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State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0250005
Inspection Type:	PARTIAL
Inspection Date:	Friday, July 10, 2015
Start Date/Time:	7/10/2015 9:00:00 PM
End Date/Time:	7/10/2015 2:00:00 PM
Last Inspection:	Tuesday, June 30, 2015

Inspector: Keenan Storrar,

Weather: Sunny

InspectionID Report Number: 5245

Accepted by:

Representatives Present During the Inspection:	
OGM	Keenan Storrar
Company	Kirk Nicholes

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

- [x] **Federal**
- [ ] **State**
- [ ] **County**
- [x] **Fee**
- [ ] **Other**

Types of Operations

- [ ] **Underground**
- [x] **Surface**
- [ ] **Loadout**
- [ ] **Processing**
- [ ] **Reprocessing**

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

A partial inspection of the Coal Hollow mine took place on July 10, 2015 by Keenan Storrar of the Division of Oil, Gas and Mining (the Division). Kirk Nicholes of Alton Coal Development (the Permittee) represented the company and accompanied the Division during the inspection. The Division followed up on multiple items needing immediate attention that were detailed in prior inspection reports. Overall, many of the items have been taken care of and the site is in much better shape on many levels.

As of July 10, 2015 the Permittee had competed both surface and highwall mining of the Smirl Coal seam within the permit area. The last stockpile of coal at the loadout was waiting for transport off-site and was nearly diminished at the end of the inspection. The Permittee was given approval by MSHA to mine 60' into the underground entries; at which time MSHA will inspect the roof control plan and determine if it is acceptable. Upon final approval of the roof control plan all permitting aspects of underground mining will have been approved by MSHA allowing underground to fully commence.

Inspector's Signature:

Date Thursday, July 16, 2015

Keenan Storrar,
Inspector ID Number: 71

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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 performace 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	☐	☐	☐	☐
2. Signs and Markers	☐	☐	☐	☐
3. Topsoil	☑	☐	☑	☐
4.a Hydrologic Balance: Diversions	☑	☐	☑	☐
4.b Hydrologic Balance: Sediment Ponds and Impoundments	☑	☐	☑	☐
4.c Hydrologic Balance: Other Sediment Control Measures	☑	☐	☑	☐
4.d Hydrologic Balance: Water Monitoring	☐	☐	☐	☐
4.e Hydrologic Balance: Effluent Limitations	☐	☐	☐	☐
5. Explosives	☐	☐	☐	☐
6. Disposal of Excess Spoil, Fills, Benches	☑	☐	☑	☐
7. Coal Mine Waste, Refuse Piles, Impoundments	☐	☐	☐	☐
8. Noncoal Waste	☑	☐	☑	☐
9. Protection of Fish, Wildlife and Related Environmental Issues	☑	☐	☑	☐
10. Slides and Other Damage	☑	☐	☑	☐
11. Contemporaneous Reclamation	☑	☐	☑	☐
12. Backfilling And Grading	☑	☐	☑	☐
13. Revegetation	☐	☐	☐	☐
14. Subsidence Control	☐	☐	☐	☐
15. Cessation of Operations	☐	☐	☐	☐
16.a Roads: Construction, Maintenance, Surfacing	☐	☐	☐	☐
16.b Roads: Drainage Controls	☑	☐	☑	☐
17. Other Transportation Facilities	☐	☐	☐	☐
18. Support Facilities, Utility Installations	☑	☐	☑	☐
19. AVS Check	☐	☐	☐	☐
20. Air Quality Permit	☐	☐	☐	☐
21. Bonding and Insurance	☐	☐	☐	☐
22. Other	☐	☐	☑	☐

3. Topsoil

Topsoil is fully applied along the northern section of Dames access road (Figure 1).

4.a Hydrologic Balance: Diversions

The inlet of culvert C7 just down from the water tanks was clear of sediment and properly functioning (Figure 2).

The problem area of Diversion Ditch #4 (DD4) has been fixed by straightening the ditch out to bypass the connection between the new and old sections. Along this new section it has also been shaped into a swale, allowing the operator to access Lower Robinson Creek diversion during reconstruction, and still direct DD4 runoff to Pond 3.

The straw wattles at the undisturbed outlet of Drainage Ditch 1 were inspected. It appears they will be able to capture suspended sediment produced in the ditch from runoff. The grasses and sedges have grown vigorously just down from the outlet; this ground cover will help to treat runoff from DD1 as well.

The following is from previous inspection reports:
Inspection 4234: While some work was clearly done, the area still requires some fine grading to establish flow to ditch C7. The Permittee was told to move the stockpiled soil south of the water tanks to the appropriate stockpile area and to stabilize it.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The inlets to Pond 1 and Pond 3 had been rip-rapped. It was discussed that a fabric or granular filter under the rip-rap at the inlets may help further stabilize these features if they continue to erode and be problematic in the future (Figure 3).

