



GARY R. HERBERT
Governor

SPENCER J. COX
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

September 27, 2017

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

Subject: Phase II Bond Release Final Approval, Coal Hollow Mine, C/025/0005, Alton Coal Development, LLC, Task #5505

Dear Mr. Nicholes:

The Division finds that Alton Coal Development, LLC has met the regulatory requirements for Phase II bond release for areas BRP 2-1 and BRP2-2. Enclosed is the Division's Decision Document for the Phase II bond release. A copy of the bond release inspection report is included in this package along with the documentation of events and the Division's Findings.

The Division hereby approves the Phase II bond release in the amount of \$322,110 on approximately 77.431 acres. No actual bond money is being released with this action as it will be applied to future disturbance. The Division continues to hold bond in the amount of \$12,750,000 to ensure the remainder of the reclamation work.

You will need to return clean copies of the bond release application for incorporation into the approved Mining and Reclamation Plan. Please submit these by October 27, 2017. Thank you for your help during this process. If you have any questions, please call Daron Haddock at (801) 538-5325.

Sincerely,

John R. Baza
Director

DRH/sqs
Enclosure

cc: Rober Nead, Alton Coal Development, LLC
O:\025005.COL\WG5505 PHASE II BOND RELEASE\IIApproval letter.doc



Phase II Bond Release on 77.431 acres
Alton Coal Development, LLC
Coal Hollow Mine
C/025/0005
Kane County, Utah

TABLE OF CONTENTS

Decision Document

- * Action
- * Background
- * Chronology
- * Summary of Findings
- * Recommendation for Phase I Bond Release

Technical Analysis

Bond Release Inspection Report

List of Attendees at Bond Release Inspection

Affidavit of Publication

DECISION DOCUMENT

Phase II Bond Release on 77.431 acres
Alton Coal Development, LLC
Coal Hollow Mine
C/025/0005
Kane County, Utah

ACTION

Phase II bond release is requested for 77.431 acres in the disturbed area boundary at the Coal Hollow Mine. The current bond for the Coal Hollow Mine will remain at \$12,750,000.

BACKGROUND

The Alton coal field is located in T39S, R6W and T39S, R5W SLB&M, Kane County, Utah. The town of Kanab, which is the Kane County Seat, is located about 30 miles south of the Alton coal field. Alton Coal Development, LLC (ACD) is the company responsible for the development of a portion of the Alton coal field which is known as the Coal Hollow Mining Project. The center of the Coal Hollow Project (CHP) is located approximately 3 miles south of the town of Alton, Utah.

In 2004, ACD negotiated surface and coal leases for the private or fee areas of the Alton coal field. In 2004 ACD submitted a Lease by Application (LBA) to the Department of the Interior, Bureau of Land Management State Office, Salt Lake City, Utah for federal coal acreage contiguous to the secured private lease area. Starting in 2006, ACD submitted an application for a mine permit along with a Mining and Reclamation Plan (MRP) to the Utah Division of Oil, Gas and Mining (UDOGM). It took until November 8, 2010 to complete the permitting process and the Division issued a permit for the Coal Hollow Mine.

The Coal Hollow Project started as a surface mining operation that intended to produce approximately 2,000,000 tons of coal annually using pit mining. Midway through the project, ACD initiated highwall mining which was used in a portion of the mine. Recently, the Company has instigated underground mining, which is still being developed. Production at the mine has been much slower than anticipated.

A permanent program permit was issued to Alton Coal Development, LLC for the Coal Hollow Mine on November 8, 2010. An enlargement of the mine (known as the North Private Lease) was approved by the Division on February 2, 2016.

As is typical with most surface mines, reclamation is occurring concurrent with mining operations. Backfilling of the pits and regarding the surface occur shortly after the coal is removed. Up to this point, Alton Coal Development, LLC has achieved Phase I bond release on 4 different parcels totaling 165 acres. This action will release Phase I bond on another 30.429 acres for a total of 195.429 acres of Phase I bond release.

CHRONOLOGY FOR PHASE II BOND RELEASE

August 3, 2017	Alton Coal Development, LLC submits the Phase II bond release application.
August 18, 2017	The Division sends letters of invitation for the bond release inspection to be held August 29, 2017.
August 3, 10, 17 and 24, 2017	Phase II Bond Release Published in the Southern Utah News
August 29, 2017	Phase II bond release inspection.
September 24, 2017	Comment period ends. The Division receives no comments other than a letter of support from Kane County

SUMMARY OF FINDINGS

The Phase II bond release was advertised for four consecutive weeks. The only comment that was received during the public comment period was from Kane County who expressed support for the bond release going forward. A bond release inspection was conducted on August 29, 2017. No problems were identified. The technical analysis for Phase II bond release is attached.

