



OGMCOAL DNR <ogmcoal@utah.gov>

Coal Hollow Inspection June 16, 2015

Priscilla Burton <priscillaburton@utah.gov>

Tue, Jun 23, 2015 at 6:54 PM

To: Kirk Nichols <knicholes@altoncoal.com>, OGMCOAL DNR <ogmcoal@utah.gov>

Cc: Larry Johnson <ljohnson@altoncoal.com>, "Joe Kumpe Sr." <jkumpe@altoncoal.com>, Dana Dean <danadean@utah.gov>, Daron Haddock <daronhaddock@utah.gov>

Hello Kirk,

I have attached the report of my complete inspection conducted on June 16, 2015. Since you were not at the site during the inspection, I will mention a few of the maintenance items to be attended to.

The water tank leak must be repaired and the ditch reinstated and culvert C7 cleared of weeds and sediment.

The catch basins at the entrance to the mine are now dry enough to clean out and replace sediment structures.

The dredged material from ponds is now dry enough to remove from the pond embankments.

New ditch DD#4 requires grading where it connects with the existing ditch.

All pond maintenance items should be undertaken now that access has dried out and the pond water level is low.

Of course, cows must be removed from the permit area.

The inspection report contains further details.

Priscilla Burton, MS, CPSSc

Environmental Scientist III

Utah Division of Oil, Gas & Mining

Price Field Office

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Insp Rpt 4219 Coal Hollow June 16 2015.pdf

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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:	COMPLETE
Inspection Date:	Tuesday, June 16, 2015
Start Date/Time:	6/16/2015 9:00:00 AM
End Date/Time:	6/16/2015 3:00:00 PM
Last Inspection:	Tuesday, June 09, 2015

Inspector: Priscilla Burton,

Weather: sun 85F

InspectionID Report Number: 4219

Accepted by: JHELFRIC

6/18/2015

Representatives Present During the Inspection:	
OGM	Priscilla Burton
Company	Joe Kumpke
Company	Larry Johnson

Permittee: **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:

Reviewed records kept on site. Inspected the surface facilities. Observed the progress of mining and reclamation. Recent blasts occurred in overburden in HWT 2 panel 4 location. Dozers, excavator and haul trucks moving overburden from HWT 2 to fill locations along the HWT 2 access road. Grading of subsoil on the former Excess Spoil location above Pits 2 & 7 has temporarily halted due to super saturated soils. There was little activity at the Burton #1 mine. Refer to Dwg 5-3 & 5-3C for pond, culvert and ditch locations. Refer to Dwg 5-10 for pit locations.

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: 2015.06.23 18:44:14 -06'00'

Date Wednesday, June 17, 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 type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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

Division Order DO15A has been assigned Task 4796. Resolution to DO 15A was requested in a letter from the Division to ACD on June 9, 2015. A response to that letter was assigned as review task 4936.

The underground mining plan (task 4814) was conditionally approved on March 31, 2015. Three portals have been faced up. A fan is operational. The electrical system is functional. The office trailer is installed. The highwall has been protected with chain link. A diversion ditch and culverts directs surface water to a sump. A pump is intalled in the sump. The haul road has been graded and graveled. Mining can not proceed until final approval is received from all agencies. At present, the Division is not in receipt of all the information requested in the Conditional Approval Letter and roof control plans are under review by MSHA.

Annual Report was received March 30, 2015 and is under review as task 4859. Pond #1 revisions were reviewed as task 4894 and returned deficient. The North Lease Application Task 4877 was returned incomplete on June 1, 2015. The revised facilities SPCC plan (App. 7-5) was approved May 21, 2015.

The Robinson Creek stream alteration permit comment period ended today. Once the stream alteration permit is issued, the work on Robinson Reconstruction can continue. NOV 16149 abatement date is August 27, 2015 and payment of the fine is due. NOV 16150 has been terminated and payment of fine is due. A response to NOV 18150 was received and is under review as Task 4897 and the fine is being assessed.

