OGMCOAL DNR <ogmcoal@utah.gov>

025 0005 Coal Hollow Mine January 2016 Complete Inspection Report #5385

Priscilla Burton <priscillaburton@utah.gov> Thu, Jan 21, 2016 at 5:48 PM
To: Kirk Nichols <knicholes@altoncoal.com>, OGMCOAL DNR <ogmcoal@utah.gov>
Cc: Daron Haddock <daronhaddock@utah.gov>, Steve Christensen <stevechristensen@utah.gov>

Hello Kirk,

I have attached a report of the complete inspection conducted on January 12, 2016. Yesterday we discussed three citations that have been issued:
NOV 21162 (pipe installation), NOV 21163 HWT2 reclamation, NOV 21164 Pit 10 reclamation. Copies are attached to this email.

There are three additional issues that need your immediate attention to avoid citations. These are noted in the inspection report.

Priscilla Burton, MS, CPSSc
Environmental Scientist III
Utah Division of Oil, Gas & Mining
Price Field Office
phone: 435-613-3733

5 attachments

certified receipts_001.pdf
597K

NOV 21162_Pipe.pdf
799K

NOV 21163_HWT2.pdf
764K

NOV 21164_Pit 10.pdf
830K

Coal Hollow Inspection Rpt 5385 1122016.pdf
1957K

GARY R. HERBERT
Governor
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:	COMPLETE
Inspection Date:	Tuesday, January 12, 2016
Start Date/Time:	1/12/2016 8:15:00 AM
End Date/Time:	1/12/2016 3:30:00 PM
Last Inspection:	Tuesday, December 29, 2015

Inspector: Priscilla Burton,

Weather:

InspectionID Report Number: 5385

Accepted by: JHELFRIC
1/21/2016

Representatives Present During the Inspection:	
OGM	Priscilla Burton
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**
113.50	**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:

A snow storm on Monday December 14, 2015 precluded the ability to travel to the Coal Hollow mine. The undersigned rescheduled the complete inspection to January 12, 2016. The complete inspection began at the mine office in Cedar City and continued at the surface facilities. The mine site has about a foot of snow cover.

Underground Mine: The underground mine is running two 10 hour shifts (mining and maintenance), four days/week. The UG mine entries are about 240 feet inby (2 cross-cuts). The ROM conveyor has been installed. During the inspection the mining shift was shut down due to a maintenance issue with a water pump. Coal haul trucks were being loaded from a small stockpile in the facilities yard. A dozer was clearing coal mine sludge from in front of the underground portal.

Surface Mine: The PC 2000 Excavator and a loader and a dozer were loading spoil into 150 ton trucks. Four of these trucks were hauling spoil to backfill HWT 2. Snow had recently been removed from a 10 acre area between HWT2 and Pit 10. Two dozers were spreading subsoil over this 10 acre area.

Three Notice of Violations were issued as a result of this inspection: NOV #21162, #21163 and #21164.

Inspector's Signature: Priscilla Burton
Digitally signed by Priscilla Burton
DN: cn=Priscilla Burton, o, ou, email=priscillaburton@utah.gov, c=US
Date: 2016.01.21 17:46:45 -07'00'

Date Wednesday, January 13, 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	☐	☐	☐	☐

1. Permits, Change, Transfer, Renewal, Sale

The permit was renewed November 9, 2015 for five years.
Conditional Approval was issued 12/16/2015 for Appendix 5-10 Robinson Creek reconstruction engineer's statement (Task 5018). The conditional approval requests submittal of a final copy of information provided in Tasks 4871 and 5018 by January 13, 2016.
Area 1/North Lease is under review as Task 4942.
Annual Sage Grouse Report is under review as Task 5055.
NOV 21161 was issued 12/21/2015 for failure to complete mitigation. The issue was assigned task #5059.

3. Topsoil

In November 2015, topsoil was applied to Phase 1 bond release areas south and west of HWT 2. Soil sampling of the topsoil was completed 9/22/2015 and was received at the Division on 12/2/2016 (Incoming 12/2/2015a.pdf). Samples were collected from reclamation areas shown on Figure 1 which was provided with the analytical results. Samples were analyzed for pH, EC, SAR texture, N:P:K. No issues were noted with the results. These results should be included in the 2015 annual report.

