas.

The egg work began this year in January 2014, and continued through June 2014, with a total of 1400 eggs being put out at the mine and surrounding areas.

The formula we use for the calculation of take is 25 raven for every 100 eggs applied, therefore take of Raven would be approximately 350 killed for the protection of the Sage Grouse.

If more information is needed please feel free to contact me.

Teresa Wright
435-896-3423
Wildlife Specialist
USDA/APHIS/Wildlife Services



Estimated Reclamation Schedule

- 2012 = 7 acres
- 2013 = 21 acres
- 2014 = 66 acres
- 2015 = 71 acres
- 2016 = 37 acres
- 2017 = 140 acres

Total Disturbed and Reclaimed = 342 acres

Current progress as of Date of Drawing Revision

- 88 acres Backfilled
- 65 acres Open Pit/Trench
- 342 acres Total Disturbed Area

LEGEND:

- PERMIT BOUNDARY
- PRIVATE COAL OWNERSHIP
- SECTION LINE
- FOUND SECTION CORNER
- FOUND PROPERTY CORNER
- POSTMINING ROADS

DRAWN BY:	CHECKED BY:
K. NICHOLES	LWJ
DRAWING: 5–38	DATE: 12/18/2014
	SCALE: 1" = 500'
JOB NUMBER: 1400	SHEET

REVISIONS

DATE:	BY:
03/05/14	KN

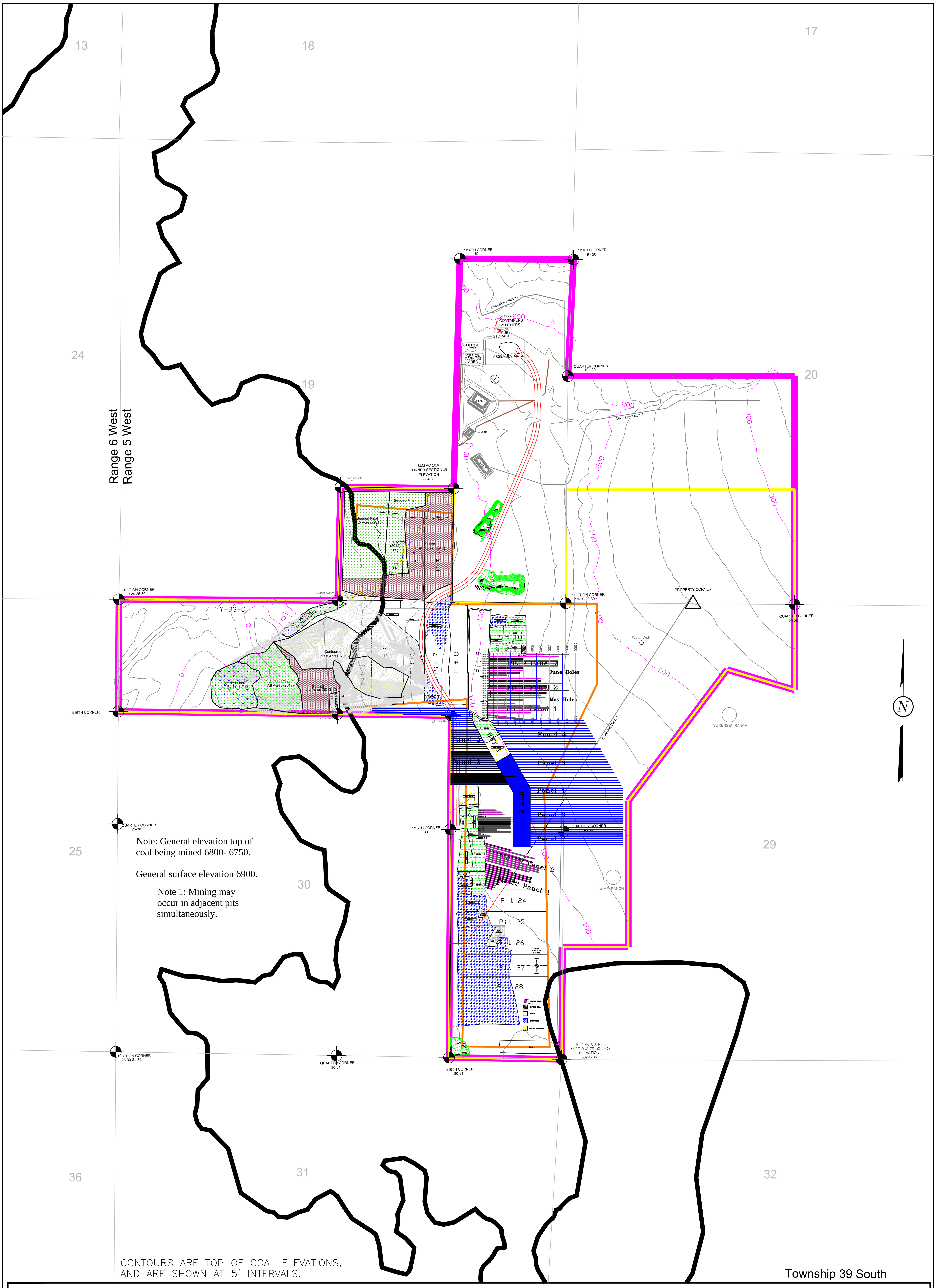
RECLAMATION SEQUENCE

COAL HOLLOW PROJECT
ALTON, UTAH

DRAWING: 5-38

UTAH REGISTERED #154168 DAN W. GUY PROFESSIONAL ENGINEER

Alton Coal Development
Coal Hollow Project
463 North 100 West, Suite 1
Cedar City, Utah 84721
Phone (435)867-5331
Fax (435)867-1192


13
18
17
24
19
20
25
30
29
36
31
32
Range 6 West
Range 5 West