PHASE I BOND RELEASE RECOMMENDATION

The recommendation is that the Division approve the Phase II bond release for the requested area. The Permittee has applied for a bond reduction in the amount of \$322,110 for the disturbance in the 77.431 acre area. The posted bond will remain at \$12,750,000, which will allow the mine to roll over the excess bond amount for future disturbance.



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

Technical Analysis and Findings

Utah Coal Regulatory Program

September 25, 2017

PID: C0250005
TaskID: 5505
Mine Name: COAL HOLLOW
Title: PHASE II BOND RELEASE

Reclamation Plan

Bonding and Insurance General

Analysis:

The application meets the State of Utah R645 requirements for phase II bond release at R645-301-880

On August 2nd the Division received an application for phase II bond release on 2 reclaimed parcels totaling 77.431 acres at the Coal Hollow mine. The parcels were seeded with the final seed mixtures for the sagebrush/grass, pinyon-juniper and pasture lands vegetation communities that were disturbed as a result of the open pit mining activities. Species composition and rates of application in #s per acre are included in the application. The application also includes a vegetation monitoring report on these reclaimed areas prepared by Mount Nebo Scientific Inc..

It is noted that the report is intended to conduct a study and record quantitative data to ascertain whether or not the revegetated areas have enough vegetative cover to adequately control soil loss. The reclaimed areas have been compared to the background conditions, or nearby native plant communities that have not been disturbed by mining operations. Consequently, the total living cover of the vegetation in the reclaimed areas have been quantitatively sampled along with those areas chosen for final revegetation success standards, some which are reference areas, whereas other standards have been "determined" in advance. Reference areas are often native, undisturbed plant communities chosen beforehand that approximate the mine site before it was disturbed by the mining activities. Using this approach, data are recorded in the reference areas to be compared with the reclaimed areas.

The data in table 2 (Reclaimed Area, Seed Mixtures used and Revegetation Success Standards) indicate that almost every reclaimed site met or exceeded that of its success standard. This data along with the observations made at the bond release inspection on August 29th suggest that the reclaimed areas are stable with well established vegetation and little or no erosion or soil loss. The phase II bond release application is recommended for approval.

jhelfric

Bonding Determination of Amount

Analysis:

The amendment meets the State of Utah R645 requirements for Determination of Bond Amount.

This application proposes Phase 2 Bond Release pertaining to two different areas in the South Private Lease:

BRP2-1 - former pits 3, 5, and 6 comprising 25.814 acres were approved for Phase 1 bond release in November of 2015. Since that time, several reclamation activities have been completed in order to satisfy the Phase 2 bond release

requirements. The Lower Robinson Creek stream channel was restored to its original location and lined with 15" D50 rip-rap. Additionally, the entire BRP2-1 area was top soiled and conditioned with straw and Nutri-Mulch at a minimum of 1,500 lbs/acre. Subsequent seeding of these areas took place in 2013, 2014, and 2016.

BRP2-2 - former pits 21A, 21B, 22 through 28, and surfaces 6 and 7 comprising 51.617 acres were also approved for Phase 1 bond release in November of 2015. Since that time, several reclamation activities have been completed in order to satisfy the Phase 2 bond release requirements. The entire BRP2-2 area was also top soiled and conditioned with straw and Nutri-Mulch at a minimum of 1,500 lbs/acre. Subsequent seeding of these areas took place in 2013, 2014, and 2016.

A third party study was completed in August 2017 by Mt. Nebo Scientific to assess the adequacy of reclamation efforts as they pertained to Phase 2 bond release. A statistical analysis was conducted comparing the vegetation on the reclaimed areas to areas not disturbed by mining. The results of that study found the revegetative efforts were proceeding well, and that the vegetative conditions of adjacent undisturbed areas versus the reclaimed areas were not statistically dissimilar.

On August 29th, several agents from the Division met at the mine site and collaborated with mine personnel regarding the progress of reclamation efforts. A walking GPS survey was conducted by several Division staff to confirm area measurements, and numerous photos were taken documenting successful earthwork and revegetative efforts on site.

