GARY R. HERBERT
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GREG BELL
Lieutenant Governor

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:	Tuesday, August 16, 2016
Start Date/Time:	8/16/2016 9:30:00 AM
End Date/Time:	8/16/2016 2:30:00 PM
Last Inspection:	Tuesday, July 19, 2016

Inspector: Priscilla Burton,

Weather: sun 75 F

InspectionID Report Number: 5606

Accepted by: DHADDOCK
8/24/2016

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**
394.00	**Total Disturbed**
144.50	**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:

Coal is being produced from south end of Pit 4/Area 1. The PC 2000 a dozer and the PC 490 were moving overburden from the center of Pit 4 into haul trucks for backfill of the north end of Pit 3. A dozer was pushing overburden from the north end of Pit 2 into the north end of Pit 3. The underground mine is idle. Installation of ditches and culverts on the slopes above the UG mine/Pit 10 is in progress.

Inspector's Signature: Priscilla Burton
Digitally signed by Priscilla Burton
DN: cn=Priscilla Burton, o, ou, email=priscillaburton@utah.gov, c=US
Date: 2016.08.26 10:47:22 -06'00'

Date Thursday, August 18, 2016

Priscilla Burton,
Inspector ID Number: 37

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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 remaining from the excess spoil pile has been bermed and signed. We discussed the requirement to seed the pile if it is not utilized by December 2016.

Piles of topsoil strategically placed last month across HWT 2 have not been distributed over HWT 2 due to saturated conditions.

A trackhoe was reworking subsoil pile #2 to reduce its height and lessen its slope.

4.a Hydrologic Balance: Diversions

Some Pit 10 drainage control installations shown on Dwg 5-3C have been implemented as follows: ditch P10-S02 and ditch P10-R03; drop pipe P10-09; ditch P10-s04; enlarged sump and dike; relocation of culvert P10-07. Heavy equipment was working the slopes in the vicinity of Ditch P10-S01. Yet to be accomplished: erosion protection along south slope ditch P10-S02, and erosion protection on primary road ditch P10-S04 and at the outlet of primary road ditch P10-R06. Sediments will be removed from clogged culverts: P10-03, P10-04, P10-05 and P10-06 and unnamed culvert beneath fan portal (not shown on Dwg 5-3C). Routine maintenance of primary road ditches P10-R01, P10-R02, P10-R03, P10-R04 and p10-R05 is needed. Mr. Nicholes intends to scatter seed of the interim mix along the slopes above and below the drainage ditches to help control erosion.

Pit 10 pipeline outlets are exposed. One pipe outlet reaches the 5 ft x10 ft apron, but the second pipe does not. Improvements to this installation to bring it to the design standards stated in Apprendix 5-13 were discussed. The importance of completing the work now, while the pond was dry was emphasized.

Earthwork in the vicinity of D6 and D7 may require maintenance on those ditches.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The excess spoil pile no longer reports to Pond 3 and water is ponding on its surface in two locations. Pond 3 receives drainage from DD4 and its water level is well below the decant. Sediments have been dredged from the DD 4 inlet to Pond 3. They are drying at the ponds edge. Mr. Nicholes plans to stockpile the dried sediments and test them for suitability as subsoil.

Inlet to Pond 4 near water filling station requires maintenance.

5. Explosives

Reviewed current blasting records. Blast #54 (NPL #4 in Coal Pit 3 north end) on 7/25/2016. Blast #55 (NPL #5 in Coal Pit 4 south end) on 8/9/2016. Middle of Pit 4 is prepared for the next blast (which occurred on Friday, August 19, 2016).

9. Protection of Fish, Wildlife and Related Environmental Issues

According to Mr. Nicholes, woody plants were removed from the fields of Area 1 North Lease by the landowner during the month of February to prevent migratory birds from nesting (MRP. Vol 12, p. 42). The slash piles could be seen surrounding the coal mining activity in Area 1 and were photographed.

