



Suzanne Steab <suzannesteab@utah.gov>

2017 Annual Report Review Completion

Suzanne Steab <suzannesteab@utah.gov>
To: Kirk Nicholes <knicholes@altoncoal.com>

Tue, Jun 12, 2018 at 7:57 AM

The Division staff completed the review of the 2017 Annual Report for the Coal Hollow Mine. Attached is a copy of the review with comments.

No hard copy will follow.

Thank you for your diligence in completing the annual report.

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ANNUAL REPORT

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Alton Coal Development, LLC	Mine Name	Coal Hollow Mine
Permit Number	C/025/0005	Permit expiration Date	2020-11-08
Operator Name	Alton Coal Development, LLC	Phone Number	+1 (435) 867-5331
Mailing Address	463 N 100 W Suite 1	Email	knicholes@altoncoal.com
City	Cedar City		
State	Utah	Zip Code	84721

DOG M File Location or Annual Report Location

Excess Spoil Piles	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Refuse Piles	<input type="checkbox"/> Required <input checked="" type="checkbox"/> Not Required	
Impoundments	<input checked="" type="checkbox"/> Required <input type="checkbox"/> Not Required	
Other:		

OPERATOR COMMENTS

Certification of Pond T1 was completed on Mar. 16, 2017. Certified inspection of sediment ponds 1, 1B, 2, 4, 5 and 6 was completed on March 28, 2017. Certified inspection of sediment Pond 3 was completed on Apr. 27, 2017. Certified inspection of sediment ponds 1, 1B, 2, 3, 4, 5 and 6 was completed on Sep. 27, 2017 with Pond 7 completed Sep. 29, 2017. Certified inspection of the SPL excess spoil pile was completed on Mar. 28, Jun. 20, Sep. 27 and Nov. 6, 2017. For the NPL excess spoil pile, March 28, and June 20, 2017. Copies of the inspection reports can be found in ACD's Cedar City office and the Coal Hollow Mine office. Reports were also emailed to the Division each quarter and have been included with this Annual Report.

REVIEWER COMMENTS

Met Requirements Did Not meet Requirements

5/3/2018, PB. The SL 1st quarter spoil pile inspection states that 389,000 CY of spoil remain to fill Pit 10 (e-page 37 In. 2017 Annual Report).
The NL 2nd quarter spoil inspection confirms the NL spoil was completely returned to the pits by March 2017 (e-page 38 In. 2017 Annual Report).

The permittee has submitted quarterly soil pile and sediment pond inspections. These documents are P.E. Certified. No hazardous conditions were reported.

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the Mining and Reclamation Plan and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: TOPSOIL AND SUBSOIL SALVAGE AND FINAL RECLAMATION PLACEMENT

Objective: Monitor topsoil and subsoil salvage by suitability criteria and depth described in Appendix 2-1, Table 4-1.

Frequency: During operations. Sampling regime will be reviewed and updated as necessary. In 2015 monitoring, add-in water soluble selenium analysis to the list of parameters run on replaced topsoil/subsoil.

Status: Long term

Reports: Provide laboratory reports and keep a tally of volumes salvaged, stockpiled and live hauled. In 2015 monitoring, add-in water soluble selenium analysis to the list of parameters run on replaced topsoil/subsoils.

Citation: MRP, Volume 1, Chapter 2, Section 231.300 (topsoil sampling), Section 232.500 (subsoil sampling), and Appendix 2-1, pg. 4-2.

OPERATOR COMMENTS

Topsoil	cyds	Subsoil	cyds
SPL Stk#1	25,289	SPL Stk#1	73,070
SPL Stk#2	71,392	SPL Stk#2	47,690
SPL Stk#3	Consumed in 2013	SPL Stk#3	Consumed in 2014
SPL Stk#4	Consumed in 2014	SPL Stk#4	Consumed in 2017
SPL Stk#5	Consumed in 2015		
SPL Stk#6	Consumed in 2017		
NPL Stk	53,201	NPL Stk	30,388
NPL Livehauled	26,205	NPL Livehauled	32,410

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

5/3/2018, PB.