Remaining topsoil is stockpiled in piles #1, #2, and #4 shown on Dwg 2-2 and in stockpiles on the excess spoil pile surface. There are four stockpiles on the excess spoil pile.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Dan Guy, P.E. completed quarterly pond inspections on December 9, 2015. At that time, there were two inlets to pond 1. The certified inspection states that work to change the Pond 1 inlet to a single inlet in the NW corner was nearly finished. No construction details were reported. Pond 1 water elevation was reported six feet below the spillway.

The certified, quarterly pond 3 inspection conducted on August 20, 2015 and the certified, quarterly pond 3 inspection conducted on December 9, 2015 do not mention the construction or installation of the decant structure which was installed in 2015. Division records indicate the decant may have been installed in late July or August 2015. The Division first photographed the decant September 22, 2015. A GEM geotech compaction test was completed during installation. Mr Nichols wil provide the report to the Division. If certified, this report may be sufficient to comply with R645-301-514.311. Certified reports for construction conducted at both pond 1 and pond 3 must be received by February 1, 2016 or said violation will be issued.

To remain in compliance with R645-301-743.130 and R645-301-514.230, future Quarterly inspection reports must include an elevation for the decant structure at pond 3. The quarterly pond inspection report could also indicate the duration of decanting for the reporting period, although that information is available on the DMR forms provided to the DEQ. (For instance, Mr. Nichols stated that pond 3 was decanted for a three week period in November.)

During the quarterly certified inspections December 8, 2015, Pond 1B water elevation was 3 feet below the spillway. Pond 2 water elevation was 7 feet below the spillway. Pond 3 water elevation was 2.5 feet below the spillway. Pond 4 water elevation was 3 feet below the spillway.

During this January inspection, ponds 1, 1B, 2 and 4 were observed to be frozen and snow covered and well below discharge level. Pond 3 was inaccessible at the time of the inspection, due to access road conditions. Mr. Nichols stated that pond 3 had been decanted to allow capacity to retain an event. No ponds were discharging at the time of the inspection.

During the month of October 2015, Pond 4 discharged for the first time. A one-time complete suite of analyses was run in accordance with the DEQ permit. In addition the report dated 10/26/2016 for Pond 4 reported pH = 8.2; TDS = 292 mg/L; TSS = 6 mg/L; Fe= 0.65 ppm; and Se = 0.02 ppm.

4.c Hydrologic Balance: Other Sediment Control Measures

Two dozers were spreading subsoil over a 10 acre area where snow had recently been removed (between HWT2 and Pit 10). The snow was pushed into a berm along the Pit 10 highwall. This snow will eventually report to the sump in Pit 10. This is a potential violation of R645-301-742.122.
The drainage from the slopes surrounding pit 10 is accumulating in the facilities yard of the underground mine portal. This drainage either reports to a catch basin or drains to the portal yard. Water collected in the catch basin flows down a ditch to the sump where it is piped to pond 3. The timing of this pipe installation corresponds to the November pond 3 discharge which exceeded Utah water quality limits. This is a violation of R645-301-731.611 which is related to drainage control.
Water is accumulating in front of the Burton #1 mine portal entrance. This is a potential violation of R645-301-731.511. Future plans to direct the drainage towards the sump were discussed with Adrian Childs, Underground mine foreman. The Permittee was reminded that drainage control must be shown on a map.
A sludge of coal fines and mud was being removed from the Burton #1 mine portal entrance during the inspection. It is being placed on the bathhouse pad above the portal in Pit 10, where it will drain back down to the underground mine facilities yard. This coal mine waste location storage location is not shown on the facilities Dwg 5-3B. Neither is the catch basin, the roadside ditch, or the culverts in front of the portal or the second pipe to pond 3. This is a violation of R645-301-731.720 which must be corrected with an as-built drawing by February 1, or said violation will be issued.
Appendix 5-13 containing plans for the pipeline to Pit 10 was approved November 13, 2015. Two pipelines were observed partially installed during the 11/24/2015 inspection. A kink in the pipe had stalled the installation temporarily and discharge from the Pit 10 sump was directed to DD4 through a second pipe. This source of sediment to pond 3 contributed to the exceedence of water quality discharge limits in November. During this January inspection, it was discovered that the second pipe was still positioned in DD4; and although a functioning pipeline is buried within the pipeline trench, the installation is not according to design. Figure 1 in Appendix 5-13 notes that an apron of riprap will be placed at the point the pipeline enters pond 3. Mr. Nichols stated that this apron was not installed and the pipeline was extended into the pond with a hose. Mr. Childs stated that the second pipeline (discharging to DD4) was not being used, due to a broken pump, and that it will be buried in the trench when the snow melts and will be serviceable at some point in the future.
NOV 21162 has been issued for failure to comply with R645-301-752.100, R645-301-732.300 and R645-301-744.100.