1/16TH CORNER 19
1/16TH CORNER 19 - 20
QUARTER CORNER 19 - 20
Diversion Ditch 3
STORAGE CONTAINERS BY OTHERS
OIL FUEL STORAGE
OFFICE PAD
OFFICE PARKING AREA
ASSEMBLY AREA
Pond 1
Pond 1B
Pond 2
Diversion Ditch 2
BLM AC 1/16 CORNER SECTION 19 ELEVATION 6884.811
Seeded Final
Seeded Final .5 Acres (2013)
5.84 Acres (2014)
Subsoil 17.40 Acres (2014)
SECTION CORNER 19-24-25-30
Y-93-C
Seeded Final 1.8 Acres (2012)
Contoured 13.8 Acres (2013)
Seeded Final 5.7 Acres (2012)
Seeded Final 7.8 Acres (2013)
Subsoil 5.2 Acres (2013)
1/16TH CORNER 30
SECTION CORNER 19-20-29-30
PROPERTY CORNER
QUARTER CORNER 20-29
Water Well
Pit 7
Pit 8
Pit 9
Pit 10
June Holes
May Holes
Pit 9 Panel 2
Pit 9 Panel 1
Panel 4
Panel 3
Panel 2
HWT 1
HWT 2
Diversion Ditch 1
SORENSEN RANCH
QUARTER CORNER 25-30
Note: General elevation top of coal being mined 6800- 6750.
General surface elevation 6900.
Note 1: Mining may occur in adjacent pits simultaneously.
Pit 22 Panel 2
Pit 22 Panel 1
Pit 24
Pit 25
Pit 26
Pit 27
Pit 28
DAME RANCH
N
BLM AC CORNER SECTIONS 29-30-31-32 ELEVATION 6829.706
SECTION CORNER 25-30-31-36
QUARTER CORNER 30-31
1/16TH CORNER 30-31
CONTOURS ARE TOP OF COAL ELEVATIONS, AND ARE SHOWN AT 5' INTERVALS.
Township 39 South

LEGEND:
PERMIT BOUNDARY
PRIVATE COAL OWNERSHIP
COAL LINE BOUNDARY
SECTION LINE
COUNTY ROAD
FOUND SECTION CORNER
FOUND PROPERTY CORNER

DRAWN BY: J. STANSFIELD C. McCOURT

CHECKED BY:

DRAWING: FIG. 7

DATE: 04/20/07

SCALE: 1" = 500'