12. Backfilling And Grading

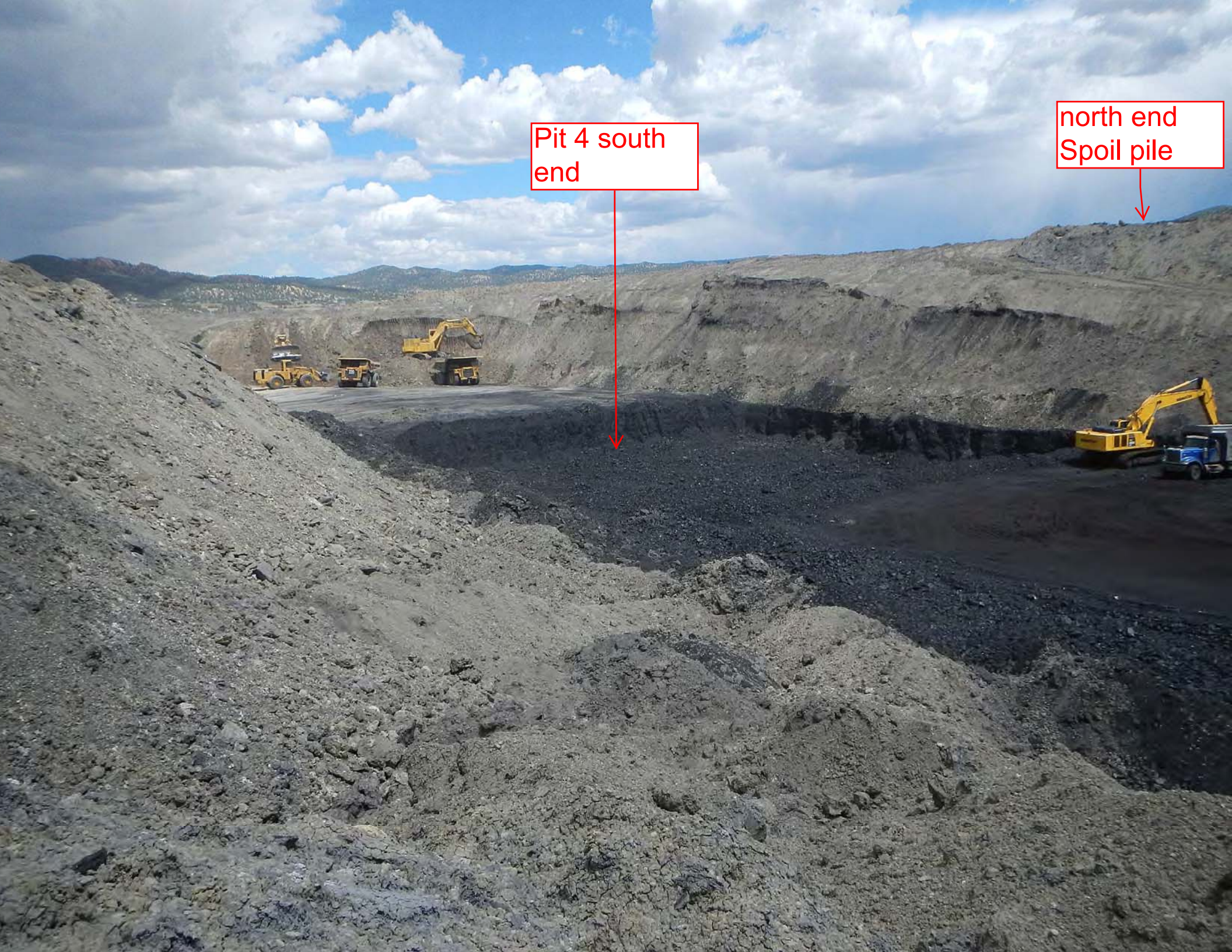
Overburden above the center of Pit 4 is being loaded for the short haul to the north end of Pit 3. Pit 2 excess fill is being pushed into the north end of pit 3.