4.d Hydrologic Balance: Water Monitoring

Last entries in the Coal water monitoring database are from 6/28/2015. The database was only available for a limited time during the last quarter of 2015. The database was brought back on line December 9, 2015. The Division Associate Director has extended the deadline to enter third quarter 2015 data until the end of January.

4.e Hydrologic Balance: Effluent Limitations

DMR sheets filed for October and November 2015 were reviewed. Dishcarges from pond 3 and pond 1 were in excess of established limits. Pond 1 exceedences may have been resolved with the recent changes to the pond 1 inlet location. Higher than expected values of TSS and iron at pond 3 may be due to the discharge into DD4 from the Pit 10 pipeline which came online during the month of November. An NOV was issued for

5. Explosives

No blasting has been conducted during the last quarter of 2015 or in 2016.

6. Disposal of Excess Spoil, Fills, Benches

Excess spoil pile is continuing to be removed and spoil is being placed in HWT 2. The Quarterly inspection report dated December 9, 2015 provides the maximum capacity of the pile and the remaining capacity. By difference, the volume in the spoil pile was 1.4 million CY on Dec. 9, 2015.

9. Protection of Fish, Wildlife and Related Environmental Issues

Eighteen sage grouse were recently photographed on the reclaimed Phase 1 bond release area north of the excess spoil pile.

12. Backfilling And Grading

Five haul trucks were running spoil from the Excess spoil pile to backfill HWT 2. Mining ceased in HWT 2 with Panel 4E in July 2015, see Inspection report # 5246. The final panels in HWT 2 are submerged below an estimated seventeen feet of water, but are not backfilled. Drawing 5-38 shows rough backfilling and grading of HWT 2 in the next twelve months, but does not provide a specific timetable for completion. NOV 21163 has been issued for failure to have rough backfilling and grading follow coal removal by not more than 60 days in accordance with R645-301-553.

According to the certified quarterly inspection of the refuse pile, there was 1,430,000 CY remaining in the excess spoil pile on December 9, 2015. This is far less than the 2,545,000 LCY of backfill required to fill the final Pit 10 to the final post mining topography shown on Dwg 5-37 (Table 5-76 and Section 553 of the MRP). Therefore NOV 21164 has been issued for failure to follow the approved plan, R645-300-142; and failure to provide adequate backfilling and grading information for the underground mining operation R645-301-541.400 and R645-301-542, R645-301-542.100, R645-301-542.200, and R645-301-542.300. There must be a plan in place for reclamation of the final Pit 10.

16.b Roads: Drainage Controls

Site construction of the primary access road includes a catch basin, culvert and drainage ditch to a sump. As noted during the inspection and discussed with Mr. Nichols, none of this sediment control along the primary road is reflected in Dwg 5-3B or described in the MRP Section 521.170 or shown on primary road maps Dwgs 5-22, 5-22A, 5-22B, and Dwg 5-23. In addition, the underground facilities are not accurately reflected in Drawing 5-3B, Underground facilities structures and layout. This is a violation of R645-301-521.170, R645-301-527.200et seq, R645-301-534.130, R645-301-534.200, and R645-301-534.300 et seq. The Permittee must file an amendment with as-built maps for the primary haul road to the underground facilities and for the underground surface facilities by February 1, 2016 or said violation will be written.

18. Support Facilities, Utility Installations

An hydraulic fluid container and an oil drum were outside of the containment structure. This is the second time that containers have been found outside the structure. They were placed inside the containment wall during the inspection, in accordance with the Spill Prevention Control and Countermeasure plan and R645-301-542.740.

