



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: | PARTIAL |
| Inspection Date: | Wednesday, April 25, 2018 |
| Start Date/Time: | 4/25/2018 8:00:00 AM |
| End Date/Time: | 4/25/2018 5:00:00 PM |
| Last Inspection: | Tuesday, April 17, 2018 |

| Representatives Present During the Inspection: | |
|--|------------------|
| OGM | Priscilla Burton |
| OGM | Justin Eatchel |
| Company | Drew Christensen |
| Company | Kirk Nicholes |

Inspector: Priscilla Burton,

Weather: sun 70 F

InspectionID Report Number: 6131

Accepted by:DHADDOCK
5/7/2018

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 |
| 219.00 | Phase I |
| 77.00 | 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:

This inspection was conducted as part of the mid-term review.
 Coal was being loaded out of NL Pit 14 on the East end.
 Two dozers were working the alluvium from above Pit 15 into the Pit on the West and East ends.
 At the West end, the alluvium was filling the pit.
 At the East end, the alluvium was being loaded for haul to fill Pit 13.
 Topsoil recovered from above Pit 17 (along the elk fence) was stockpiled in a temporary stockpile at the North end of the mining activity. The North boundary of the NPL disturbed area was walked with a GPS.

Inspector's Signature: **Priscilla Burton**
 Priscilla Burton
 Inspector ID Number: 37

Priscilla Burton
 2018.05.10 15:59:38 -06'00'

Date Thursday, April 26, 2018



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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 type="checkbox"/> | <input type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. Backfilling And Grading | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 13. Revegetation | <input type="checkbox"/> | <input type="checkbox"/> | <input 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 checked="" type="checkbox"/> | <input type="checkbox"/> | <input checked="" 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

Mid term review was initiated March 7 as Task 5617.

At the mine office in Cedar City, we discussed the details of the NPL Open Pit Expansion amendment, Task 5666.

2. Signs and Markers

All topsoil piles and subsoil piles are signed.

3. Topsoil

Topsoil and subsoil stockpiles were walked with a gps to record their areas. Mr. Nicholes reported surveyed stockpile volumes as of March 19, 2018.

NPL topsoil = 3.65 acres, holds 56,029 CY and is an active pile; NPL subsoil = 2.01 acres, holds 51,874 CY and is an active pile

SL topsoil #1 = 2.74 acres, holds 25,289 CY is a well vegetated inactive pile; Topsoil #2 = 4.94 acres, holds 71,392 CY was last utilized in 2017 for reclamation, will remain inactive indefinitely; subsoil #1 = 2.83 acres, holds 73,070 CY is an inactive pile and will remain so indefinitely; subsoil #2 = 2.31 acres, holds 47,690 CY was actively used in 2017 but will remain inactive indefinitely.

An additional topsoil stockpile in the NPL has been formed from topsoil recently salvaged from topsoil above Pit 17. This stockpile is temporary as it will be moved to the main NPL topsoil stockpile. It is signed and bermed.

Topsoil pile #2 berms on the West side require re-shaping after additional soil was removed during the fourth quarter of 2017 for reclamation.

Recent work on the berms around South sides of topsoil #2 and subsoil #1 was done to ensure that the berms were high enough. In reality, the berms on the South side of the topsoil stockpile were so well vegetated that this work was unnecessary. The newly worked area will be susceptible to weed growth and should be watched closely.

4.a Hydrologic Balance: Diversions

UD3 was photographed. The installation of rock drop structures has controlled down-cutting of this ditch.

9. Protection of Fish, Wildlife and Related Environmental Issues

Field bindweed, *Convolvulus* spp., becoming established on the berms of SL subsoil pile #2. The field bindweed should be controlled as it is a Class 3 noxious weed. We discussed the use of chemicals vs. biological control (bindweed gall mite, *Aceria malherbae*).

11. Contemporaneous Reclamation

Contemporaneous reclamation is completed at the South Lease. The remaining subsoil and topsoil stockpiles will be used for Pit 10 and the facilities and ponds. SL subsoil pile #2 was seeded in 2016. There is very little vegetation growing on the pile. The south half of the stockpile is approximately 7 feet thick with a flat topped surface. The north half of the pile is smooth and convex, about 30 feet high. This pile will be used to reclaim Pit 10 and the facilities yard. The portion of the pile which is not needed for Pit 10 will be relocated to the subsoil pile #1 location, if the federal leases are obtained. There are options for improving vegetation on this pile in the mean time:

1. Spread the pile out over the entire foot print to lessen and shorten the slopes sides and leave a roughened surface. Then reseed.
2. Move the pile to the subsoil pile #1 location and in doing create a pile with 3h:1v slopes and roughened surface. Then reseed.
- Or 3. Move all the pile except that volume required for reclamation of pit 10. Reshape the pile in place and the relocated pile and reseed both.

16.b Roads: Drainage Controls

Installation of drainage structures were discussed for the section of the North Haul Road that runs along the base of reclaimed Pit 10. Drainage ditches and culverts are planned for installation pending approval of the NPL Open Pit expansion. JE



Coal Hollow Inspection April 25, 2018



PHOTO 1 Topsoil pile 1



PHOTO 2 Topsoil pile 2



PHOTO 3 Subsoil pile 1



PHOTO 4 Subsoil pile 2