At the end of 2017, there remained 120,760 CY of subsoil and 96,681 CY of topsoil stockpiled in the South Lease. The subsoil will be redistributed over a total of 30 acres [Pit 10 (22.4 acres) and Pond 3 (4.1 acres) and the additional acreage of Ponds 1, 1B, and 2 (approximately 3.5 acres)]. (The remaining facility areas did not have subsoil removed or in the case of the borrow area, overburden will be covered with topsoil.) The potential subsoil depth would be 2.5 feet. This represents a deficiency of 40,172 CY of subsoil in the current reclamation plan which states 3.1 ft over spoil in the South Leases. But, this is adequate cover for spoils which are tested and found suitable. This deficiency will be address in the mid-term review. This issue will be addressed with the mid-term review (Task 5617).

The 96,681 CY of topsoil stockpiled in topsoil stockpiles #1 and #2 will be added to 73,446 CY of substitute topsoil recovered from the interim reclamation area. The total volume of 170,127 CY will be used to reclaim 154.5 acres at the South Lease f(Dwg 5-38 In. 2017 Ann Rpt). The total topsoil and substitute volume will cover the 154.5 acres to a depth of 0.68 ft (8 inches). This is the required 8 inches proposed as an average topsoil redistribution depth in the South Lease (MRP Section 240).

In 2017, the Permittee seeded open areas North of Pit 10, around Pond 2 and Pond 3 to add to the potential substitute topsoil. An inventory of the acreage of interim reclaimed areas and potential substitute topsoil volumes was requested with the 2017 annual report, along with an updated MRP Dwg 2-2 , but neither was received. Both will be requested as part of the mid-term review (Task 5617).

Comparison of the 2016 and 2017 annual report stockpile volumes provides the following information:

South Lease Subsoil.

Subsoil pile #2 was utilized to reclaim BRP1-9 (25,487 CY over 9.08 acres, Task 5504). Also 1,116 CY from subsoil 2 were used to achieve a 40 inch subsoil depth in contemporaneous reclamation of the haul roads surrounding Pits 1A, 2, 4, 7, 8 (Task 4965).

Subsoil pile #4 (99,897 CY from Pit B1 was consumed for interim reclamation of BRP1-11(14.2 acres, Pit B1, Task 5504). The surface of this

subsoil was seeded to create substitute topsoil.

South Lease Topsoil.

1,785 CY of topsoil from SL topsoil #2 was utilized and all 6,061 CY of topsoil in topsoil stockpile #6 was consumed in reclamation in 2017. This topsoil was spread to an 8 inch depth over approximately 7.3 acres in the center of BRP1-1 (above SL Pits 1A, 2, 4, 7, 8, Task 4965).

North Lease Subsoil.

The NL Subsoil stockpile is a fluctuating pile. It gained 3,081 CY in 2017. The 32,410 CY subsoil was livehauled to BRP1-12 (16.25 acres above NL Pits 3-6, Task 5597)

North Lease Topsoil.

The North Lease topsoil pile was moved to its long term location in 2017. This is an active pile and the volume fluctuates. In 2017, a volume of 2,968 CY from the stockpile and 26,205 CY were placed over BRP1-12 (16.25 acres above NL Pits 3-6, Task 5597).

Title: PREDATOR CONTROL

Objective: To effectively manage predators and increase the population of birds at the Alton lek.

Frequency: Annually

Status: Ongoing

Reports: Annual summary of work completed to date. Include data, locations, summary and analysis of predator control efforts. Please include any reports from USDA Wildlife Services.

Citation: MRP, Appendix 3-8, pg 14 & 15.