The Permittee needs more storage space as the containers are stacked double high. The Permittee will evaluate the feasibility of building a deck inside the SPCC containment structure to allow for more storage. Such a modification may require a change to the SPCC plan.

21. Bonding and Insurance

Liability Insurace dated 12/15/2015 includes blasting coverage and coverage in exceedence of that required by R645-301-890.100 for personal injury and property damage. The liability insurance expires 12/10/2016.

pit 10 Underground Mine

HWT 2

Pipe Trench

Second Pipe is out of the trench and
will discharge into DD4

Remnant of the Excess spoil pile. Trucks are lowering the pile elevation in the foreground.

Approximately 10 acre area between HWT2 and Pit 10 that had snow removed. Subsoil is is being graded on the left.

Citation for Non-Compliance
Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 21162
Permit Number: C0250005
Date Issued: 01/20/2016

☑ NOTICE OF VIOLATION ☐ CESSATION ORDER (CO) ☐ FAILURE TO ABATE CO

Permittee Name: ALTON COAL DEVELOPMENT LLC	**Inspector Number and ID:**	37	PBURTON
Mine Name: COAL HOLLOW	**Date and Time of Inspection:**	01/12/2016	3:30 pm
Certified Return Receipt Number: 7008 0150 0002 0896 5342	**Date and Time of Service:**	01/21/2016	9:00 am

Nature of condition, practice, or violation:
The Permittee failed to install drainage pipe from the sump in Pit 10 to its discharge point in Pond 3 according to the design found in Appendix 5-13. The Permittee had partially buried two pipes from Pit 10 to Pond 3 in November 2015, but the job was incomplete. One of the pipes was kinked and the other was discharging into DD4 during November 2015. This situation was to be temporary, but the installation of one pipe remained incomplete in January 2016 and the other pipe was not to the approved design.

Provisions of Act, regulations, or permit violated:
R645-752.100, R645-301-732.300 and R645-301-744.100.

☐ **This order requires Cessation of ALL mining activities.** (Check box if appropriate.)

☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.	☐ Permittee is/has been conducting mining activities without a Permit.
☑ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	☐ Permittee has failed to abate Violation(s) included in ☐ Notice of Violation or ☐ Cessation Order within time for abatement originally fixed or subsequently extended.

☐ **This order requires Cessation of PORTION(S) of mining activities.**

Mining activities to be ceased immediately: ☐ Yes ☐ No	Abatement Times (if applicable).

Action(s) required: ☑ Yes ☐ No
The Permittee must remove the hose extension on the downstream end of the buried pipe; install the rip rap apron in Pond 3 according to design shown on Figure 1, Appendix 5-13; and backfill the pipe trench along its entire trench. The Permittee must also remove the end of the second pipe from DD4 and either complete the installation of the second pipe from the sump in Pit 10 to Pond 3 in the same trench as the first pipe or cap the fragment of buried pipe in the trench and remove the pipe end from the Pit 10 highwall. This work must be completed by February 3, 2016.

KIRK NICHOLS	**PRISCILLA BURTON**
(Print) Permittee Representative	(Print) DOGM Representative
	Priscilla Burton
Permittee Representative's Signature - Date	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOGM) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGM.

1. **PENALTIES.**

Proposed assessment. DOGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGM to consider regarding the cessation order and proposed fine, please submit that to DOGM within ***15 days of the date this notice or order is served on you or your agent.*** Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to $5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of $750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. **INFORMAL PUBLIC HEARING.**

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. **FORMAL REVIEW AND TEMPORARY RELIEF.**

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for "***temporary relief***" from this notice. Procedures for obtaining a formal board hearing are contained in the Board's Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. **EFFECT ON PERMIT.**

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

Citation for Non-Compliance
Utah Coal Regulatory Program

1594 West North Temple, Salt Lake City, UT 84114
Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 21163

Permit Number: C0250005

Date Issued: 01/20/2016

☑ NOTICE OF VIOLATION ☐ CESSATION ORDER (CO) ☐ FAILURE TO ABATE CO

Permittee Name: ALTON COAL DEVELOPMENT LLC	**Inspector Number and ID:**	37	PBURTON
Mine Name: COAL HOLLOW	**Date and Time of Inspection:**	01/12/2016	3:30 pm
Certified Return Receipt Number: 7008 0150 0002 0896 5359	**Date and Time of Service:**	01/21/2016	9:15 am

Nature of condition, practice, or violation:
Failure to have rough backfilling and grading follow coal removal by not more than 60 days. Mining ceased in HWT 2 with Panel 4E in July 2015. These final panels in HWT 2 are submerged below water, but are not backfilled. In the months since mining, water has ponded in the trench, complicating the process of backfilling. Drawing 5-38 indicates backfilling will be completed sometime in the next twelve months (2016).