JOB NUMBER: 1400

SHEET

MSHAminemapsiteDEC14.dwg

REVISIONS	
DATE:	BY:
02/01/13	JKSR
05/23/14	JKSR
06/24/14	JKSR
08/01/14	JKSR
09/03/14	JKSR
10/03/14	JKSR
01/07/15	JKSR

MINE MAP

COAL HOLLOW PROJECT
2060 S. ALTON ROAD
ALTON UTAH, 84710

FIGURE 7

Registered Land Surveyor 167230 JAY S. ADAMS State of Utah

Alton Coal Development Coal Hollow Project

463 North 100 West, Suite 1
Cedar City, Utah 84720
Phone (435)867-5331
Fax (435)867-1192

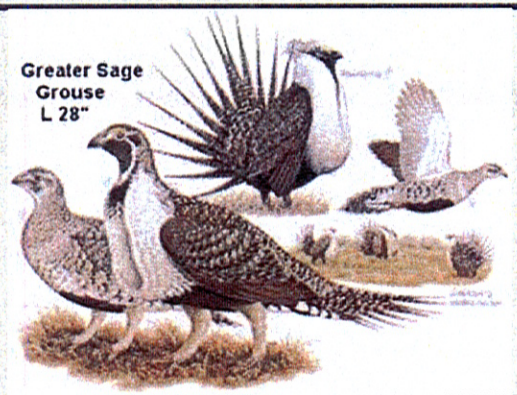
Alton Coal Development Wildlife Awareness

- Objective: Protection of resident wildlife, minimize impact to wildlife during mining.
  - Speed limits of all vehicles will be 25 mph inside the permit area.
  - No operations will be conducted that would likely jeopardize T&E species.
  - Electric power lines and other transmition facilities are designed and constructed to minimize electrocution hazards to raptors.

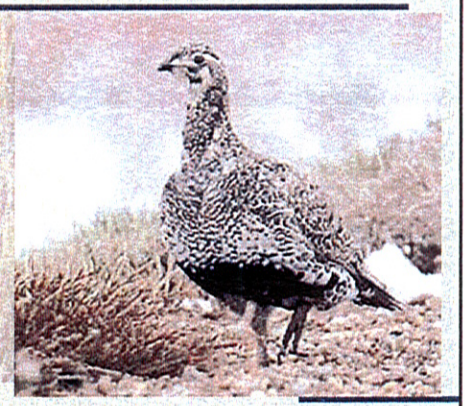
Alton Coal Development Wildlife Awareness cont.

- The mine site is considered habitat for:
  - Deer (mid April to mid November)
  - Elk
  - Black Bear
  - Sage grouse (throughout the year, report to Kirk)
- Wildlife and domestic livestock mortalities from coal haul and associated vehicles from the mine site to highway 89 reported to the Environmental Specialist.

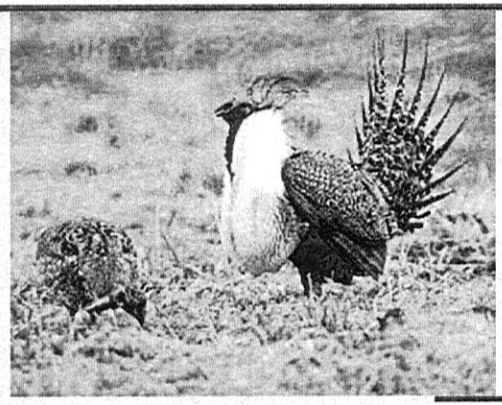
Alton Coal Development Wildlife Awareness cont.



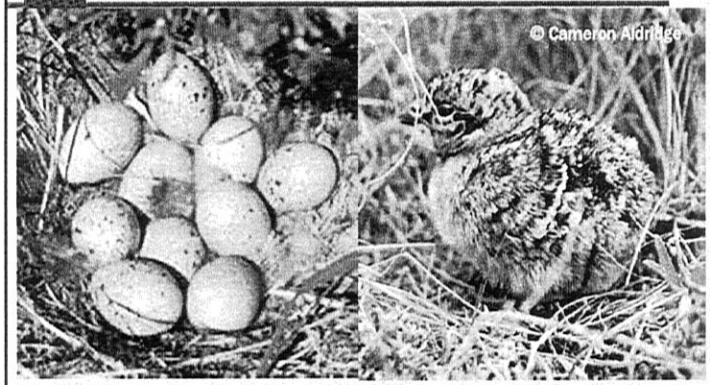
Alton Coal Development Wildlife Awareness cont.