The intent of this Phase 2 bond release application is to reduce the current disturbance liability of \$12,730,495 by \$483,314. The current bond for the Coal Hollow Mine will remain at \$12,750,000

jeatchel



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:	BOND RELEASE
Inspection Date:	Tuesday, August 29, 2017
Start Date/Time:	8/29/2017 9:00:00 AM
End Date/Time:	8/29/2017 3:00:00 PM
Last Inspection:	Tuesday, August 8, 2017

Representatives Present During the Inspection:	
Company	Larry Johnson
Company	Kirk Nicholes
Company	Drew Christensen
Company	Riley Anderson
OGM	Daron Haddock
OGM	Priscilla Burton
OGM	Keenan Storrar
OGM	Justin Eatchel
OGM	Wiser Beverly
OGM	Joe Helfrich

Inspector: Joe Helfrich

Weather: Sunny warm 85

InspectionID Report Number: 5945

Accepted by:

Permittee: **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

1,017.15	Total Permitted
443.00	Total Disturbed
165.00	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:

The purpose of this site visit was to conduct phase I and II bond release inspections on portions of the Coal Hollow mine. Persons in attendance not listed in the representatives section of this report included; Byard Kershaw, Kane County Natural Resource Specialist, Jim Matson, Kane County Commissioner, Mike Asch FWS Biologist (Sage Grouse), Mark Boshell, Atty for PLPCO and, Dr. Nicole (Nicki) Frey, USU Extension Sage Grouse research.

A Bond Release inspection at the Alton Coal Mine was conducted by Division hydrologist, Keenan Storrar, on August 16, 2017 with Kirk Nicholes as the company representative. [KS]

Inspector's Signature: _____

Date Wednesday, August 30, 2017

Joe Helfrich,

1594 West North Temple, Suite 100 • Salt Lake City, UT 84114-0601
 telephone (801) 538-5340 • facsimile (801) 539-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



Permit Number: C0250005
Inspection Type: BOND RELEASE
Inspection Date: Tuesday, August 29, 2017

Inspection Continuation Sheet

Page 2 of 5

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0250005
 Inspection Type: BOND RELEASE
 Inspection Date: Tuesday, August 29, 2017

Inspection Continuation Sheet

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 performance 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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

On August 2, 2017 the Division received applications for phase I and II bond release on portions of the Coal Hollow mine. The applications included:

2. Signs and Markers

The staked bond release areas were walked and documented with gps. The resulting map is attached.

4.a Hydrologic Balance: Diversions

Diversions in the South Private lease need to be repaired. Ditch B-1T-U and Ditch B-1T-L along the western and northern perimeter of Pit B-1 need to be repaired. During the inspection this ditch had been disturbed by the reclamation work of Pit B-1 and was no longer functioning as designed. The ditch must be graded so runoff from B-1 disturbed area reports to Pond 3. [KS]

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The Phase II Bond Release area BRP2-1 across Pits 3, 5 and 6 adjacent to Lower Robinson Creek has been successfully revegetated. A large portion of this area has been vegetated for over three years. The surface of the bond release area appears to be stable with little to no rilling or gullying. [KS]

The Phase II Bond Release area BRP2-2 in the South Private lease has been successfully revegetated. The area of Pits 22 – 28, SURF6 and SURF7 has two years of vegetative growth stabilizing soil across the reclaimed surface. The stabilized area will prevent erosion and subsequent contribution of suspended solids to runoff outside the permit area. [KS]

There is very little erosion and subsequent suspension of sediment occurring in the southern end of the South Lease. Pond 4 discharged three times during spring runoff in 2017. The Total Suspended Solids ranged from a low of 208 to a high of 558 mg/L. This is less than half the daily allowable maximum of 1200 mg/L. At the inlet to Pond 4 there appears to be very little to no sediment deposited as runoff feeds into the pond. The low TSS values and little accumulated sediment in Pond 4 shows vegetation has been adequately established to stabilize the Phase II bond release area. [KS]

The remaining areas in Watershed 4 of HWT 2-A, HWT 2-B, HWT 3-A, HWT 3-B have one year of successful vegetative growth and Pit 21-B and SURF 5 have over two years of successful revegetation. These areas will need a minimum of two years of successful vegetative growth prior to the removal of Pond 4. [KS]

12. Backfilling And Grading

The phase I application included 30.429 acres that had been backfilled and graded and topsoiled. Seeding will be completed in the Fall of 2017.