Provisions of Act, regulations, or permit violated:
R645-301-553 and R645-301-542.100 and R645-301-542.200.

☐ **This order requires Cessation of ALL mining activities.** (Check box if appropriate.)

☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.	☐ Permittee is/has been conducting mining activities without a Permit.
☐ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	☐ Permittee has failed to abate Violation(s) included in ☐ Notice of Violation or ☐ Cessation Order within time for abatement originally fixed or subsequently extended.

☐ **This order requires Cessation of PORTION(S) of mining activities.**

Mining activities to be ceased immediately: ☐ Yes ☐ No	Abatement Times (if applicable).

Action(s) required: ☑ Yes ☐ No
By February 1, 2016, the Permittee must provide the Division with a specific timetable for rough backfilling and grading of HWT 2 and describe the remaining volume (LCY) required to fill HWT 2; describe the plan for compacting the fill; describe the plan for handling water in HWT 2. The Permittee will update the narrative in Chapter 5, Chapter 7, and Chapter 8 accordingly.

KIRK NICHOLS	**PRISCILLA BURTON**
(Print) Permittee Representative	(Print) DOGM Representative
Permittee Representative's Signature - Date	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOGM) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGM.

1. **PENALTIES.**

Proposed assessment. DOGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGM to consider regarding the cessation order and proposed fine, please submit that to DOGM within ***15 days of the date this notice or order is served on you or your agent.*** Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to $5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of $750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. **INFORMAL PUBLIC HEARING.**

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. **FORMAL REVIEW AND TEMPORARY RELIEF.**

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for "***temporary relief***" from this notice. Procedures for obtaining a formal board hearing are contained in the Board's Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. **EFFECT ON PERMIT.**

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

Citation for Non-Compliance
Utah Coal Regulatory Program

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Phone: (801) 538-5340 Fax: (801) 359-3940

Citation #: 21164
Permit Number: C0250005
Date Issued: 01/20/2016

☑ NOTICE OF VIOLATION ☐ CESSATION ORDER (CO) ☐ FAILURE TO ABATE CO

Permittee Name: ALTON COAL DEVELOPMENT LLC	**Inspector Number and ID:**	37	PBURTON
Mine Name: COAL HOLLOW	**Date and Time of Inspection:**	01/12/2016	3:30 pm
Certified Return Receipt Number: 7008 0150 0002 0896 5366	**Date and Time of Service:**	01/21/2016	10:00 am

Nature of condition, practice, or violation:
Failure to provide a plan for reclamation of the final Pit 10. The volume of fill required to backfill the final Pit 10 under the bonding scenario is 2,545,000 LCY (MRP Sec. 553 and Table 5-76). However, the 12/9/2015 certified quarterly inspection of the excess spoil pile documents the remaining volume of backfill as 1,430,000 LCY. (Volume is calculated by difference of total and available capacity.) Most of this excess spoil will be used to backfill HWT 2. The plan must describe a source of fill for Pit 10.

Provisions of Act, regulations, or permit violated:
R645-301-541.400 and R645-301-542, R645-301-542.100, R645-301-542.200, and R645-301-542.300.

☐ **This order requires Cessation of ALL mining activities.** (Check box if appropriate.)

☐ Condition, practice, or violation is creating an imminent danger to health or safety of the public.	☐ Permittee is/has been conducting mining activities without a Permit.
☐ Condition, practice, or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources.	☐ Permittee has failed to abate Violation(s) included in ☐ Notice of Violation or ☐ Cessation Order within time for abatement originally fixed or subsequently extended.