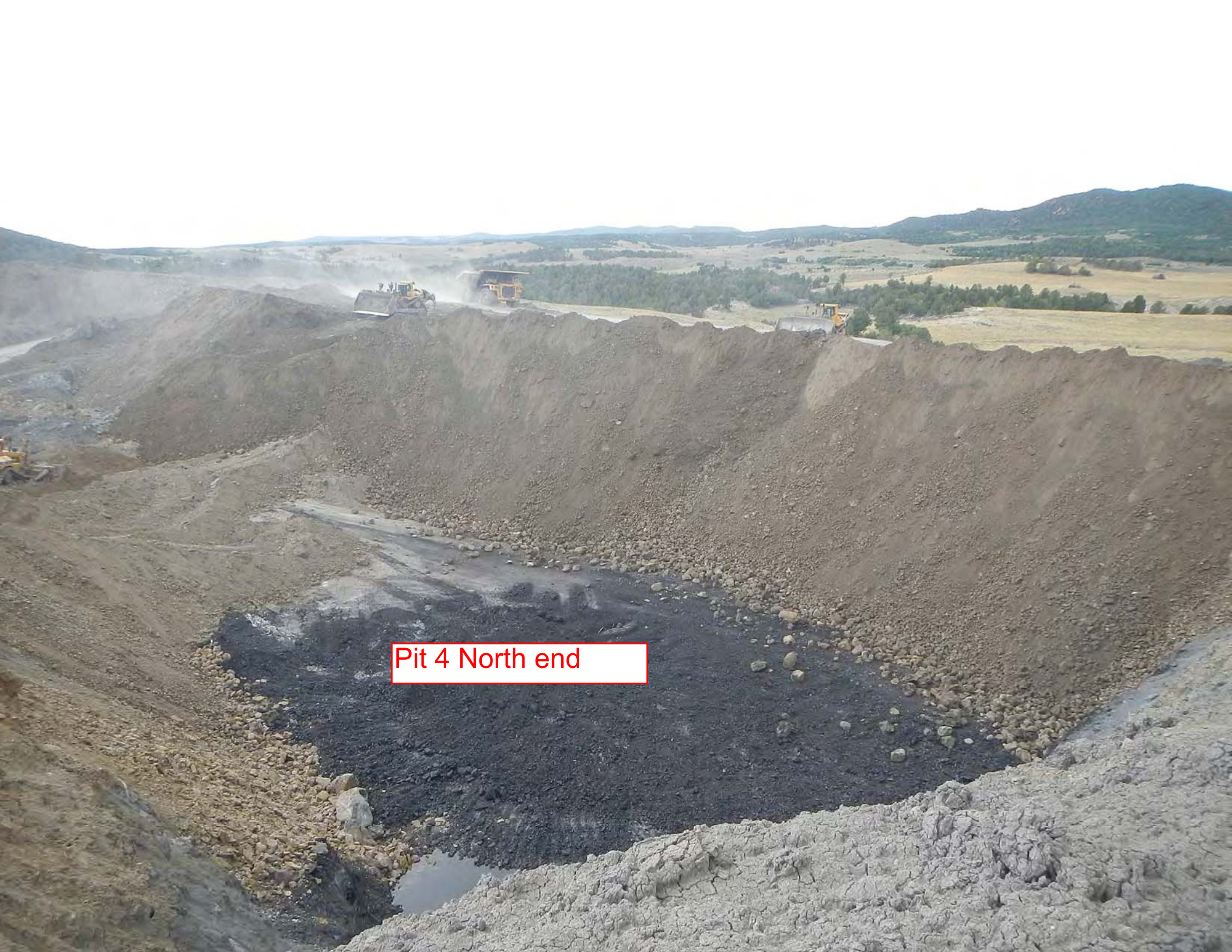
16.b Roads: Drainage Controls

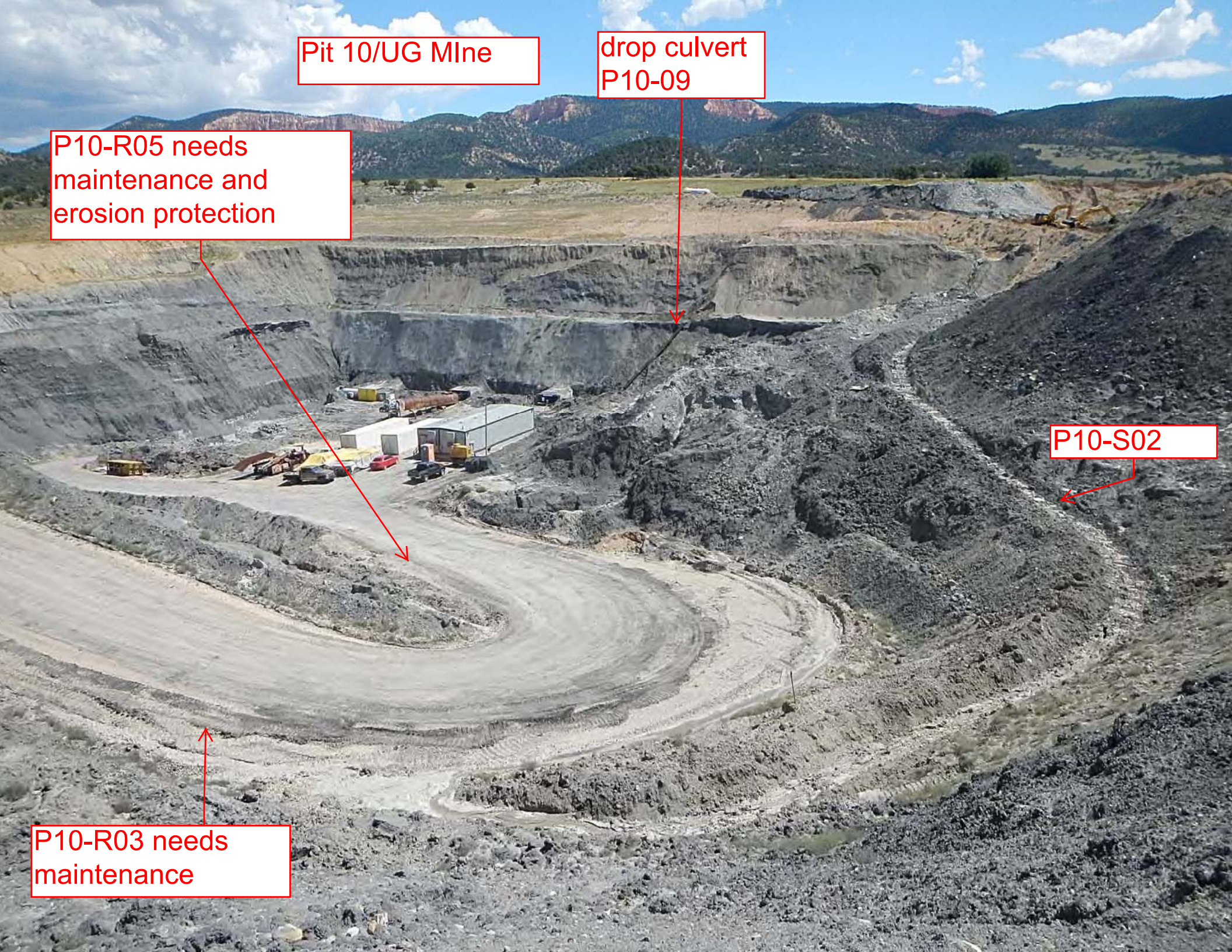
Maintenance of the ditches is required along the primary haul road to the excess spoil pile. In particular, a low point near the transition zone of Robinson Creek needs to be directed to DD4. Primary road typical ditch design is shown on Drawing 5-23. As noted by Mr. Riley, the Pit 10 pipeline is buried near DD4 in this location, so he will proceed with care.