On June 12, 2015, the EIS for the Lease by Application federal reserves went out for 60 days of public comment. Copies are available at the public libraries in Kanab, Panguitch, Cedar City and Salt Lake City.

3. Topsoil

Foxtail grass has formed seed heads. At this stage it is quite noticeable. It is gaining dominance on the topsoil stockpile #2, subsoil pile #1 storage area and on Pits 3 & 5 reclamation. This is not a seeded species. It is an unpalatable species. This species was also seen growing in the borrow ditch along the county road to the north of the mine site.

The subsoil stockpile #2 was recently treated with a tackifier. Cheat grass is becoming established on the lower west side of this subsoil stockpile and also on topsoiled locations on the Excess Spoils pile.

Mr. Johnson is in agreement with a proactive approach to control cheat grass on the mine site. The Division will research the subject and provide recommendations for cheat grass and foxtail grass control.

The low spot near the pond #4 inlet was recently topsoiled and seeded.

4.a Hydrologic Balance: Diversions

The ditch controlling flow to C7 requires maintenance prior to the next inspection. Weeds and sediments must be cleared from C7. (See Plate 5-3C for location of C7.)

DD#4 requires work where the newly constructed ditch connects with the existing DD#4. A high spot needs to be graded where water has ponded in this connection area. This area was previously too wet to work, but conditions are ideal now to finish the job.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Second quarter certified pond inspections have not been completed yet. All ponds are at low water levels. All ponds were below clean out levels, although deltas of sediment exist at the inlets of all ponds. It is an opportune time to make improvements in the drainage from the coal loading facility yard into pond 001A and to the inlet to pond 003A from DD#4. As discussed during the inspection: the material dredged from pond 001A is now dried and should be removed from the pond embankment. The inlet to pond 001A should be riprapped to accurately resemble the design by no later than Tuesday, June 30th. A large gully on the embankment of the pond needs to be repaired prior to the next inspection. See also R645-301-742.123 for required maintenance on sediment ponds.

With regard to pond 001B, three tamarisk plants must be removed.

Pond 003A needs maintenance on the inlet to repair riprap and many tamarisk growing in the embankment must be removed.

4.c Hydrologic Balance: Other Sediment Control Measures

At the main entrance to the mine, an ASCA treats water leaving the site. This area has dried sufficiently for maintenance on the small catchbasin/straw bale structures. The culvert under the road also needs to be cleared of accumulated sediments prior to the next inspection.

4.e Hydrologic Balance: Effluent Limitations

Discharge monitoring reports for monitoring points under DEQ permit UT 0025992 state that Ponds 001A, 002A and 003A discharged about 90,500 gallons during the month of March, 2015. For ponds 001A and 003A much of the discharge was attributed to snowmelt. For pond 002A it was both snow melt and a leak in the piping system. Water leaving the site in March had the following chemistry:

Pond 001A: pH = 8.0 , TSS= 15 mg/L; TDS = 118.5 mg/L ,and 25,900 gal/day flow (30 day average of 832 mg/L TDS).

Pond 002A: pH = 8.7, TSS = 4 mg/L, TDS = 1.6 mg/L, and 500 gal/day flow (30 day average of 1,170 mg/L TDS)

Pond 003A: pH = 8.4, TSS = 14.3 mg/L, TDS = 118.5 mg/L, and 64,200 gal/day flow (30 day average of 724 mg/L TDS).

Thirty day average TDS exceeded the 500 mg/L TDS individual outfall limitation, but not the 2,000 lb/day sum of all outfalls.

As required by DEQ, an acute toxicity test was run on the Pond 003A grab sample. The sample passed.

There was no discharge from any pond in April, 2015.

5. Explosives

In the second quarter, blasting took place on April 15, May 5, May 29 and June 12, 2015. The last blast on June 12, 2015 was in tropic shale in the vicinity of Panel 4 of HWT 2. Each shot used approximately 40,000 lbs NH₄NO₃ and 200 lbs diesel fuel.

