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DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 22, 2016

Kirk Nicholes, Resident Agent
Alton Coal Development, LLC
463 North 100 West, Suite 1
Cedar City, Utah 84720

Subject: Pit 10 Borrow Area (N21164), Alton Coal Development, LLC, Coal Hollow Mine, C/025/0005, Task ID #5203

Dear Mr. Nicholes:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than August 5, 2016.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0250005
TaskID: 5203
Mine Name: COAL HOLLOW
Title: PIT 10 BORROW AREA (N21164)

General Contents

Right of Entry

Deficiencies Details:

R645-301-114, The existing lease signed September 10, 2004 by C. Burton Pugh had a ten year term and allowed for successive renewal (Sec. 2.03) to allow sufficient time to extract coal and to allow additional time as necessary for reclamation (Sec. 2.04). (Confidential File Incoming 06162006). Please provide documentation of the continuation of the C. Burton Pugh Lease beyond the initial 10 year term.

pburton

Reporting of Technical Data

Deficiencies Details:

R645-301-120, With this amendment, Appendix 2-3, the 2014 Soil Report of the Dames Lease, would be replaced by Appendix 2-3, Substitute Subsoil for the Pit 10 Borrow Area. The first Appendix 2-3 must be retained as it remains pertinent to the mining and reclamation plan. The second Appendix 2-3 should be renamed. All references to the second Appendix 2.3 should be revised with the new appendix name. In addition, the explanatory letter from Robert Long should be added to the renamed Appendix.

pburton

Environmental Resource Information

Soils Resource Information

Deficiencies Details:

R645-301-222, One soil sampling location and pedon description does not adequately represent the thirty acres of Map Unit 5. Please provide additional sampling of this map unit and modify Figure 1 to be of a scale 1" = 100 ft. All map units or inclusions within Map Unit 5 must be shown on the map of the Borrow Area. (i.e. Map Units 3, 4, 9, and 5 which are described in Table 2-3.5). The survey must map the distribution of the map units within the borrow area, supported by sampling data.

pburton

Operation Plan

Topsoil and Subsoil

Deficiencies Details:

R645-301-231.100, The Borrow Area (BA) topsoil and subsoil will be salvaged from 30.73 and 39.26 acres respectively. The area of the topsoil and subsoil recovery should be outlined on a map of the scale 1: = 100 ft. A note on Table 2-3.5 states that nine acres of subsoil are buried beneath the excess spoil pile. Therefore, the volume of the subsoil recovery may require adjustment, if the subsoil to be recovered was in the area of over-excavation (NOV 21183).

R645-301-121.200, Salvaged topsoil and subsoil will be stockpiled in existing topsoil/subsoil storage areas (BA appendix, p. 4). However, Drawing 2-2 shows two new stockpiles: Subsoil pile #4 will hold 145,000 CY which is adequate for the 135,000 CY of subsoil possible. And, Topsoil pile #6 will hold 30,000 CY of topsoil which is adequate for the 29,205 CY expected. Subsoil pile #4 appears to be on Phase 1 bond release area (BRP1-6). Chapter 2 must clearly state the planned locations and volumes to be removed from borrow areas, previously reclaimed areas and operational areas.

pburton

Reclamation Plan

Topsoil and Subsoil

Deficiencies Details:

R645-301-240, Reclamation plan Pit 10:

Item 2 of the cover letter dated June 7, 2016 refers to Chapter 8 Appendix 8-1 for volumes of topsoil and subsoil required for Pit 10. The bonding Appendix describes 23.6 acres in Borrow Area 1 and 7.3 acres in Borrow Area 2. (Total 30.9 acres) It is not clear to the Division how the Borrow Area is divided on the ground. These areas should be differentiated on a soil salvage map.

To cover 30 acres (Pit 10, Pit 9c and Lower Robinson) with 0.6 feet of topsoil, about 29,040 CY will be required. To cover the Excess spoil pile 32 acres an additional 31K CY will be required. To cover the 30.9 acre borrow area with 0.6 inches an additional 30K CY will be required. As topsoil pile #4 was recently depleted, all these areas may require borrow area topsoil for reclamation. An accounting of the remaining topsoil stored in stockpiles 1 & 2 and its dedicated use in reclamation is requested.

R645-301-233.100, The creation and use of substitute topsoil for use as topsoil substitute by seeding and protecting islands of unused area within the disturbed area boundary should also be given some consideration for the final reclamation of the borrow area or pit 10. Please describe and map areas of substitute topsoil development.

R645-301-233.100, The Borrow Area (BA) reclamation plan is to place 0.6 feet (8 inches) of topsoil over suitable in place material. Suitability will be determined by sampling on a grid of 1 sample/2.5 acres for parameters described in the Division's Soil and Overburden Guidelines. Should unsuitable in parent material be discovered, it will be buried beneath four feet of suitable material. To cover the entire 39 acres with 4 feet of cover will require 215,354 CY of subsoil. (BA appendix p. 5). Selected overburden material may be used for final reclamation, if a demonstration is made that the material is equal to that existing on the surface and is the best available in the permit area. This demonstration must be made prior to disturbance of the 39 acres. Preliminary sampling and analysis of the borrow area to sample and analyze the material to be exposed at the final reclamation surface must be conducted prior to approval. A plan for sampling and analysis and a agreement as to parameters to be analyzed must be discussed with the Division to ensure that adequate coverage and analysis is conducted.

pburton