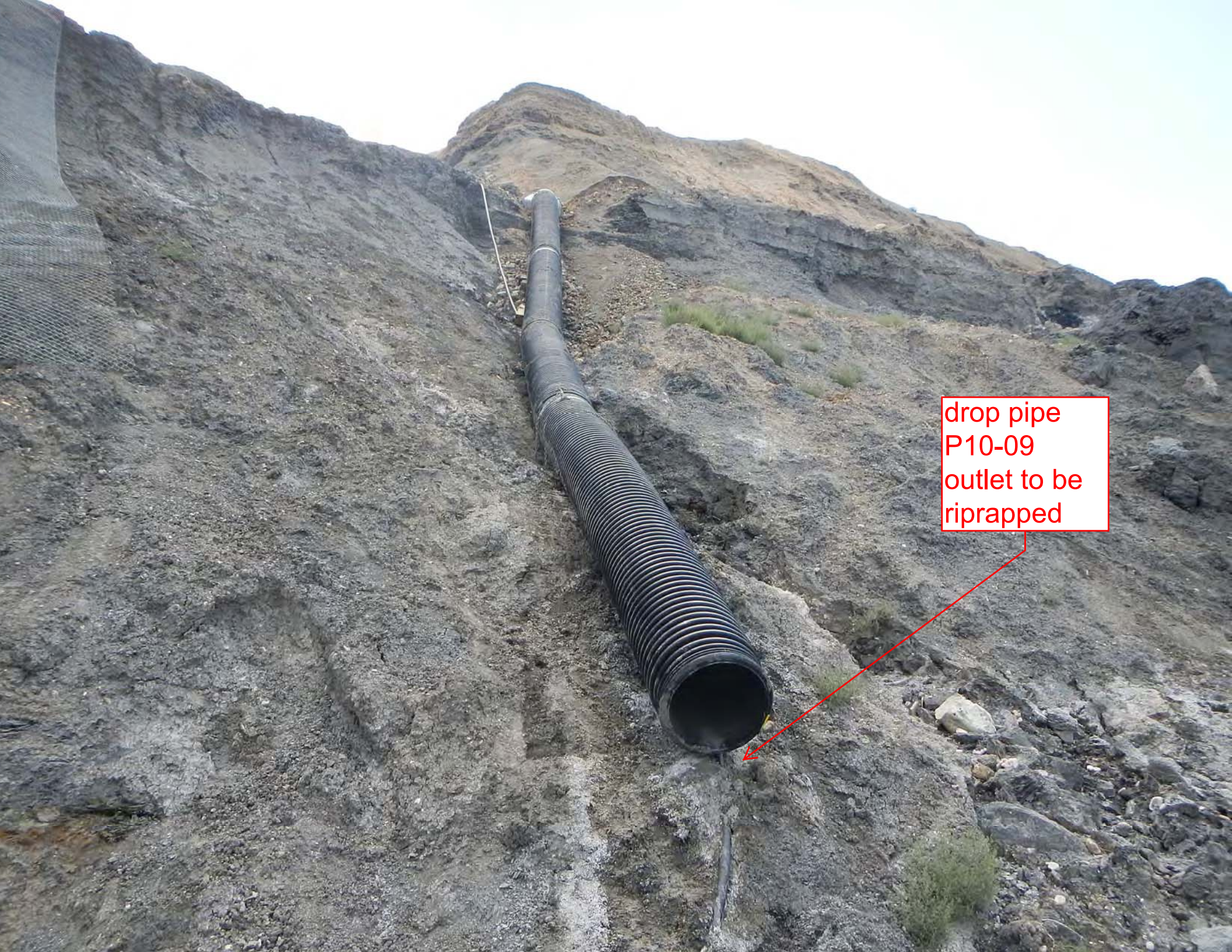
22. Other

Ten horses grazing in pastures of North lease Area 2.

