



OGMCOAL DNR <ogmcoal@utah.gov>

Re: Bonding Concerns

Dana Dean <danadean@utah.gov>

Fri, Mar 4, 2016 at 10:45 AM

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>

Hello Everyone,

In light of our meeting this morning and more explanation of what is happening with the borrow area, and that it won't be needed for several years our concerns have been alleviated. **At this time, you may move forward with the approved portions of the North Lease area as described in your permit. The bonding is adequate.**

We still await the information requested for March 15.

Thank you,
Dana

Dana Dean, P.E.
Associate Director - Mining
Utah Division of Oil, Gas and Mining

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On Thu, Mar 3, 2016 at 2:28 PM, Dana Dean <danadean@utah.gov> wrote:

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.
Associate Director - Mining
Utah Division of Oil, Gas and Mining

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