Alton Coal Development
Wildlife Awareness cont.



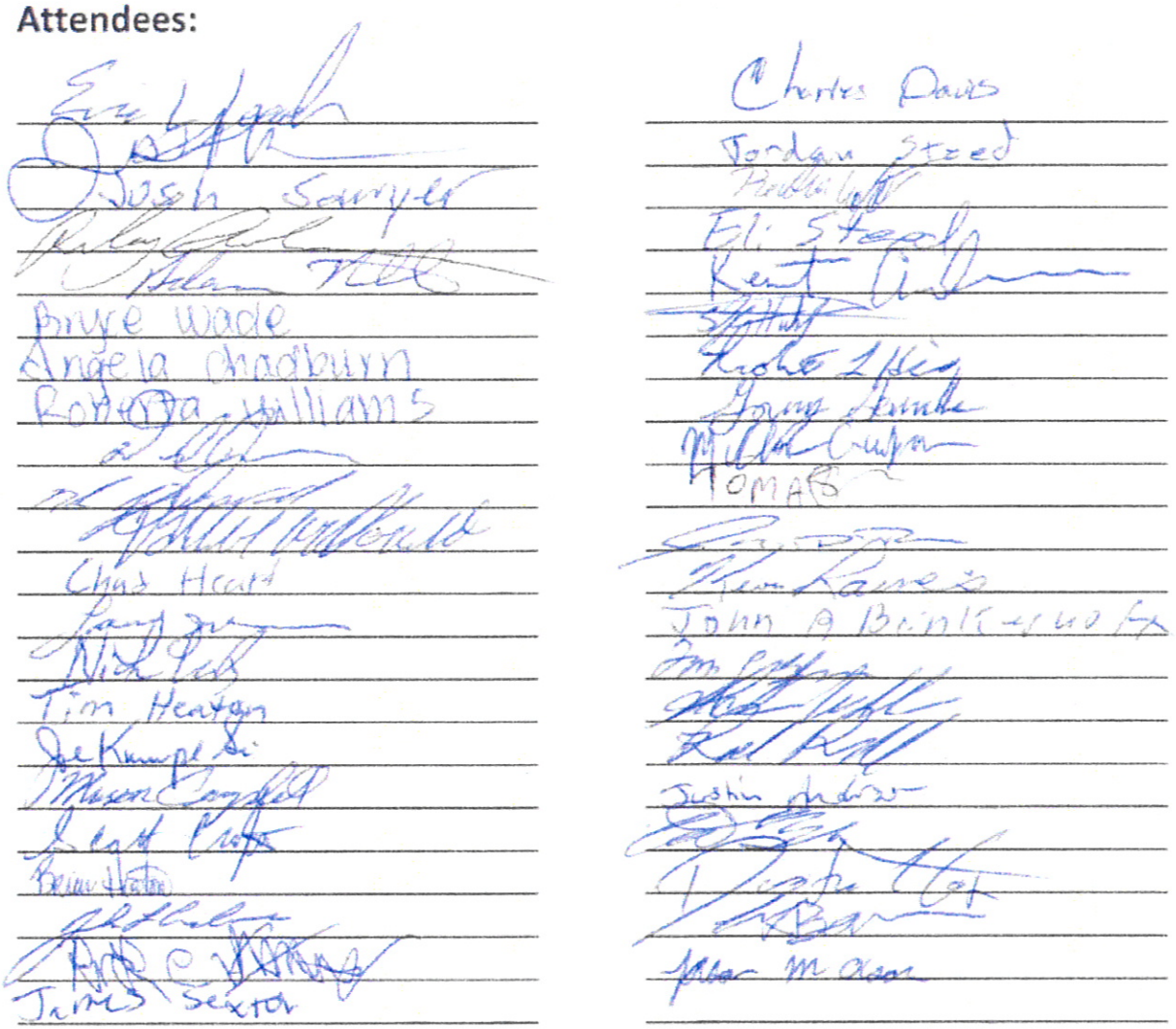
Alton Coal Development
Wildlife Awareness cont.