6. Disposal of Excess Spoil, Fills, Benches

Survey stakes on top of the excess spoil pile indicate the location for future grading of the Excess spoil pile to tie the feature in to the reclamation of Pit2 and 7 below. This work is temporarily halted due to supersaturated soils at the base of the spoil piles. Accordingly, second quarter certified inspection of the Excess Spoil pile has not been completed yet.

East of the Pit 10 high wall, the alluvium has been graded to create a level area. The area will be seeded, leaving a roadway for highway vehicles.

8. Noncoal Waste

Trash along the road to the mine office and in the vicinity of UD #3 and C 7 should be picked up.

Two locations of non-coal waste (broken machinery, metal recycling bins, industrial sized tires, etc) must be shown on Dwgs 5-3 and 5-3C.

9. Protection of Fish, Wildlife and Related Environmental Issues

Two sage grouse were seen at Pond 003 and two fledglings were seen in the undisturbed grass just west of Dame's ranch house.

Five cows had gotten into the reclaimed area and were grazing newly seeded reclaimed area east of Dame's ranch house. (The south gate was found open.)

10. Slides and Other Damage

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 2h:1v. A spray of tackifier, hydromulch and seed might help control erosion on that slope.

The west side of HWT 2 fill was also supersaturated.

11. Contemporaneous Reclamation

Additional area just west of the County road above pit #6 has been topsoiled and seeded.

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 mudding conditions on the road.

12. Backfilling And Grading

Reclamation above Pits 2 and 7 was on hold due to supersaturated conditions at the base of the Excess Spoil pile.

Trucks are hauling overburden from the HWT 2 highwall. The alluvium at the face is saturated. Water is ponding on the bench. The alluvium is being dumped on the highwall above the HWT 2 access road, east side. Haul trucks are moving shale from the HWT 2 face to the west side of HWT2 access road. The access road to the HWT 2 face is approximately 900 ft. long and has a grade of 8 - 10%.

13. Revegetation

Vegetation seeded this past winter is growing vigorously in the reconstruction of Robinson Creek and the east side of the excess spoil pile.

16.a Roads: Construction, Maintenance, Surfacing

The haul road to pit 10 was surfaced with rock.

16.b Roads: Drainage Controls

The borrow ditch on the County Road should be re-established to prevent drainage flowing into the reclaimed Pit 6 area.

A road will be defined with berms on the graded alluvium east of Pit 10 highwall.

17. Other Transportation Facilities

The loadout equipment is sprayed down with clean water from the water tanks once each shift (2X/day). Water from this cleaning flows overland and enters Pond 1. This water has created a gully on the embankment of pond 1. The direction of surface flow in this area is currently being redesigned and a revision to the plan is expected shortly, in response to the Division's review of Task 4894.

18. Support Facilities, Utility Installations

About two inches of water was in the fuel containment structure. Diesel fuel stacked outside the containment structure was placed within the structure during the inspection. The small containers (<5 gallons) of diesel fuel should also be placed within the fuel containment structure.

The SPCC plan was recently updated and could not be found at the site during the inspection. The current SPCC plan must be available on site.

UG mining equipment is stored between the haul road and pond #2. This storage area must be designated on the facilities map Dwg 5-3. Berms installed along the haul road in the repair yard must also be shown on Dwg 5-3.

20. Air Quality Permit

Air Quality Approval Order DAQE-AN140470004-15 was approved April 21, 2015 for the underground mine.

There was approximately 4,500 Cy in the ROM stockpile and 10,000 CY in the overflow pile. Coal from the overflow was being transferred to the crusher by a dozer. The conveyor was lowered to reduce the amount of coal fines carried away by winds. Wind was brisk from the SW.

21. Bonding and Insurance

Task 4788 Phase I bond release application information was unacceptable and was returned on May 13, 2015.

A second Phase I bond release application Task 4903 was returned as unacceptable on June 11, 2015.

