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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

June 9, 2015

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

Subject: Outstanding Permit Conditions and Division Order Requirements

Dear Mr. Nicholes:

We have received the information submitted on Friday, May 29 and have found that some things are still lacking. Some of this information is imperative in order for us to verify that you are in compliance with your bond, and also for us to move forward with any permitting actions. Any new applications/amendments, such as the North Lease, are building upon previous conditionally approved language that is not yet incorporated into the plan and some of the tasks require a firm understanding of the reclamation scenario and bond. In order to move forward with either bond release application or the North Lease Significant Revision, we need to finalize the Division Order and Underground Mining Amendment.

The outstanding items needed are Item 4 from the Division Order and Items 4 and 5 from the Conditional Approval of the Underground Mining Amendment.

Specifically, we need:

- a. Updated GEM geotechnical reports with information requested in the May 11, 2015 swell factor letter.
- b. Officially submitted complete bond reclamation estimates (including files AltonCoalSouthAreaBondCalculations\_March2015 & 2015 March Facilities)
- c. Corrected Phase I bond plan map removing area where earthwork still remains (i.e. Robinson Creek, Ditch 4, etc.)
- d. Survey of site to verify the email estimates of remaining reclamation work sent to the Division on May 12, 2015

The main purpose of the Division Order was to quickly get us enough information to verify that you are not under bonded. At this time, we cannot verify that based on the data we have been given. This puts you out of compliance with the Division Order and subject to a



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Cessation Order. To avoid us taking such action, please get us the remaining outstanding information by June 15, 2015.

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

Sincerely,

*for*  *Haddock*

Dana Dean  
Associate Director

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