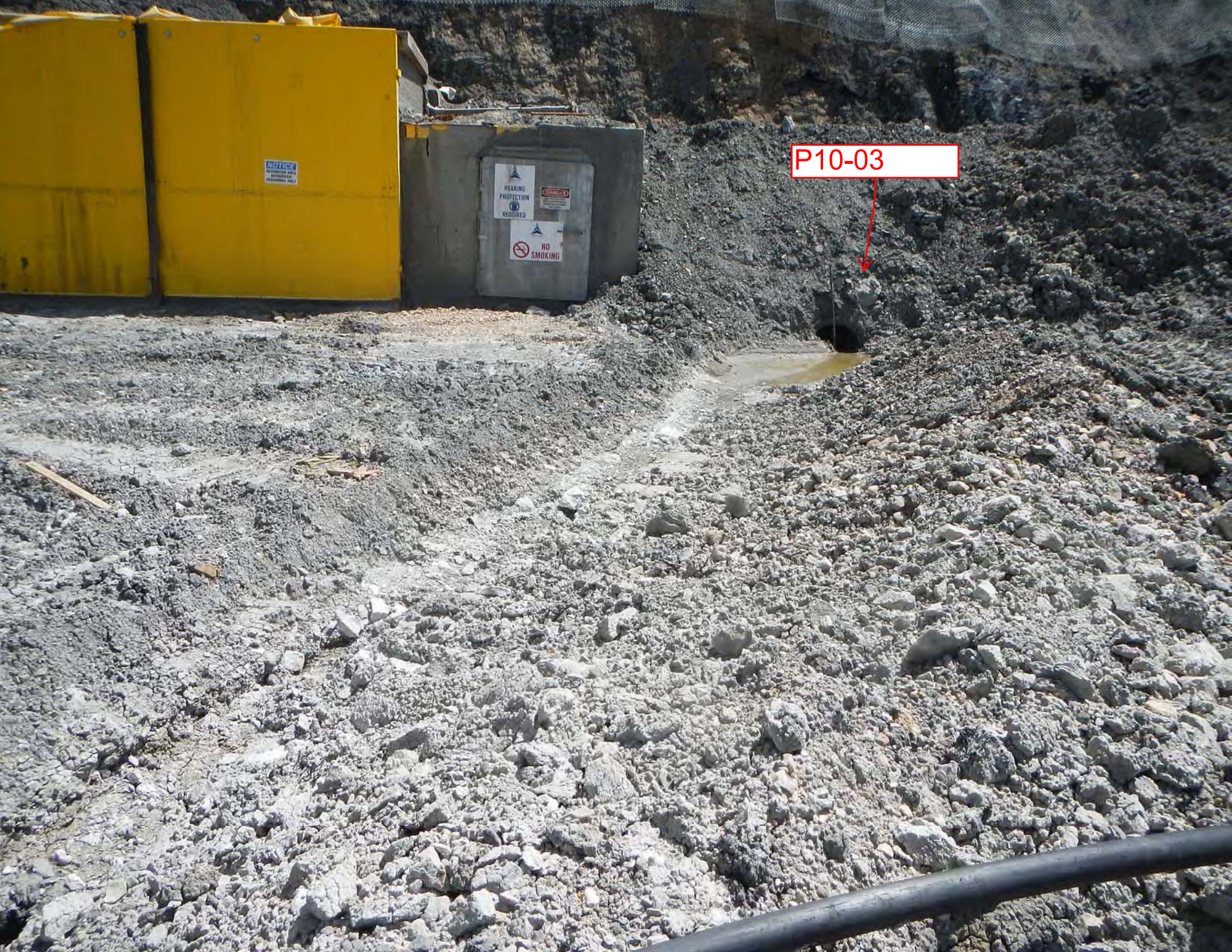

Pit 4 south end
north end Spoil pile

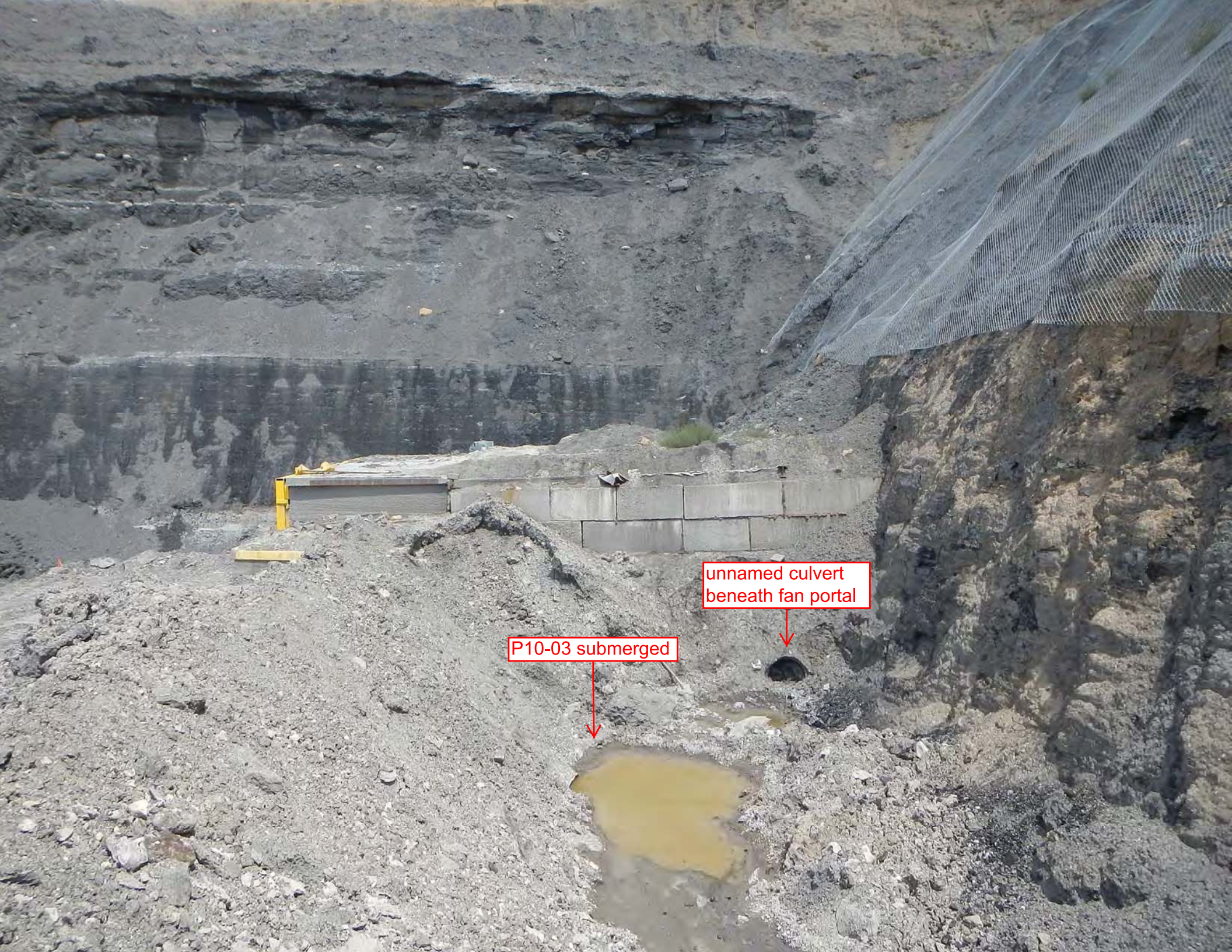

Pit 4 North end


Pit 10/UG MIne
drop culvert
P10-09
P10-R05 needs
maintenance and
erosion protection
P10-S02
P10-R03 needs
maintenance