Annual Refresher
1-31-2015

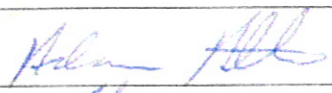
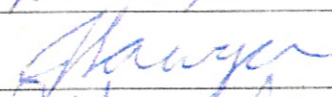
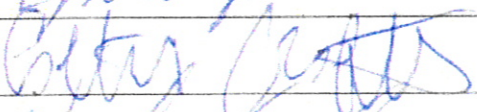
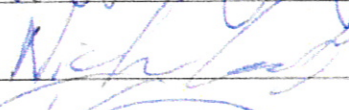
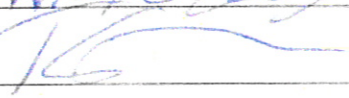
Topic: Environmental & Wildlife Training
Instructor: Kirk Nicholes

Attendees:



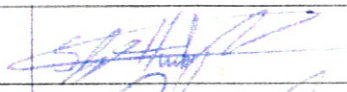
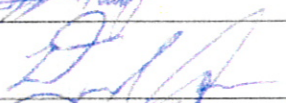
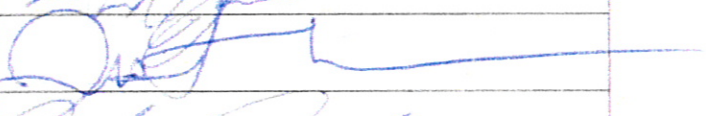
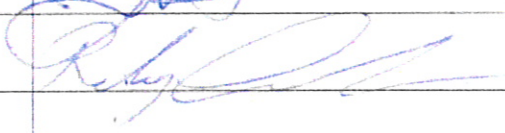
DWR & Environmental Issues

Group 1

Adam Allen	
Colten Crofts	
Josh Sawyer	
Nick Lamb	
Tom A Spencer	

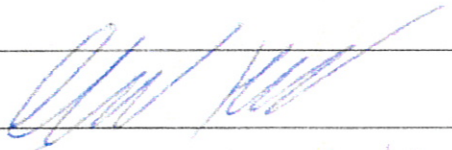
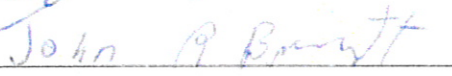
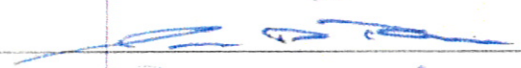
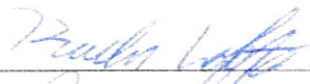
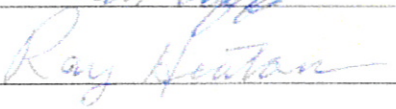
DWR & Environmental Issues

Group 2

Anthony Huntington	
David Jones	
Justin Harper	
Riley Anderson	

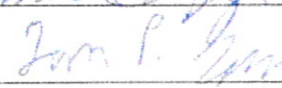
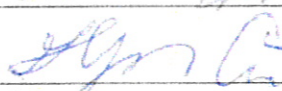
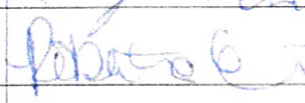
DWR & Environmental Issues

Group 6

Chad Heaton	
John Brinkerhoff	
Tawn Brinkerhoff	
Jason Bauer	
Kaden Crofts	
Raymond Heaton	

DWR & Environmental Issues

Group 5

Mason Campbell	
Thomas P Spencer	
Glyn Certonio	
Roberta Williams	

DWR & Environmental Issues

Group 4

Brandon Lamb	
Kent Anderson	
Rod Russell	
Zane Vincent	

DWR & Environmental Issues

Group 3

Archie Willie	
Eric Leach	
Robert Hill	
Wes Huntington	
John Williamson	
Garrett Lualleh	