☐ **This order requires Cessation of PORTION(S) of mining activities.**

Mining activities to be ceased immediately: ☐ Yes ☐ No	Abatement Times (if applicable).

Action(s) required: ☑ Yes ☐ No
By February 1, the Permittee must provide a reclamation plan in accordance with R645-301-541.400 and R645-301-542 (542.100, 542.200, 542.300) for Pit 10, the final pit in the the bonding scenario (referred to in the MRP as the alternate scenario). The plan must describe the volume of backfill required for Pit 10, the source of the fill, the current and post mining topography of Pit 10, and surroundings and the pre and post mining topography of the "borrow" area. Maps will be of a sufficient scale (to determine slope and drainage patterns. Maps will have 2 ft contours and station locations provided on the plan view for cross sections. The Permittee will update the MRP and the bond calculation accordingly.

KIRK NICHOLS	PRISCILLA BURTON
(Print) Permittee Representative	(Print) DOGM Representative
	Priscilla Burton
Permittee Representative's Signature - Date	DOGM Representative's Signature - Date

SEE REVERSE SIDE Of This Form For Instructions And Additional Information

IMPORTANT – READ CAREFULLY

Pursuant to the Utah Coal Mined Land Reclamation Act, Utah Code Ann. § 40-10-1 et. seq. (Act), the undersigned authorized representative of the Division of Oil, Gas, and Mining (DOGM) has conducted an inspection and found that a Notice of Violation or Cessation Order must be issued.

This order shall remain in effect until it is modified, terminated or vacated by written notice of an authorized representative of DOGM.

1. **PENALTIES.**

Proposed assessment. DOGM assesses fines based upon a proposed recommendation by an assessment officer. If there is additional information you wish DOGM to consider regarding the cessation order and proposed fine, please submit that to DOGM within ***15 days of the date this notice or order is served on you or your agent.*** Such information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. Once DOGM has determined the proper penalty, it will serve the proposed assessment on you or your agent, no later than 30 days of the issuance of this notice or order. See Utah Admin. Code R645-401-600 et. seq.

The penalty will be final unless you or your agent file, within 15 days of receipt of the proposed assessment, a written request for an informal hearing before the assessment officer.

Assessment. For each violation included in this notice, a penalty of up to $5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violation within the time set for abatement or for meeting any interim step, you will be assessed an additional minimum penalty of $750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring cessation of surface coal mining operations or the portion of the operations relevant to the violation.

2. **INFORMAL PUBLIC HEARING.**

On the reverse side of this page, an authorized representative has made a finding as to whether or not this notice requires cessation of mining. If this order or notice requires cessation of mining, expressly or in practical effect, you may request that an informal public hearing be held at or near the mine site. If you wish an informal public hearing be held, please contact an authorized representative from DOGM. See Utah Admin. Code R645-400-350 et seq. Once an informal public hearing is scheduled, you will be notified of the date, time, and location of the hearing.

If this notice requires cessation of mining, it will expire within 30 days from the date you are notified unless an informal public hearing is held or waived, or the condition, practice, or violation is abated within the 30-day period.

3. **FORMAL REVIEW AND TEMPORARY RELIEF.**

You may appeal this notice or order to the Board of Oil, Gas, and Mining by submitting an application for hearing within 30 days of receipt of this notice or order. See Utah Admin. Code R645-300-164.300. Please submit the application for hearing to:

Secretary
Board of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

If applying for a formal board hearing, you may submit with your petition for review a request for "***temporary relief***" from this notice. Procedures for obtaining a formal board hearing are contained in the Board's Rules of Practice and Procedure and in Utah Admin. Code R645-401-800 et. seq.

4. **EFFECT ON PERMIT.**

The permit may be suspended or revoked if it is determined that a pattern of violations of the Act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Utah Code Ann. § 40-10-20 through 40-10-23 and Utah Admin. Code R645-400-300 et. seq. and R645-401 et. seq., or contact the Division of Oil, Gas, and Mining at (801) 538-5340.

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Sent To: Kirk Nichols, Resident Agent, Alton Coal
Street, Apt. No.; or PO Box No.: 463 North 100 West, Ste 1
City, State, ZIP+4: Cedar City UT 84720

PS Form 3800, August 2006 — See Reverse for Instructions

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