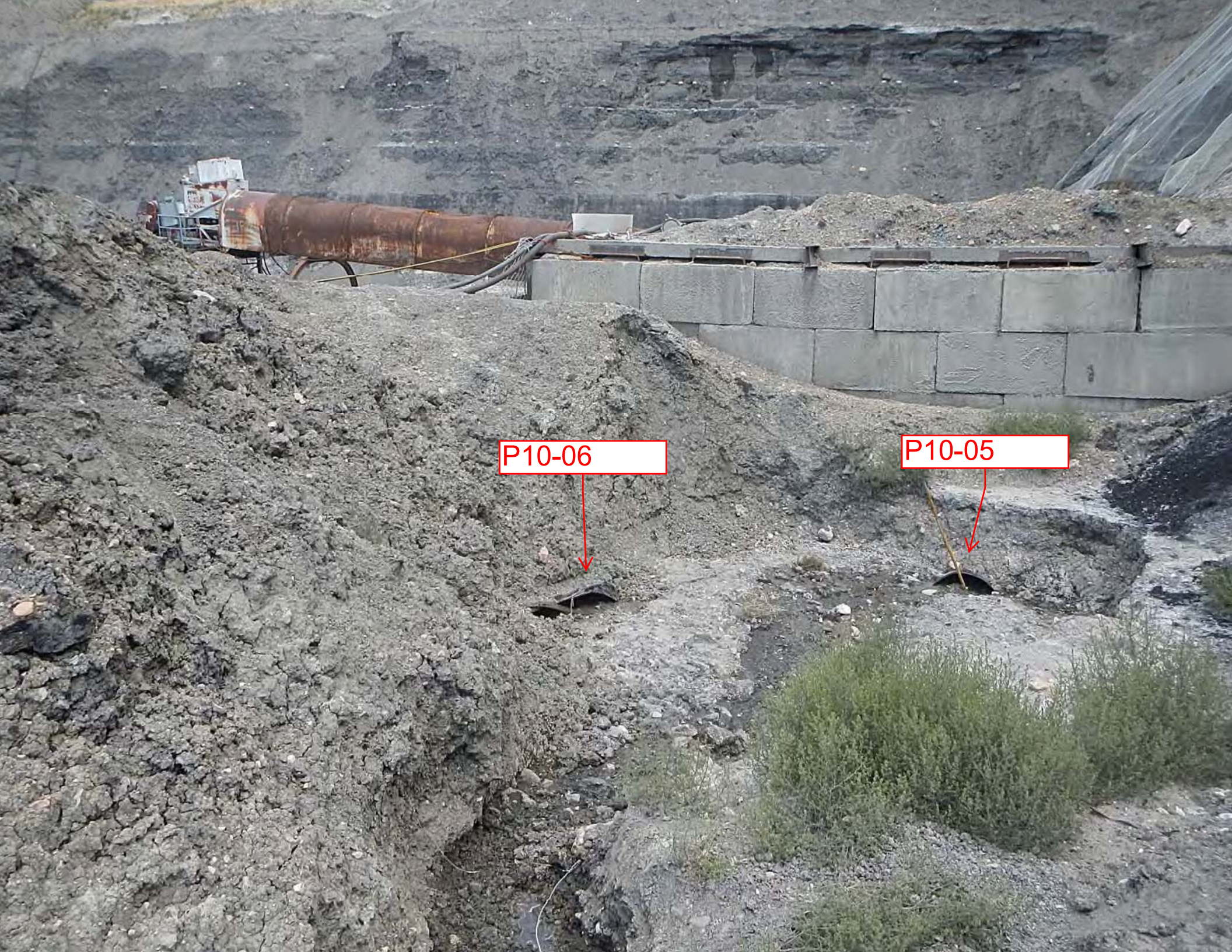

drop pipe
P10-09
outlet to be
riprapped

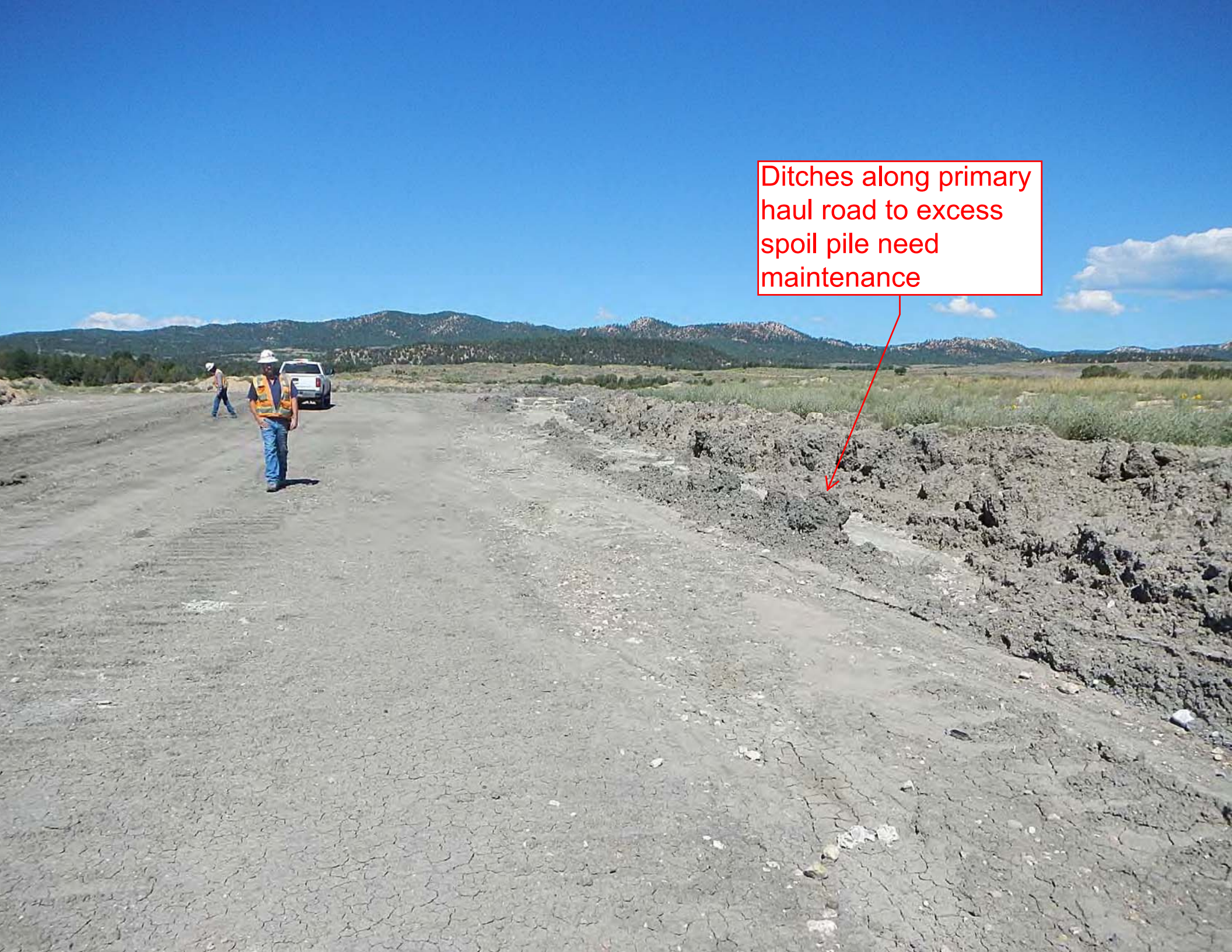

Ditch P10-R06 to receive riprap
ditch P10-R05 to be constructed
rip rap dike in sump
P10-07

