



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	PARTIAL
Inspection Date:	Wednesday, April 29, 2015
Start Date/Time:	4/29/2015 9:00:00 AM
End Date/Time:	4/29/2015 2:30:00 PM
Last Inspection:	Tuesday, April 14, 2015

Inspector: Priscilla Burton,

Weather: sun, 70 F

InspectionID Report Number: 4176

Accepted by: JHELFRIC

5/12/2015

Representatives Present During the Inspection:	
OGM	Priscilla Burton
Company	Kirk Nicholes
Other	Steve Alder
Other	John Robinson

Permitee: **ALTON COAL DEVELOPMENT LLC**
 Operator: **ALTON COAL DEVELOPMENT LLC**
 Site: **COAL HOLLOW**
 Address: **463 North 100 West, Suite 1, CEDAR CITY UT 84720**
 County: **KANE**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

721.00	Total Permitted
342.00	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Pit 20 and 21 are mined out. Pit 9 and Trench 1 is mined out. The highwall/auger miner is mining to the west at the bend in Trench 2. Within pit 10 slopes are being graded and faced up. Above Pit 10 the alluvium is being laid back and prepared for seeding. Trucks were end-dumping excess spoil in Pit 20. We checked drainage and drainage controls in the facility yard and at ponds 1, 1b, 2 and 4. We observed partially completed work in UD 1 and pond 4 (to abate NOV 16150). DD-4 is staked, but not installed along its length.

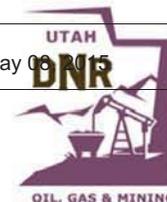
Refer to Dwg 5-3, 5-3A for culvert ditch and pond locations and Dwg 5-10 for pit and HWT locations. The attached map image shows the current locations of mining and the active temporary spoil pile.

Inspector's Signature: **Priscilla Burton**

Priscilla Burton,
Inspector ID Number: 37

Digitally signed by Priscilla Burton
 DN: cn=Priscilla Burton, o, ou,
 email=priscillaburton@utah.gov, c=US
 Date: 2015.05.12 13:46:18 -06'00'

Date: Friday, May 08, 2015



REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

Facilities Spill Plan was recently approved, Task 4861.

A further extension for compliance with the Division Order 15 A was received on April 28, 2015, Task 4796.

The Phase I bond release application response was received on April 22, 2015, Task 4788.

The North Lease application was received on April 17, 2015, Task 4877.

The Annual Report is under review, Task 4861.

New certified designs for the reconstruction of Lower Robinson Creek are under review as abatement to NOV 16149 issued January 26, 2015, Task 4871.

The Pond #1 and water valve amendment to the MRP was received on May 8, 2015, Task 4894.

NOV 16150 was issued 4/1/2015 for failure to construct ditch DD 4 and UD1 to the approved designs and failure to provide a properly functioning straw bale check dam at the ASCA located in Lower Robinson Creek.

NOV 18150 was issued April 28, 2015 for not completing the 355 acre BLM parcel sage grouse mitigation.

Stream Alteration Permit #07-85-0002 for Lower Robinson Creek has expired and will require updating.

2. Signs and Markers

The Phase I bond release area requires staking to differentiate it from the area being regraded near Pond #4 and other active areas that may be re-affected prior to topsoil application.

4.a Hydrologic Balance: Diversions

Ditch DD 4 had been staked. DD 4 is the subject of NOV 16150. Ditch DD4 requires maintenance in the stretch above the transition zone in the Lower Robinson Creek construction area, as noted during the March 23 inspection. This maintenance will be completed before the weekend (May 1).

The inlet to C11 was recently seeded.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Pond inspections were conducted on February 10, 2015 and were received by the Division on March 3, 2015 via email. Pond 1 was certified as having five feet of water, with rip rap at both inlets and an open and functional principle and emergency outlet, with some sediment accumulation near the inlets.

During the inspection the inlet to pond #1 was evaluated. Sediment has accumulated at the inlet due to overland flow from the loadout. The principal and emergency spillway was found to be clogged with coal fines. The need to redesign the overland flow inlet was apparent because the inlet and outlet are at the same location and are short-circuiting the detention time of the pond. In addition, culvert #6 which reports to pond #1 has not been repaired. Culvert #6 is a maintenance item carried over from the last inspection. Culvert #6 is a compliance issue and must be repaired before the next inspection.

Upon investigation of Dwg 5-28 at the Division office, the site configuration was not to be consistent with the design for Pond #1 and an email was sent on April 30 outlining the maintenance required by May 8, 2015, as follows:
"To remain in compliance, begin doing the work that is necessary to remove the fines from the oil skimmer and restore the pond embankment to the design shown on Dwg 5-28, with no overland flow inlet near the outlet. Complete this work by May 8, 2015. Concurrently, provide a certified design showing elevations of the inlet and outlet and the maximum sediment elevation, the 60% sediment elevation and sediment marker location AND the proposed location of the overland flow inlet to to the Division for expedited, hydro review, and then once approved, you can construct the new inlet at the desired location." The Pond #1 skimmer was cleared of debris and the Pond #1 amendment to the MRP was received on May 8, 2015, Task 4894.