The pipeline from Pit 10 to Pond 3 was laid out on the ground between the two areas, but did not extend all the way to Pond 3. Mr. Nicholes and I concurred that the decant pipe in Pond 3 needs to be installed prior to the pond receiving water from the Pit 10 pipe. I followed up with him over the phone on July 16, 2015 and was notified the pipe was delivered to the site this week and the mine plans on installing the decant pipe early next week (~July 20-21).

4.c Hydrologic Balance: Other Sediment Control Measures

The Best Technology Currently Available (BTCA or alternative sediment control measure/ASC) at the main entrance was repaired. The ditch to the north of the road had been cleaned out and new straw bales have been installed at both the north and south ditches. The entrance culvert was cleaned out as well (Figure 4 & 5).

6. Disposal of Excess Spoil, Fills, Benches

An excavator, bulldozers, and haul trucks were working on the eastern side of the excess spoil pile. Subsoil and excess spoil were being dozed downslope and piled at the base. The piles were being loaded and hauled to fill the highwall trench (Figure 6). Mr. Nicholes was notified to properly handle and account for the small area of topsoil that was on the NE corner of the excess spoil pile. This topsoil had accidentally been place in this area a while ago and was nearly in the way of where they are currently working on the excess spoil.

The following is from previous inspection reports:
Inspection 4219: East of Pit 10 highwall, the alluvium has been graded to create a level area. The area will be seeded, leaving a bermed roadway for light truck traffic.

8. Noncoal Waste

The following is from previous inspection reports:
Inspection 4219: Trash along the road to the mine office and in the vicinity of UD#3 and C7 should be picked up.

9. Protection of Fish, Wildlife and Related Environmental Issues

The section of fence to the west of Pits 20 and 21 has been repaired and no cows were seen within the permit area.

The following is from previous inspection reports:
Inspection 4212: The commitment to provide sage grouse collars in the 2014 annual report was discussed; the report is currently under review by the Division. Mitigation for the North Lease consists of approximately 225 acres and another 25 for the Kanab creek buffer area. At a 4 to 1 mitigation ratio that would be 1000 acres. Mr. Nicholes was informed that the mitigation would need to be completed prior to the commencement of mining activing in the North Lease area.

10. Slides and Other Damage

The following is from previous inspection reports:
Inspection 4219: When the south side of Pit 10 dries sufficiently, it will be graded to continue the MSHA bench around the pit. The slope will be graded 2:1. A Spray tackifier, hydromulch and seed might help control erosion on that slope.

11. Contemporaneous Reclamation

The following is from previous inspection reports:
Inspection 4234: The ponding area adjacent to the reconstruction of Dames access road was witnessed during inspection. With proper grading the area will drain to the south and flow through the gravel surface which will be placed on the Dames's access road.

Inspection 4219: Water is ponding in a low spot adjacent to the reconstructed Dames's access road. This area should be graded so that the surface flow does not pond and create a saline surface on the reclaimed area and muddy condition on the road.

12. Backfilling And Grading

Subsoil has been applied to almost the entire bond release area to the east of the excess spoil pile or Pit 7 area. In the mean time, a haul road cuts through this area and is used for hauling excess spoil to backfill HWT 2 & 3. Subsoil piles have been placed along the length of this road and will be used to bring this haul road area to final grade once the road is no longer needed (Figure 7).

16.b Roads: Drainage Controls

The disturbance boundary along the road east of Pit 10 was not clearly marked with signage. Mr. Nicholes show me he had signage made for this boundary, but that he still needs to install them.

The following is from previous inspection reports:
Inspection 4234: A roadway will be defined with berms on the graded alluvium east of Pit 10 highwall by July 13, 2015 to prevent equipment from traveling on the undisturbed area not covered by the bond.

Inspection 4219 : The borrow ditch on the County Road should be re-established to prevent drainage flowing into the reclaimed Pit 6 area. A roadway will be defined with berms on the graded alluvium east of Pit 10 highwall.

18. Support Facilities, Utility Installations

The SPCC fuel containment structure was mostly dry except for a shallow puddle (< ½") in the bottom along the southern wall (Figure 8).

22. Other

The following is from previous inspection reports:
Inspection 4219 : A former topsoil pit location just south of pond 4 should be filled in.

Figure 1. Topsoil applied to the north of the Dames access road.

Figure 2. Culvert 7 is cleaned out and is properly functioning.

Figure 3. Pond 3 inlet has been rip-rapped.

Figure 4. BTCA on north side of main entrance.

Figure 5. BTCA on south side of main entrance.

Figure 6. Pit 10 photo left. Excess spoil with equipment working photo right-center.

Figure 7. Subsoil seen piled along length of haul road from HWT 2 to excess spoil pile.

Figure 8. Shallow puddle (<1/2") in the bottom of the SPCC fuel containment structure.