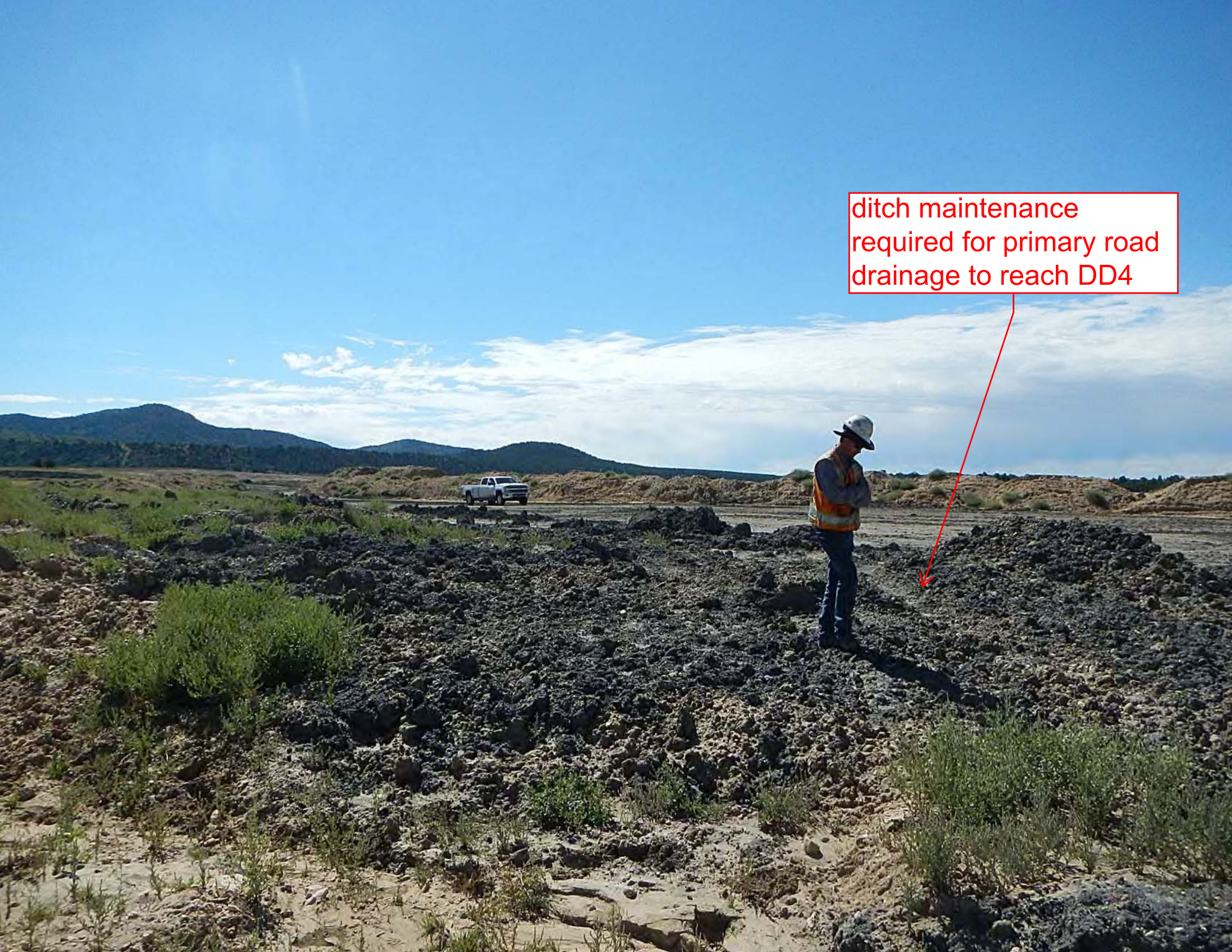

P10-03
NOTICE
HEARING PROTECTION REQUIRED
DANGER
NO SMOKING

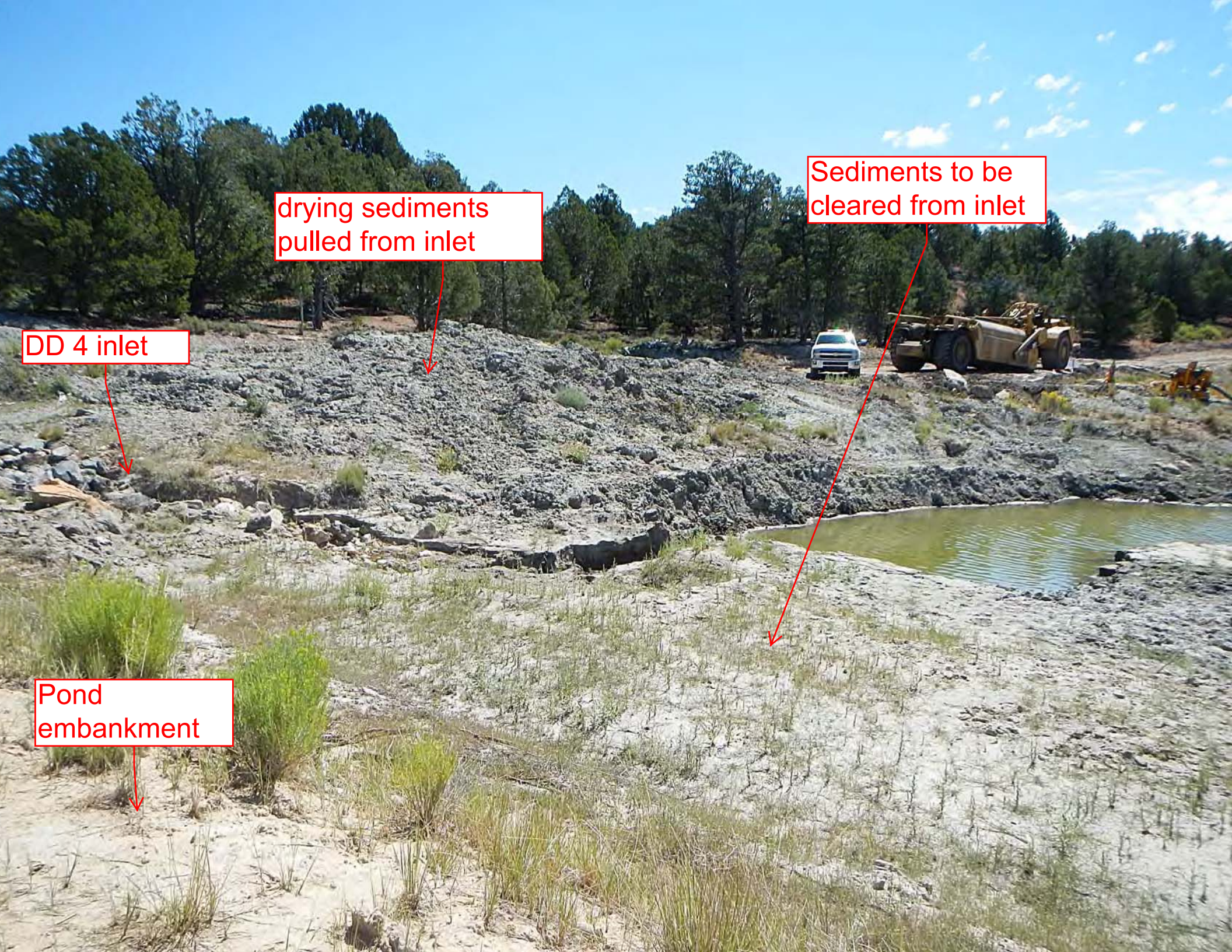

unnamed culvert
beneath fan portal
P10-03 submerged

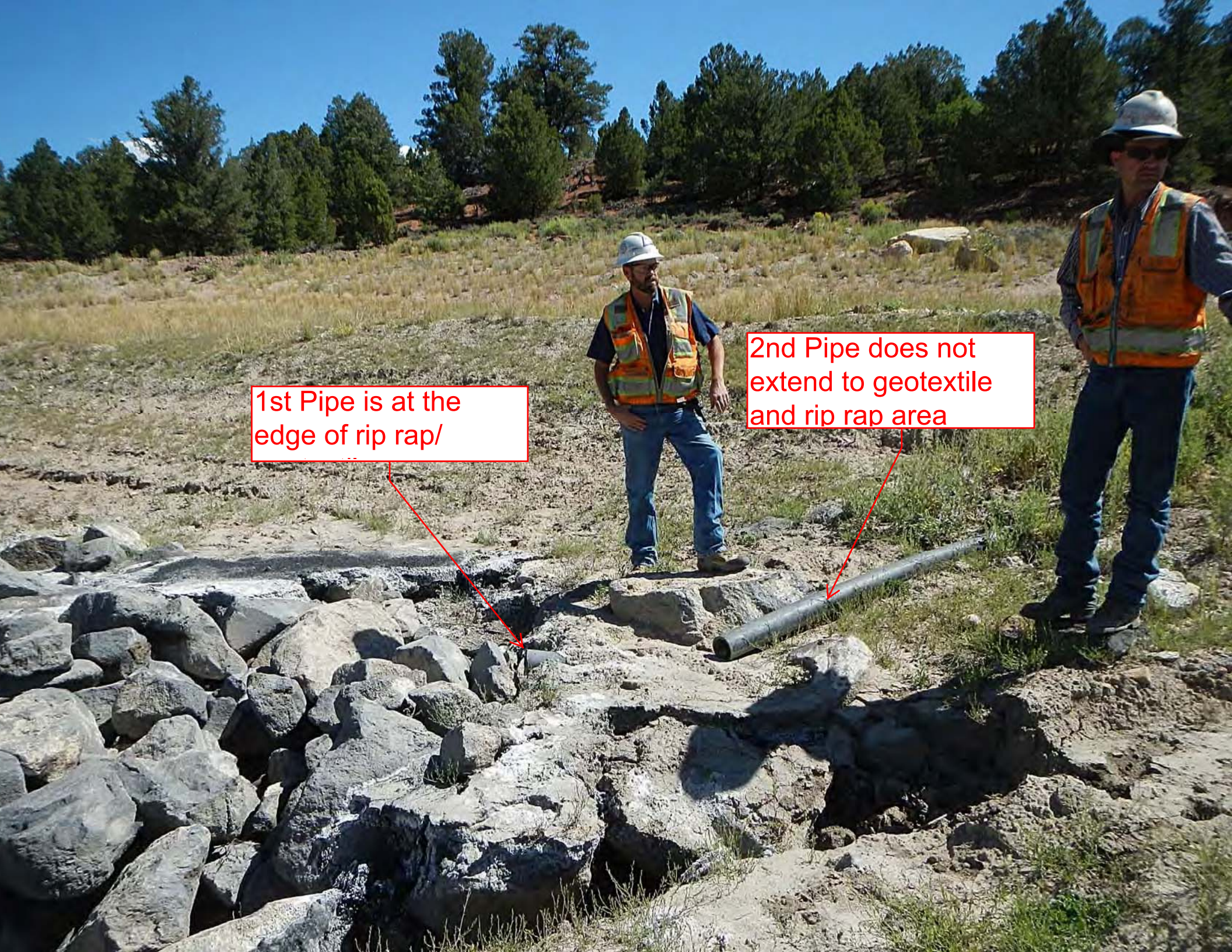
P10-04


P10-06
P10-05


Ditches along primary haul road to excess spoil pile need maintenance


ditch maintenance
required for primary road
drainage to reach DD4


drying sediments pulled from inlet
Sediments to be cleared from inlet
DD 4 inlet
Pond embankment


1st Pipe is at the edge of rip rap/
2nd Pipe does not extend to geotextile and rip rap area