The certified Pond #2 inspection conducted on February 10, 2015 does not mention a leak in the spillway pipe which was clearly evident during the Division's March 23, 2015 inspection. This leak had been in existence for some time, as there was a thriving riparian community of grasses dependent on the flow at the outlet. The pond #2 leak was repaired and the pond was very nearly dry during this April 29, 2015 inspection.

The February 10 certified Pond #3 inspection does not describe any embankment instability, but some erosion of the dam embankment inslope was noted during the Division's March 23 inspection report. Erosion of the Pond #3 embankment should be checked by the P.E.

The certified pond inspection for Pond #4 describes the pond spillway elevation of 6,834 ft.

Undisturbed Ditch #1 and the inlet to pond #4 will be graded to abate violation NOV 16150 issued April 1, 2015. The work was not complete at the time of the inspection.

4.c Hydrologic Balance: Other Sediment Control Measures

A broken valve near the coal pile is sending a trickle of water to Pond #1. This leak was discussed during the inspection and the valve will be fixed in the next week. A follow-up email sent on April 30, 2015 added the following information:

"The facilities water plan is shown in Dwg 5-8C. The locations of the water tanks is not accurately shown and the water line to the coal pile and associated valves are not depicted. To remain in compliance, fix the broken valve and provide a certified as-built Dwg 5-8C to the Division prior to May 8, 2015." The water line was repaired and the update to the MRP was received May 8, 2015, Task 4894.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil pile inspection dated 2/10/2015 states, " the pile has reached the elevation to allow positive drainage to Ditch 4 which flows to Sediment Pond no. 3" However it does not indicate the final elevation. The certified inspection further states, "the pile is in the early stage of development." This certified report does not appear accurate, since the excess spoil pile was included in a Phase I bond release application dated Jan 28, 2015. This is becoming a hindrance, compliance issue. The P.E. should be directed to include the acreage and volume of the excess spoil, the elevation of the current or final lift, and the locations of the spoil pile (and its drainage) examined in the certified inspections on the excess spoil pile so that they provide accurate and current information for the mine operator and the Division. The second quarter inspections of the spoil and impoundments will be carefully scrutinized for accuracy of reporting.

Above Pit 10 underground mining area, the highwall bench is being prepared for seeding.

8. Noncoal Waste

Trash has been cleaned up from the pond areas.

9. Protection of Fish, Wildlife and Related Environmental Issues

We observed the lop and scatter work done along the re-routed County Road.

10. Slides and Other Damage

We observed that recent heavy rains have created saturated conditions in the overburden above HWT 2 (which sloughed onto the bench); in the highwall fill of Pit 10 (where an excavator was stuck) and in the backfill of Pit 20.

12. Backfilling And Grading

During the inspection pit 10 slopes were being graded and faced up. An excavator got stuck working the saturated fill of Pit 10. Above Pit 10 the alluvium was being laid back and prepared for seeding. Trucks were end-dumping excess spoil in Pit 20. Auger mining was ongoing at the bend in HWT 2 where augers were mining coal to the West, see attached Dwg XXX. Coal had been covered in Trench #1. The open pit into trench #2 was less than 1,300 ft, according to Mr. Nicholes.

The request for extension received on April 28, 2015 states that there have been 680,744 cu yd of spoil moved from the temporary spoil piles and the surface above pits 8, 9, and 10; and there have been 1,479,425 cu yd backfilled into pits 20, 21, 22, 23 and pits 8/9 HWT [HWT 1].

Copies of the spoil pile compaction reports were requested. Said copies were received 4/29/2015 and sent to the Incoming folder.

16.b Roads: Drainage Controls

Ditches have not yet been constructed along the county road in the South permit/bond release area. Mr. Nicoles has a timeline worked out with the County to install those drainage ditches in the fall. These ditches will control the flow across the reclaimed area in the south as well.

17. Other Transportation Facilities

Approximately 65 trucks a day leave the facility. The roads are watered with Pond #1 and Pond #2 water.

18. Support Facilities, Utility Installations

Within the spill containment structure there are three 10,000 gal tanks; three 5,000 gal tanks, and two 300 gal tanks on stilts. See attached photos of the containment structure.