The Phase I bond release areas meet the hydrologic requirements needed for bond release. The areas BRP1-11 and BRP1-12 were inspected. The backfilled and graded areas match the surrounding terrain. Both areas are sloped to properly drain runoff and the edge of backfilled areas seamlessly join to the surrounding undisturbed terrain. The backfill in both bond release areas consists of Tropic Shale. This backfill material is not considered to be of hydrogeologic importance due to its low conductivity. Therefore, it is not anticipated any groundwater of importance will recharge to the bond release areas. [KS]

13. Revegetation

The phase II application included 77.431 acres of reclaimed disturbance that has been seeded and the vegetation is established. This is supported by quantitative and qualitative sampling. The current percent cover and species composition of the vegetation is approximately 66 % of that in the reference areas for sagebrush grass and pinyon/juniper. These areas are not showing any signs of soil loss or erosion.

Bond Release Inspection at Alton
Coal Hollow Mine, August 29, 2017

Name	Representing	Phone
Daron Haddock	DOGM	801-538-5325
BYARD KERSHAW	KANECTY.	602-478-9621
Justin Eatchel	DOGM	801-538-5262
Michael Asch	FWS	611-841-596-5712
LARRY JOHNSON	ACD	435-691-2983
Jim Platzer	Ware County	435-616-078 Jim Platzer Ware County
Priscilla Burton	DOGM	priscillaburton@utah.gov
Ben Wiser	DOGM	btwiser@utah.gov
JOE HEFRICH	"	JOEHEFRICH@UTAH.GOV 801-538-5290
Mark Bashell	PLPCO	385/290-8072 mbashell@utah.gov
Kirk Nicholes	ACD	435-691-1551 KNicholes@altcoal.
Riley Anderson	ACD	691-0978
Nicki Frey	USU EXT	nicki.frey@usu.edu 435-559-0360
DREW CHRISTENSEN	ACD	



Alton Coal Development, LLC

463 North 100 West, Suite 1
Cedar City, Utah 84720
Phone (435) 867-5311 Fax (435) 867-1192

C/025/005 Incoming

#5505

#5504

September 14, 2017

Daron R. Haddock
Coal Program Manager
Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED
SEP 15 2017
DIV. OF OIL, GAS & MINING

Subject: **Affidavit of Publication for Phase 1 and Phase 2 Bond Release, Alton Coal Development, LLC, Coal Hollow Mine, Kane County, Utah, C/025/0005**

Dear Mr. Haddock,

Alton Coal Development, LLC is providing a copy of the Affidavit of Publication for the Phase 1 and Phase 2 Bond Release for the Coal Hollow Mine. Also included is a copy of the public notice for verification.

Please do not hesitate to contact me if you have any questions 435-691-1551.

Sincerely

A handwritten signature in blue ink that reads "B. Kirk Nicholes".

B. Kirk Nicholes
Environmental Specialist

**PUBLIC NOTICE
PHASE I BOND RELEASE
APPLICATION
COAL HOLLOW MINE,
ALTON COAL
DEVELOPMENT, LLC**

Public Notice
Phase I Bond Release Application

Coal Hollow Mine (CHM)
Alton Coal Development, LLC
463 N 100 W, Suite 1
Cedar City, UT 84721
MSHA # 42-02519
Permit # C/025/0005

Permit Approval 11/08/2010
Notice is hereby given that Alton Coal Development, LLC has filed an application with the Utah Department of Natural Resources, Division of Oil, Gas and Mining for Phase I Bond Release on approximately 30.429 acres of the Coal Hollow Mine ("CHM" or the "Reclaimed Coal Mine").

All areas for bond release have met the standards of the Utah Coal Program as to backfilling, regrading and drainage control for Phase I Bond Release (refer to R645-301-880). The locations of the Reclaimed Coal Mine areas in Kane County, Utah are as follows:

BRP1 - 11 - A portion of the CHM within the NW 1/2, NW 1/4 of Sec. 30, T39S, R5W, containing 14.178 acres. BRP1 - 11 includes the former Pit B1 of the South Private Lease that has achieved final grade, sub-soil placement and shaping for drainage control. Incremental reclamation of the BRP1 - 11 was completed in July 2017.