OPERATOR COMMENTS

ACD, through a contract with Wildlife Services effective from April 2017 through April 2018, continued it's predator control program in 2016, Wildlife Services annual summary of work is included in the report titled "Greater Sage-grouse Population Monitoring and Habitat Improvement, Alton-Sink Valley, Utah, February 6, 2018." A copy of the agreement with Wildlife Services has been included with the Annual Report.

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

Predator control in 2017 was provided through an agreement with USDA Wildlife Services. Sage grouse predators potentially controlled through this agreement are common ravens, red foxes, raccoons, skunks, and coyotes.

Between Jan. 30, 2017 and June 28, 2017, 850 poisoned eggs were distributed in areas surrounding the mine site. An estimated 142 ravens were killed from these efforts. One coyote was also taken by Wildlife Services in 2017. One den was also removed from the area.

A new agreement between ACD and Wildlife Services for 2018 predator control is found in the annual report.

TM (5/10/18)

Title: WILDLIFE AWARENESS PROGRAM

Objective: To provide protection for the resident wildlife and minimize impacts (collisions) from vehicles and heavy equipment.

Frequency: Continuous and as needed for new employees throughout the life of the mine.

Status: Ongoing

Reports: Annual, log of employee awareness meetings, road kills for deer, elk, sage grouse and domestic livestock from the mine site to highway 89.

Citation: MRP, Volume 2, Chapter 3, pages 3-29

OPERATOR COMMENTS

Wildlife Awareness training was held on January 28, 2017 for all employees. Instruction was given by Kirk Nicholes. Attendance sheets and slides from the training presentation have been included with this submittal. There were no employee road kills for deer, elk, sage-grouse or domestic livestock from the mine site to highway 89.

REVIEWER COMMENTS



Met Requirements



Did Not Meet Requirements

An attendance sheet showing 32 attendees for an Environmental & Wildlife Training Annual Refresher held on Jan. 28, 2017 is included in the annual report. A copy of the slides shown at the presentation are also included.

TM (5/10/18)

Title: Compensatory Mitigation

Objective: Improve sage-grouse habitat in a 4:1 ratio to disturbance.

Frequency: Mitigation will be implemented prior to disturbance

Status: Ongoing

Reports: Provide plans for 2018 mitigation and disturbance to ensure mitigation is implemented prior to disturbance.

Citation: Appendix 3-8, pg 11 & 12.

OPERATOR COMMENTS

With the completion of the 300 acre Bald Knoll Lop and Scatter Project (WRI Project ID 4414), ADC has completed 891.79 acres of the 1,000 acres of required mitigation for the NPL. Disturbance at the end of 2017 at the NPL was approximately 80 acres, this would yield an excess of approximately 570 acres of mitigation compared to the total disturbance. ADC is currently in discussions with NRCS/DWR for completing (in 2018) the remaining 108.21 acres of required mitigation by providing funds for a rabbit brush treatment project also located near the Bald Knoll.

REVIEWER COMMENTS



Met Requirements



Did Not Meet Requirements

In 2017 300 acres of compensatory mitigation were completed with the Bald Knoll Lop and Scatter Project (WRI Project ID 4414). This brings the total to 891.79 acres of compensatory mitigation completed for the North Private Lease. A total of 239 acres are proposed for disturbance in the North Private Lease. This total, at a 4:1 ratio, would require 956 acres of mitigated acres. The discussions between ACD and NRCS/DWR to complete 108.21 acres would bring the total to 1,000 acres of mitigated land, 44 acres more than the required amount.

TM (5/10/18)

Title: RECLAMATION TIMETABLE

Objective: To ensure timely reclamation

Frequency: Map detailing reclamation actives for the year. (Dwg 5-38 and 5-76)

Status: Annually updated.

Reports: Annual summary of work completed to date.

Citation: MRP, Chapter 5, page 5-83 and Ch.3 page 33.

OPERATOR COMMENTS

Drawings 5-38, has been updated and included with this annual report for submission to the MRP. Drawings 5-76A and 5-76B are currently undergoing revision with the NPL Haul road realignment amendment and will be updated to reflect the current reclamation timetable.

