



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

July 25, 2018

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

Subject: 2017 Annual Report MRP Updates, Alton Coal Development, LLC, Coal Hollow Mine, C/007/0020, Task #5696

Dear Mr. Nicholes:

The Division has reviewed your application. The Division has identified deficiencies that must be addressed before final approval can be granted. The deficiencies are listed as an attachment to this letter.

The deficiencies authors are identified so that your staff can communicate directly with that individual should questions arise. The plans as submitted are denied. Please resubmit the entire application by no later than August 24, 2018.

If you have any questions, please call me at (801) 538-5325.

Sincerely,

Daron R. Haddock
Coal Program Manager

DRH/sqs

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Technical Analysis and Findings

Utah Coal Regulatory Program

PID: C0250005
TaskID: 5696
Mine Name: COAL HOLLOW
Title: 2017 ANNUAL REPORT MRP UPDATES

Reclamation Plan

Contemporaneous Reclamation General

Analysis:

The application meets the requirements of R645-301-352, Contemporaneous Reclamation, because Dwg 5-76A and Dwg 5-76B have been provided. These drawings project the reclamation sequence for the North Lease mining pits and the NL facilities over the next five years.

pburton

Maps Reclamation Certification Requirements

Analysis:

The MRP Annual Report Update was found insufficient to meet the requirements of R645-301-121.200, for being clear and concise with regard to reclamation treatments and bond release areas. Information received June 19, 2018 did not address this issue.

Please address the following findings stated in the Division's outgoing letter dated 5/4/2018:

"Appendix 8-1 contains separate bond release figures for thirteen phase 1 bond release applications and two phase 2 bond release areas in the North and South Lease to date. Tracking the reclamation treatments (subsoil, topsoil, mulch/fertilizer/seed) by bond release area is a time consuming task with this scattered information. At this point, it is necessary for the Division to have a single map outlining the phase 1 and phase 2 bond release areas for the north and south leases. Each map should separately identify the phase 1 and 2 bond release areas with different hatch mark or shading, label the bond release increment by date (BRP1-2 (2015), BRP2-1 (2018) etc.), provide its acreage and reclamation treatment status (subsoiled, topsoiled, mulched,/fertilized/seeded pasture mix)."

Deficiencies Details:

The application does not meet the R645-301-121 .200 requirements. The following deficiency must be addressed prior to final approval:

R645-301-121.200 and R645-301-820.113, Please provide a map outlining all phase 1 and phase 2 (and eventually phase 3) bond release areas in the South Lease and one map outlining all phase 1 (and eventually phase 2/phase 3) bond release areas in the North Lease. Each map should differentiate the phase 1 and 2 bond release areas by hatch mark or shading, label the bond release increment by date (BRP1-2 (2015), BRP2-1 (2018) etc.), provide its acreage and reclamation treatment status (subsoiled, topsoiled, mulched,/fertilized/seeded pasture mix). Provide this information now and include a commitment to update the MRP with these bond release maps annually, with the annual