State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Inspection Report

Permit Number:	**C0250005**
Inspection Type:	TECHNICAL
Inspection Date:	Wednesday, October 10, 2018
Start Date/Time:	10/10/2018 9:00:00 AM
End Date/Time:	10/10/2018 2:30:00 PM
Last Inspection:	Tuesday, October 2, 2018

Inspector: Priscilla Burton,

Weather: sun 60F

InspectionID Report Number: 6260

Accepted by:DHADDOCK
11/2/2018

Representatives Present During the Inspection:

OGM	Priscilla Burton
Company	Kirk Nicholes

Permitee: **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:

In the office we discussed prime farmland density evaluation and looked at soil sample boxes. We observed the remaining prime farmland soil salvage and placement. Soils consultant Bruce Chessler, CPPSc And Brian Heaton, (surface maintenance staff) accompanied us during the inspection. Mining was occuring on the West of Pit 17. Overburden removal is from the East of Pit 17. Haul trucks were moving subsoil from the East half of Pit 16 to the Heaton subsoil pile. Graders were moving GDH E prime farmland soil from the East half of Pits 17 - 20 to the GDH - B horizon stockpile.

Refer to Dwg 2-4, Topsoil Handling Plan,. Dwg 5-57, Overburden Removal Sequence,. Dwg. 7-10 Water Monitoring Locations, Dwg 5-47 Facilities and Structures Layout.

Inspector's Signature:

Priscilla Burton,
Inspector ID Number: 37

Date Thursday, October 11, 2018

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

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

2. Signs and Markers

Signage was needed along the extended area 2 boundary prior to any further topsoil removal. It was in place within 24 hours.

3. Topsoil

Road graders were salvaging GDH-E soil (B horizon) subsoil above the East half of mining pits 16 - 20. A-horizon topsoil has been removed from the .GDH-G soil above the East half of Pits 20-21. Topsoil salvage from the extended area 2 area was halted until disturbed area boundary stakes were in place. This boundary is approximately 100 feet from the Kanab Creek channel bottom.

Prime farmland stockpiles DRH-A, GDH-A and OGP-A are signed. OGPB and DRH-B are signed. Prime farmland stockpiles are not laid back to 3h:1v and are not seeded. GDH B horizon stockpile is still under construction. A field decision was made to combine the GDH-C and OGP-C stockpiles with their respective B horizon stockpiles, because there was little differentiation between the B & C horizon in field color or pH.

Soil pit sample boxes were evaluated to confirm the similarily between B & C horizon of these soiils. The sample boxes hold soil grabbed from every foot, which was correlated to horizons. Also noted was the similarity between horizonation in G and E prime farmland soils. See attached photographs.

Density testing byintermountain laboratory was found to be less consistent than on site density testing by nuclear probe (by GME Engineering). This is likely an artifact of the sampling method (the samples were loose).

4.a Hydrologic Balance: Diversions

Undisturbed ditch UD 14 was in place. It extends along the North boundary of Area 2. Large piles of soil dug from this 10 ft deep ditch were stockpiled on top of prime farmland soil above the East half of Pit 21. These stockpiles must be rehandled so that topsoil salvage can occur.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Pond 7 was at full capacity due to recent rains and pumping of groundwater from the new DW 3 - 7 wells. The outlet of the pond was not functional and required maintenance, therefore the pond was being pumped and the DW 3 - 7 well series was not being pumped.

8. Noncoal Waste

Crushed wheel lines will be removed from the slopes of Kanab Creek before they are blocked by the overburden bench.

22. Other

Shallow wells DW 3, DW4, DW5, DW6, and DW7 are into the alluvium on the Eastern highwall of Pit 17 through 15. The wells are aligned on the Range 6 West and Range 5 West boundary in line with monitoring well Y103. These wells are into the alluvium approximately 100 feeet down. Together these wells produce about 12 gpm which is being pumped to Pond 7.

ATTACHMENT A – Photos October 10, 2018

Prime farmland soil sample Pit 22 GDH Soil G above and soil sample Pit 17 GDH Soil E below. Note: In all boxes samples represent foot increments of soil.

Prime farmland soil sample Pit 20 DRH Soil G above and soil sample Pit 13 DRH Soil E below. Note: similarity of lower third and fourth foot of soil in all boxes

Soil salvage complete on Left in OGP prime farmland. Subsoil salvage ongoing on Right in DRH prime farmland.

Soil Pit 21 DRH soil above mining pits 20-21 (topsoil removed already)

ATTACHMENT A – Photos October 10, 2018

Soil Pit 22 GDH Soil above mining Pits 20 – 21 (topsoil removed already)	Bruce Chessler, Brian Heaton at soil Pit 17 topsoil not removed from this location above mining Pit 19 - 20.
Tandem road graders remove subsoil from GDH soils Pits 19 – 21.	Looking South from Pit 21 at topsoil salvage in expansion area above E side of Pits 16 – 21. Expansion is to East of fenceline.

ATTACHMENT A – Photos October 10, 2018

Topsoil salvage complete across GDH Soil.	Highwall monitoring well protected from salvage
Looking E at UD 14 and soil pile above Pit 21.	UD 14 and piles of soil on North boundary.

ATTACHMENT A – Photos October 10, 2018

DW 3 well on edge of mining Pit 17 subsoil removal area.	Looking S from DW 3 at DW 4 – 7 in line.
Kirk Nicholes standing at Well Y 103 aligned with DW wells on the Range 5/6 boundary.	Looking NW across the mining pit towards Alton. Stockpiles are alluvium around Pit 17

ATTACHMENT A – Photos October 10, 2018 site visit

OGP A horizon stockpile	GDH A horizon stockpile
DRH A horizon stockpile	OGP B horizon stockpile

ATTACHMENT A – Photos October 10, 2018

GDH B horizon stockpile

DRH B horizon stockpile

DRH C horizon stockpile

Looking N at NL reconstructed Lamb's access road on right and random subsoil stockpiles. DRH-B stockpile on far left.

ATTACHMENT A – Photos October 10, 2018

Pond 7 outlet and wetland mitigation area	Pond 7 discharge
Looking East at extension of Heaton subsoil pile.	Looking N at random Heaton subsoil stockpiles between reconstructed Lamb's access road on right and DRH-B stockpile on far left..

ATTACHMENT A – Photos October 10, 2018 site visit

Soil removal above mining Pit 21 on left. Development of Pit 17 on right.