BRP1 - 12 - A portion of the CHM within the NE 1/4 of Sec. 13, T39S, R6W, containing 16.251 acres. BRP1 - 12 includes the former Pits 4, Pit 5, and Pit 6 of the North Private Lease that have achieved final grade, sub-soil placement and shaping for drainage control. Incremental reclamation of the BRP1 - 12 was completed in July 2017.
The Phase I bond release application is for a liability reduction of \$2,130,418 from the current disturbance liability of \$1,816,451. The current bond main at \$12,750,000. All of the Reclaimed Coal Mine meet the requirements of the MRP and the Division's regulations for post mine land use and for backfilling, regrading and drainage control standards.
A copy of the Phase I bond release application with the complete legal description for each area may be examined at the office of Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Salt Lake City, Utah 84114-5801 and written comments, objections, or requests for an informal conference may be submitted to the Salt Lake City address. Said comments must be submitted thirty (30) days from the date of the last publication of this notice. This notice is being published to comply with the Surface Mining Control and Reclamation Act of 1977, the Utah Coal Mining and Reclamation Act and State and Federal regulations promulgated pursuant to said Acts.
Published in the Southern Utah News on August 3, 10, 17 and 24, 2017.

Affidavit of Publication

STATE OF UTAH)
 (SS.
COUNTY OF KANE)

COPY OF NOTICE

RECEIVED

SEP 15 2017

DIV. OF OIL, GAS & MINING

I, Dennis A. Brunner, being duly sworn, depose and say that I am General Manager/Publisher of the SOUTHERN UTAH NEWS, a weekly newspaper of general circulation published every Wednesday at Kanab, Utah, for Kane County, Utah and Coconino County, Arizona, and a designated agent of the Utah Press Association and the notice attached hereto,

was published in said newspaper for: **FOUR**
consecutive weeks, the first publication on: **08/03/17**
and the last on: **08/24/17**

that said notice was published in the regular and entire issue of every number of the paper during the period and times of publication, and that the same was published in the newspaper proper and not in a supplement and that said notice was published on www.utahlegals.com on the same day as the first newspaper publication and the notice remained on www.utahlegals.com for one week after the final publication date.

Asa Bell, Publisher

Subscribed and sworn to before me 9-6-17

Cindy Forrester, Notary Public

Residing in Kanab, Utah.

My commission expires: 8/24/20



**PUBLIC NOTICE
PHASE 2 BOND RE-
LEASE APPLICATION
COAL HOLLOW MINE,
ALTON COAL
DEVELOPMENT, LLC**

Public Notice
Phase 2 Bond Release Ap-
plication
Coal Hollow Mine (CHM)
Alton Coal Development, LLC
463 N 100 W, Suite 1
Cedar City, UT 84721
MSHA # 42-02519
Permit # C/025/0005

Permit Approval 11/08/2010
Notice is hereby given that
Alton Coal Development, LLC
has filed an application with
the Utah Department of Natural
Resources, Division of Oil, Gas
and Mining for Phase 2 Bond
Release on approximately
77.431 acres of the Coal Hollow
Mine ("CHM" or the "Reclaimed
Coal Mine").

All areas for bond release
have met the standards of the
Utah Coal Program as to the
vegetation and water qual-
ity requirements for Phase 2
Bond Release (refer to R645-
301-880). The locations of the
Reclaimed Coal Mine areas
in Kane County, Utah are as
follows:

BRP2 - 1 - A portion of the CHM
within the SE 1/4, SE 1/4 of Sec.
19, and the NE 1/4, NE 1/4 of
Sec. 30 T39S, R5W contain-
ing 25.814 acres. BRP2 - 1
includes the former Pit 3, Pit 5
and Pit 6 of the South Private
Lease. Phase 1 bond release
was approved for this area on
November 9, 2015. Topsoil
(approximately 8") was placed in
the fall of 2013, 2014 and 2016
for various portions of BRP2-1.
The Lower Robinson Creek
stream channel, diverted dur-
ing mining, was reconstructed
to its original location with 15"
D50 rip-rap placed to a depth of
at least 24" along the flow path
in September of 2015. Straw
mulch at a minimum of 1,500
lbs./acre and Nutri-Mulch® at a
minimum of 1,500 lbs./acre was
placed soil surface. Following
top soiling and mulching, the
prepared portions were seeded
in October of 2013, November
and December of 2014 and
March of 2016.