REVIEWER COMMENTS Did Not Meet Requirements Met Requirements

5/3/2018, PB. Dwg 5-38 shows 17.5 acres of the South Lease were reclaimed in 2017. That is 10.8 acres more than planned for the South Lease. Dwg 5-76A was last revised and incorporated on November 1, 2017.

Although I checked "did not meet" requirements, the revision of both drawings is requested with the annual report MRP updates, Task 5652. No further information is requested for the annual report.

Title: SAMPLING FINAL GRADED, TOPSOILED SURFACE

Objective: To ensure a fertile growth medium.

Frequency: One composite sample every 2-5 acres based on variability.

Status: Contemporaneous with reclamation.

Reports: Laboratory analysis of available phosphorus, soluble potassium and nitrate-nitrogen.

Citation: MRP, Volume 1, Chapter 2, Section 231.300 and 243.

OPERATOR COMMENTS

Sampling results for final graded topsoil surface sampled in 2016 have been included in this submission as "Appendix 2-2 (Cont.) 2016-17 Soil Analytical Results"

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

5/3/2018, PB. Sample locations are shown on Figure 1 (South Lease) and Figure 2 (North Lease) In. 2017 Annual Report. Samples 16TS1 - 10 correspond to BRP1-7 above the surface of SL HWT 2b and 3b (2016 Task 5306); Pits 9B and a portion of HWT 1-b and 2-a (2016 Task 5097); and a small portion of BRP1-1 above Pits 4, 7, & 8 (2015 Task 4965). These soils were sampled for nitrogen, phosphorus and potassium after nutrimulch was added. All values are adequate for native plant growth. Area 16TS-1 above HWT 3b (cross section B-B' sta 2.00+) was noted to have a low spot during the bond release inspection. This area should be monitored and tested for SAR (Sec. 232.500, final paragraph).

Samples 17TS 1 - 7 correspond to Pits 9a & 9b and a portion of HWT 1-b (2016 Task 5097) and the former topsoil storage pile #4 location. These soils were sampled for boron, selenium, nitrogen, phosphorus and potassium. Phosphorus and potassium values are similar to the 16TS samples. Concentrations of nitrogen in the soils are ten times less than the 16TS locations, perhaps because they were sampled before the nutrimulch was added. All values appear adequate for native plant growth.

Samples 17TS 9 - 11 represent topsoil above NL Pits 1-3 (2016, BRP1-10, Task 5306). Samples 17TS 12 - 14 represent topsoil above NL pits 4 - 6 (2017 BRP1-12, Task 5504). Samples 17TS 15 - 19 represent topsoil above NL pits 7 - 10 (2018 BRP1-13, Task 5597). All samples were analyzed for B, Se, N, P, and K. Values of 2 - 6 ppm nitrate nitrogen were reported. These samples were taken prior to nutrimulch addition. This area will be re-disturbed at final reclamation of the topsoil and subsoil stockpiles. At that time, the topsoil evaluation will be repeated and fertilizer may be added as necessary. No spoil samples were taken, since the spoil was covered with 4 feet of subsoil and topsoil.

Samples 17TS 20 - 33 were taken from the South Lease above Pit B1 (2017 BRP1-11), Pit 1B (2016 BRP1-6), the remaining excess spoil pile, and portions of Pits 1A, 2, 4, 7 and 8 (2015 BRP1-1). Samples were drawn prior to nutrimulch application. Boron, selenium, nitrogen, phosphorus and potassium were analyzed. These samples show similar trends to the aother sampled areas. The excess spoil and Pit B1 subsoil have higher B and Se levels, but are not of concern. The N, P, K levels are all slightly lower. Much of the soil in this area will be re-sampled prior to substitute topsoil salvage. Its requirement for fertilization can be assessed at that time.

Sage grouse monitoring data from ACD employee observations, monthly ground-based surveys, and GPS collars is included in the "Greater Sage-grouse Population Monitoring and Habitat Improvement, Alton-Sink Valley, Utah, Updated December 27, 2017" report incorporated into the MRP on Feb. 13, 2018.

