



OGMCOAL DNR <ogmcoal@utah.gov>

Bonding Concerns

Dana Dean <danadean@utah.gov>

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To: Andrew Christensen <drew@altoncoal.com>

Cc: Bob Nead <blbnead@altoncoal.com>, John Baza <johnbaza@utah.gov>, Cheryl Parker <cherylparker@utah.gov>, Daron Haddock <daronhaddock@utah.gov>, Priscilla Burton <priscillaburton@utah.gov>, Steve Alder <stevealder@utah.gov>, OGMCOAL DNR <ogmcoal@utah.gov>

Hi Drew,

I know Cheryl has been working with you, but I wanted to reiterate our concern over bonding following the information you provided to us on February 18 and February 26 in response to an NOV regarding the backfilling of Pit 10. Now that you are having to include a borrow area to fill pit 10, it is not clear that you have enough bond to move into the North Lease Area.

In particular you have not supplied the required level of documentation for the Division to process the bond and disturbance area increases at this time. Under the NOV you have until March 15, 2016 to respond to the Division with adequate information. Of course, we would process it earlier if it were received earlier.

Until you can show that you have enough bond to move into the North Lease, you may not mine there. This is extremely important and we will not be able to let you disturb any further ground until the proper information is received.

Please provide all pertinent information to address NOV 21163 and #21164 to the Division by March 15, 2016 including but not limited to:

- Bond exhibits increasing disturbance area to 408.1 (342+66.1)Acres
 - Updated Chapter 8 Line item sheets
 - Updated Chapter 5 narrative
 - Updated Drawings 2-2, 3-7, 5-2, 5-3, 5-17, 5-18, 5-19, 5-26, 5-27, 5-30, 5-35, 5-36, and 5-38
 - Approval from landowner for retention of Pond 3
 - Doubling the size of Pond 3 likely denotes it as a MSHA size pond and needs appropriate MSHA approval
 - Documentation from Water rights regarding the necessity for a water right or not
- Clean copies of the currently approved North Private Lease.

You also need to hire a third party to complete a soil analysis to determine an adequate swell/shrink factor to stop the consistent changes in volumes for North Private Lease volumes to assure adequate bond volumes and avoid the problems we are having at Pit 10.

Please contact Cheryl or me with any questions.

Thank you,

Dana Dean, P.E.
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