20. Air Quality Permit

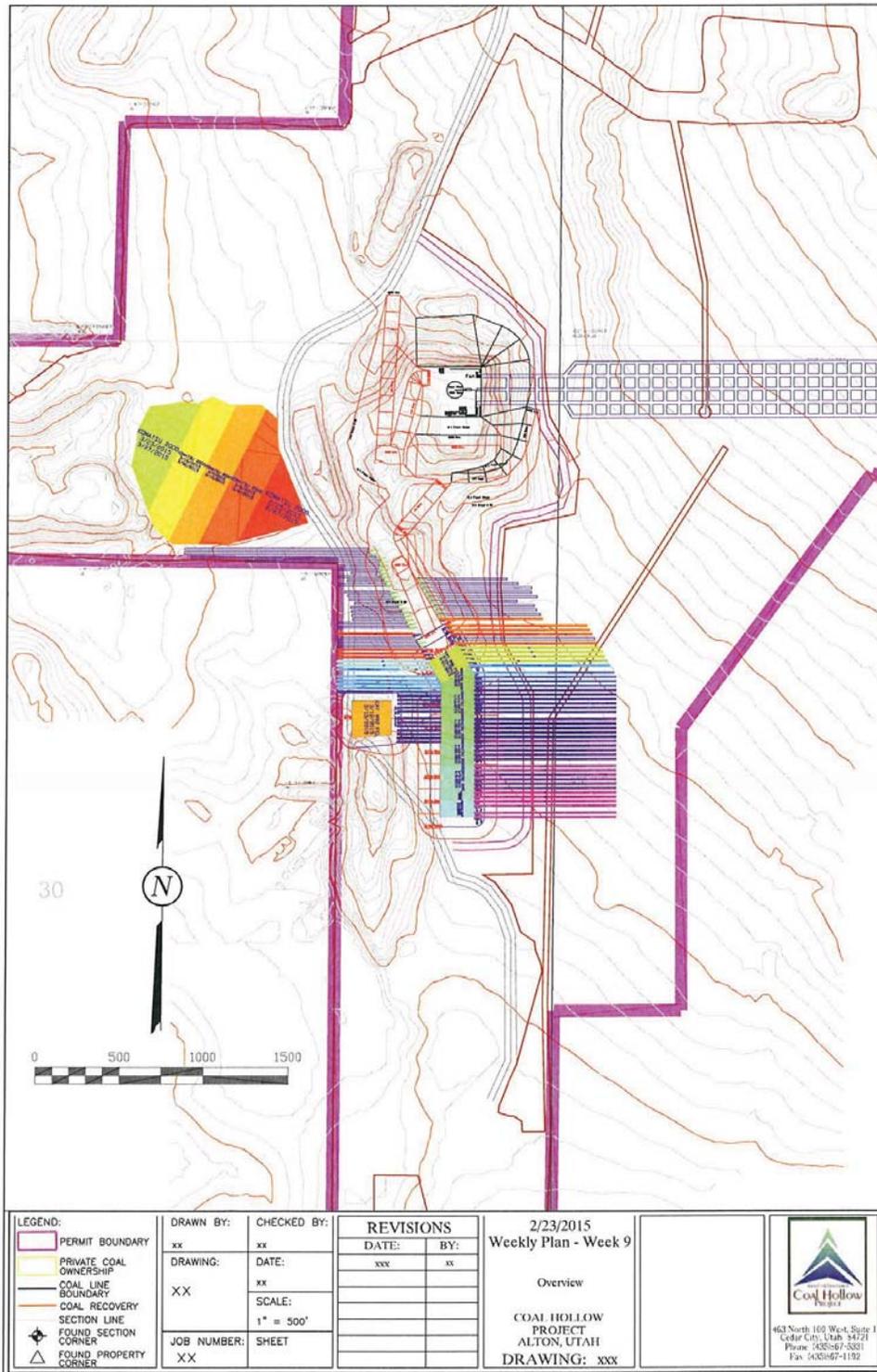
Approval Order DAQE-AN140470003-14 for the underground mining has been approved. An electronic copy was received on 4/29/2015 and sent to the Incoming folder.

21. Bonding and Insurance

A request for extension to Division Order 15A was received on 4/28/2015. (An extension was granted until May 15, 2015.)

22. Other

Underground materials are stored in an open location north of the subsoil pile #2. This storage yard must be shown on Plate 5-3.



Mining Disturbance Map showing mine progress as described in this report's summary.



Pond #1 inlet adjacent to outlet



Pond #1 oil skimmer outlet.



Containment facility



Containment facility



Disturbed/undisturbed boundary within permit area.



Lower Robinson Creek at outlet of Ponds #1 and 1B, undisturbed within permit area.



PIT 10 access.



PIT 10 highwall covered with chain mesh.



HWT 1 and HWT 2 with auger at HWT 2 panel 1 E



Temporary spoil pile



Equipment on left side is at the top of HWT 2. Equipment on the right is end dumping into Pit 20.