TM (5/10/18)

Title: Dames Lease Annual Vegetation Survey

Objective: To determine if mining or mining related activities are having an impact on the wet meadow habitat

Frequency: Annual

Status: Sampled in 2015

Reports: Annual Summary including species composition, percent cover and plant density

Citation:

OPERATOR COMMENTS

Sampling was completed in 2015 for the anticipated high-wall mining of the 85.88 acre New Dame Lease. There was no high-wall mining that occurred under the 85.88 acre New Dame Lease.

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

Title: Subsidence Monitoring

Objective: Company will conduct surface observation walkovers of each of the panels within 60 days of the completion of mining. Two additional observation walkovers will be made at approximately one year intervals following the initial walkover. The Division will be notified of the results as either no effects or repairs needed.

Frequency: Quarterly inspections

Status: Started underground 4th quarter 2015

Reports: 60 days after completion of panel and two annually

Citation: Chapter 5 pg 5-42 & 5-43

OPERATOR COMMENTS

Underground mining was suspended on June 1, 2016. Mining completed, consist of a distance of approximately 1,200' in the entry, no mining was completed within the permitted panels.

REVIEWER COMMENTS Met Requirements Did Not Meet Requirements

No underground mining was completed within the permitted panels and therefore no subsidence monitoring was completed in 2017.
JE

Title: CULTURAL RESOURCE DATA RECOVERY TREATMENT PLAN PLAN

Objective: To direct data recovery efforts and set reporting standards for archaeological sites located within the NPLA

Frequency: Once. Sites must be monitored during surface disturbance of the topsoil in the location of the two eligible sites. Public presentation on the mitigation project must be given.

Status: Tier I testing and data recovery occurred in 2016. On-site monitor must be present when disturbing eligible sites. Public presentation on data analysis must be given.

Reports: Documentation of on-site monitor and public presentation of technical report.

Citation: Volume 9 Appendix 4, Archaeological Monitoring & Historic Properties Treatment Plan for the Alton Coal North Private Lease Area, Kane County, Utah

OPERATOR COMMENTS

Sites 42Ka6080 and 42Ka3077 were present within the North Private Lease mining disturbance. The monitoring & historic treatment plan has been executed for both sites. Monitoring during topsoil removal for 42Ka6080 has been completed and the final monitoring report for these efforts are included in the letter dated May 2, 2017 titled "Archaeological Monitoring within the Coal Hollow Mine, North Private Lease Area, Kane County, Utah (February-March 2017)" which has been included with this Annual Report submittal. Site 42Ka3077 will be disturbed with mining in Area 3 of the NPL. Once site 42Ka3077 has topsoil removed and artifacts returned from the lab, a public presentation can be arranged for these sites.

REVIEWER COMMENTS Did Not Meet Requirements

Met Requirements

An archaeological monitoring report from Bighorn Archaeological Consultants, LLC is included in the annual report. According to the report, archaeological monitors were present during all new surface disturbances to the project area in February and March of 2017. The project work during this time occurred within the boundaries of site 42KA3097. No cultural features were encountered but one artifact was found on 3/14/17 and is documented in the report. A public presentation must be scheduled and completed once the monitoring and report for the second site, 42KA3077, is completed.

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: REVIEW AND EVALUATE THE FACILITIES SPILL PLAN (APPENDIX 7-5)
Objective: To ensure the accuracy of the Facilities Spill Plan and to determine if additional or more effective spill prevention and control technology that is applicable to the facility must be added.
Frequency: At least once every five years.
Status: Last review 2015, next review due 2019.
Reports: Completed Plan Review form submitted for incorporation into Appendix B of Appendix 7-5.
Citation: MRP, Volume 7, Chapter 7, Appendix 7-5, Section 2.2 PLAN REVIEW, page 2.

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

REVIEWER COMMENTS