Permit Number: C0250005
Inspection Type: COMPLETE
Inspection Date: Tuesday, June 16, 2015

22. Other

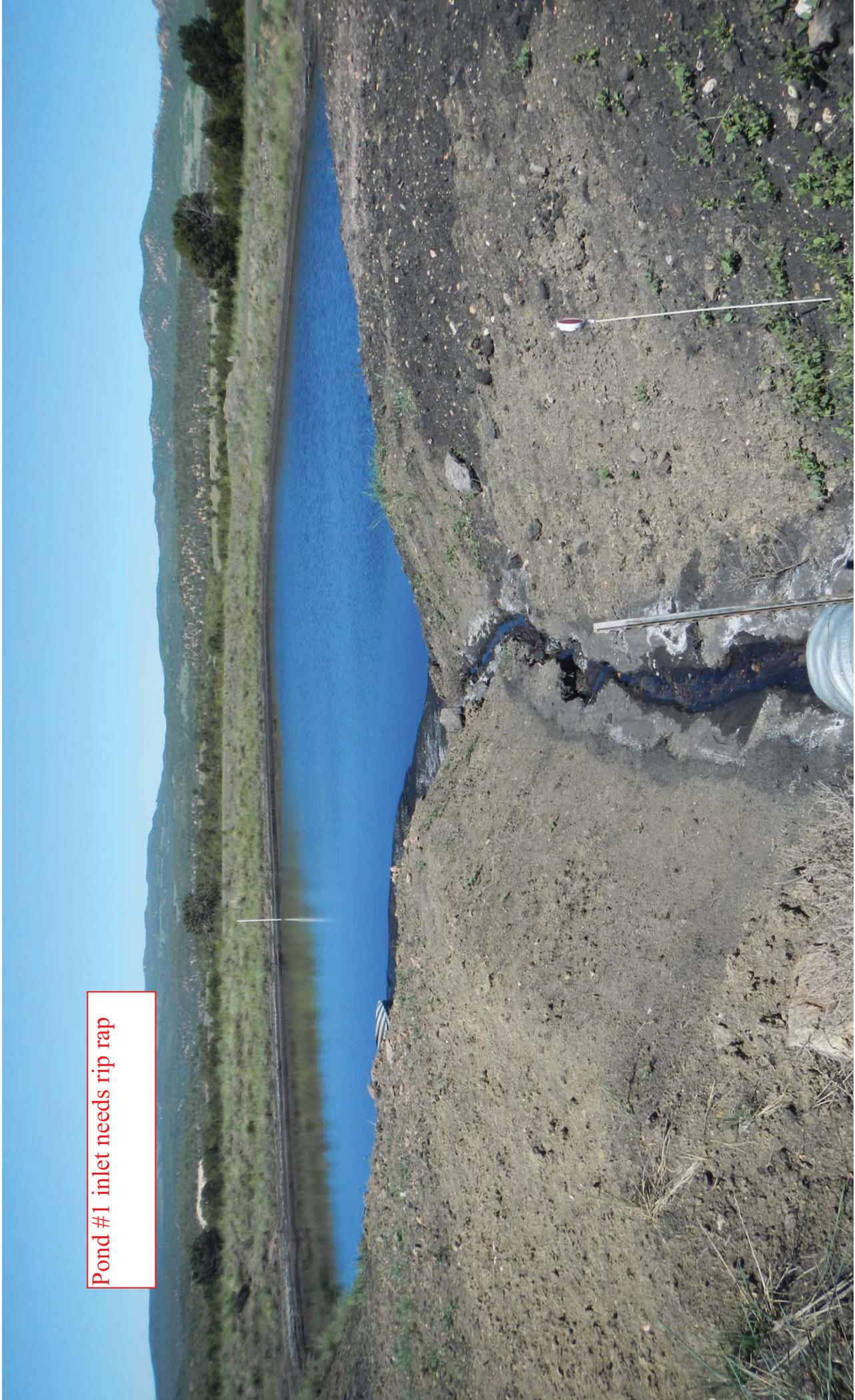
A former topsoil pit location just south of pond 4 should be filled in.



Water tank mess must be repaired and cleaned up quickly. Work will be done during the week of June 22.



Pond #1 inlet needs rip rap







Seeded slope above the Burton #1
Mine (Pit #10) highwall



Ditch DD #4 backing up at connection point



Soil Pit at permit boundary needs to be filled in.