BRP2 - 2 - A portion of the CHM
within the E 1/2, E 1/2 of Sec. 30
T39S, R5W containing 51.617
acres. BRP2 - 2 includes the
former Pit 21A, Pit 21B, Pit 22,
Pit 23, Pit 24, Pit 25, Pit 26,
Pit 27, Pit 28, Surface 6 and
Surface 7 of the South Private
Lease. Phase 1 bond release
was approved for this area on
November 9, 2015. Topsoil
(approximately 8") was placed
in the fall of 2014, 2015 and
Spring of 2016 for various por-
tions of BRP2-2. Straw mulch
at a minimum of 1,500 lbs./acre
and Nutri-Mulch® at a minimum
of 1,500 lbs./acre was placed
soil surface. Following top
soiling and mulching, the pre-
pared portions were seeded in
November of 2014, December
2014, January 2015 and March
of 2016.

The Phase 2 bond release
application is for a liability re-
duction of \$322,110 from the
current disturbance liability of
\$12,730,495. The current bond
for Coal Hollow Mine will remain
at \$12,750,000. All of the
above-described areas within
the Reclaimed Coal Mine meet
the requirements of the MRP
and the Division's regulations
for post mine land use and for
backfilling, regrading and drain-
age control standards.

A copy of the Phase 2 bond
release application with the
complete legal description for
each area may be examined
at the office of Division of Oil,
Gas and Mining, 1594 West
North Temple, Suite 1210, Salt
Lake City, Utah 84114-5801 and
written comments, objections,
or requests for an informal
conference may be submitted to
the Salt Lake City address. Said
comments must be submitted
thirty (30) days from the date of
the last publication of this notice.
This notice is being published to
comply with the Surface Mining
Control and Reclamation Act
of 1977, the Utah Coal Mining
and Reclamation Act and State
and Federal regulations promul-
gated pursuant to said Acts.

Published in the *Southern Utah
News* August 3, 10, 17 and 24,
2017.

Kane County Commission
Dirk Clayson, Jim Matson, Lamont Smith
76 North Main St.
Kanab, Utah 84741
(435) 644-49



September 21, 2017

Daron Haddock
Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, UT 84114-5801

Dear Mr. Haddock:

On August 29, 2017, Kane County Commissioner Jim Matson and I (Byard Kershaw) attended the field trip to observe the areas for both Phase I and Phase II bond release at the Alton Coal Development, LLC (ADC) Coal Hollow Mine.

Following the meeting at the mine office and the field tour of the reclaimed areas, the Kane County Board of Commissioners agrees that the requirements of the Phase I and Phase II bond release requirements have been met. We are in agreement that the reclamation bonds as described by your office and ACD employees have been met and that the bonds should therefore be released.

As was discussed by Larry Johnson, ACD mine manager, the released funds will be applied to the bonds for future reclamation projects. We find this action shows ACD's commitment that the disturbed areas of the mine property will be reclaimed to the standards established by the Utah Division of Oil, Gas and Mining, and the Mine Safety and Health Administration.

If you have any comments or questions please contact Byard Kershaw by phone at 602.478.9621 or by email at northrimconsulting@kanab.net.

Kane County Commission
76 N. Main St., Kanab, Utah 84741
Come to Kane County, Where anything is Possible!

Thank you for the opportunity to participate in the field examination and to comment on the bond release applications.

Respectfully,

Byard L Kershaw

Digitally signed by Byard L

Kershaw

Date: 2017.09.21 15:19:56 -06'00'

For Jim Matson

Kane County Commissioner

Kane County Commission

76 N. Main St., Kanab, Utah 84741

Come to Kane County, Where anything is Possible!

Bond Release Inspection at Akton
Coal Hollow Mine, August 29, 2017

Name	Representing	Phone
Daron Haddock	DOG M	801-538-5325
BYARD KERSHAW	KANECTY	602-478-9621
Justin Eatchel	DOG M	801-538-5262
Michael Asch	FWS	Call- 844-596-5712
LARRY JOHNSON	ACD	435-691-2983
Jim Platow	Ware County	435-616-0177 jplatow@ncd.com
Priscilla Burton	DOG M	priscillaburton@utah.gov
Ben Wiser	DOG M	btwiser@utah.gov
Joe Heffrich	"	joh@utah.gov 801-538-5290
Mark Boshell	PLPCO	385/290-8072 mboshell@utah.gov
Kr. K. Nicholes	ACD	435-691-1551 KNicholes@utah.gov
Riley Anderson	ACD	691-0978
Nicki Frey	USU EXT	nicki.frey@usu.edu 435-559-0660
DREW CHRISTENSEN	ACD	