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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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September 14, 2016

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

Subject: Rejection of Area 1-A Amendment, Task #5272, Alton Coal Development, LLC, Coal Hollow Mine, C/025/0005

Dear Mr. Nicholes:

The Division received your application for adding area 1-A to the Coal Hollow permit on September 9, 2016. Our initial review has identified significant holes in the application that prevent us from completing a thorough review of it. As a result, we are returning the application to you for your further attention. We have attached a list of the types of information that appears to be missing from the application in hopes that you will be able to produce a more complete application.

Please note that we have tried to turn this around as quickly as possible to aid you in the permitting process. Our review should not be considered to be a comprehensive review, as the application is not considered to be complete. A thorough review can only be completed after the application contains all of the information necessary to process it.

We look forward to receiving your revised application. Please call me at (801) 538-5325 if you have any questions.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/PB/sqs
Attachment

cc: Priscilla Burton, DOGM
Robert Nead, Alton Coal
O:\025005.COL\WG5272 Area 1-A\Deficiency.doc

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The amendment as it was submitted on 9/9/16 does not contain enough information for the Division to be able to review for R645 adequacy due to missing information. Examples of missing information are detailed below:

- Missing supportive information:
 - The amendment must include the USACE jurisdictional determination to show where the wetlands are located.
 - Current wetlands and ordinary high water mark (OHWM) delineation within Volume 10 shows an OHWM lies within the proposed permit area expansion. This conflicts with the presumed USACE delineation in the Individual Permit currently under review by USACE.
 - if it is determined that wetlands are located in the A-1 area, then Army Corp needs to provide reclamation success standards for those areas.
 - The proposed variance from R645-301-553 (Backfilling and Grading) provides insufficient justification for Division approval.
- Missing or inadequate hydrology designs and narrative:
 - The Probable Hydrologic Consequences from mining must be included in the application.
 - The Permittee does not have authorization to discharge in-pit water encountered during mining into Pond 5, 6, or T1-A (if an active pump line as stated is installed).
 - The amendment must include a detailed narrative explaining how the pump installed in Pond T1-A with a pipeline to Pond 6 will only capture surface runoff.
 - It is a misnomer to say temporary Pond T1-A is a total containment pond because water will be removed (pumped) from the pond in accordance with current, prudent, engineering practices. If the pond is intended to be a total containment pond it will fall under significantly larger design storm capacities. Total containment should be removed if the pond is not intended for total containment.
 - The amendment does not have a plan in place for dewatering pits.
 - UD 1A-01 functions by draining undisturbed drainage into Pit 7. The proposed operations turn undisturbed drainage into disturbed drainage that must now be treated. The plan has no specifics for how Pit 7 would be dewatered.
 - The disturbed area must be surrounded by ditches with accompanying designs and calculations. The amendment is missing sediment control measures for disturbed drainage along the northern and southern edges of the Area 1 expansion.
- Missing or inadequate engineering designs and narrative:
 - The Permittee presented conflicting watershed information in Drawing 5-66 and 5-66A.
 - The amendment could consider simply adding Pits 7 through 9 to Area 1 instead of creating a new sub Area 1-A. The creation of a new sub area

introduces the chance of conflicting information, i.e. conflicting information between Drawings 5-66 and 5-66A.

- The amendment must provide a more descriptive narrative addressing how Pit 9 will be mined and reclaimed. The cover letter stated only the southern portion would be mined, however, no such language is included in the relevant Chapter 5 Sections. Relevant Drawings 5-53 and 5-57 show Area 1-A encompassing the full pit crest of Pit 9 with the Pond T1-A located midway of Pit 9. The narrative must describe how Pit 9 will be mined to Pond T1-A, stabilized during cessation prior to Area 2 approval, and then the sequencing of operations moving from Area 1-A to Area 2.
- A discussion on bonding increases does not take the place of overburden removal and simultaneous reclamation backfill and grading narrative required in engineering in Chapter 5 Section 521, Section 528, and Section 553.
 - The amendment included the addition of bonding increments timelines but did not include the bond release increments required to achieve the stated plan of operations. If bond increments are discussed they should be discussed as a complete sequence of release and additions.
- There is no narrative detailing the transition of operations from Area 1-A to Area 2 regarding the new temporary facilities and partial mining of Pit 9 in Chapter 5 Section 523.
- There is no narrative detailing the construction, operation, maintenance, and mining through of the temporary facilities proposed within the amendment in Chapter 5 Section 526.
- The application must include plan designs for the engineered pump and pipeline from Pond T1-A to Pond 6 as discussed in Appendix 5-12A and Chapter 5 Section 526.
- The Permittee must detail how groundwater that may be encountered at the contact of the shale and alluvium on the eastern side of the permit area expansion, or roughly in NPit 8, will be handled.
- Missing bonding support calculations
 - Added a zero line item for Area 1-A facilities
 - Third quarter year one ends before approval of task since no bond release application submitted. There is a minimum of 60 days review period for bond release applications
 - Update Bond release schedule to reflect current mining conditions/operations
 - Permittee continues to sub divide bond areas on as need basis and high interval, e.g. at least once per quarter.
 - NL subtotal structure demolition and disposal should account for scenario including mine reclamation of Pits 7-9 with Ponds 5, 6, T1-A, and corresponding temporary sediment structures.
 - Line items should include removal of sediment structures and dewatering of pits, based on current proposed plan to maintain Pit 7 as a pond.
- Conflicting redline text with amendment:
 - The amendment contains redline text currently associated with the abatement to NOV 21183

- The amendment was submitted after Task 5264, Addition of Areas 2 and 3 in NPL but does not contain the redline text associated with areas 2 and 3.
- Missing or inadequate soils handling map and narrative:
 - Dwg 2-4 does not show the location of topsoil and subsoil stockpiles for the 17 acres.
 - Dwg 2-4 does not tabulate the volume of topsoil and subsoil to be salvaged/stockpiled from the 17 acres.
 - Dwg 2-4 does not label Area 1-A.
 - Dwg 2-4 must not show prime farmland handling, which is not yet approved.
 - The narrative in Chapter 2 must be updated with soils handling plans (R645-301-231) and with the timing of replacement of soil amendments, topsoil and subsoil to ensure protection of the resource (R645-301-241, R645-301-542.100, R645-301-242.130 and R645-301-243).