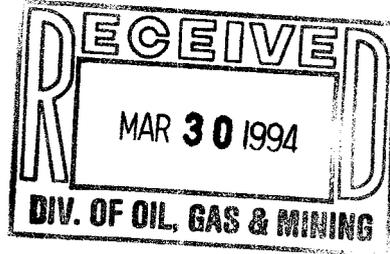


0031



Coastal
The Energy People

March 28, 1994



Utah Coal Regulatory Program
Daron Haddock, Permit Supervisor
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

*Route to Aaron/Joel
Sharon
Then file
ACT/007/005 #5*

Re: NOV 93-39-5-3 (1 of 3)

Dear Mr. Haddock,

In December, 1993 we requested an extension of time for abatement of NOV 93-39-5-3 (1 of 3) due to weather conditions. We were granted an abatement extension until July 15, 1994 for implementation of the abatement practice and until March 31, 1994 to submit plans for the abatement procedure.

The Division is in the process of developing a sediment control policy for ASCA and SAE areas. This process is still in progress but should be completed during the month of March, 1994.

Our ability to develop an acceptable plan to abate this NOV is dependent upon the development of this Division policy. We, therefore, need to request an extension of time to submit the plan until April 29, 1994. We feel confident we can still meet implementation date of July 15, 1994.

Sincerely,

Ken Payne
Vice President/General Manager
Utah Fuel Company

KP:KZ:dk
DOGM0328.KZ

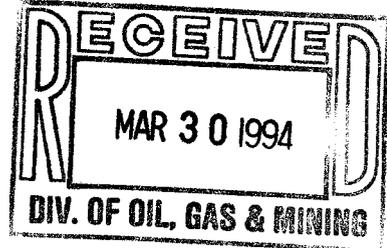
Utah Fuel Company

A SUBSIDIARY OF THE COASTAL CORPORATION
P O BOX 719 • HELPER UT 84526-0719 • 801/637-7925 • FAX 801/637-7929 • SALT LAKE 801/596-7111



State of Utah
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

cc: Sharon F. Stave D.



Michael O. Leavitt
Governor
Dianne R. Nielson, Ph.D.
Executive Director
Don A. Ostler, P.E.
Director

288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870
(801) 538-6146
(801) 538-6016 Fax
(801) 536-4414 T.D.D.

March 29, 1994

CERTIFIED MAIL
(Return Receipt Requested)

Keith W. Welch
Coastal States Energy Company
P.O. Box 719
Helper, Utah 84526

*Route to Daron
then file ACT/007/005 #2*

RE: Permit No. UT0023540, Coastal States Energy Company, Skyline Mine, Public Notice of Proposed Settlement Agreement Docket No. I92-03SA

Dear Mr. Welch:

Enclosed is a copy of the Public Notice and the proposed Settlement Agreement between the Utah Water Quality Board and Coastal States Energy Company.

If you have any questions with regards to this matter, please contact Mike Herkimer at (801) 538-6146.

Sincerely,

Donald A. Hilden

Donald A. Hilden, Ph.D., Manager
Permits & Compliance Section

Enclosure

KC:kc

cc: Claron D. Bjork, Southeastern Utah District Health Dept. w/encl.
Dave Ariotti, District Engineer w/encl.
Don Ostler, Executive Secretary, Division of Water Quality w/encl.
Fred Nelson, Attorney General's Office w/encl.
Deldi Reyes, EPA Region VIII, Water Management Division w/encl.
Dianne Nielson, Department of Environmental Quality w/encl.
Darren Haddock, DOGM w/encl.
Mark Holden, Division of Wildlife Resources w/encl.



State of Utah
DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

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April 1, 1994

UTAH WATER QUALITY BOARD
UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY

PUBLIC NOTICE OF SETTLEMENT AGREEMENT

PURPOSE OF PUBLIC NOTICE

This notice is to declare that the State of Utah has reached a settlement agreement with Coastal States Energy Company, Skyline Mine. This Public Notice is issued pursuant to Utah Administrative Code R317-8-1.9, to provide opportunity for public comment on the proposed settlement of an enforcement action. The proposed settlement agreement is for the purpose of resolving alleged violations of Utah Code Annotated 19-5 (Water Quality Act), and is a resolution of the enforcement proceedings brought against Coastal States Energy Company by the Utah Water Quality Board.

PUBLIC COMMENTS

Public comments are invited any time prior to May 1, 1994. Comments may be directed to the Department of Environmental Quality, Division of Water Quality, 288 North 1460 West, P.O. Box 144870, Salt Lake City, Utah 84114-4870.

FURTHER INFORMATION

Additional information may be obtained upon request by calling Mike Herkimer (801) 538-6146, or by writing the aforementioned address. The full text of the proposed settlement agreement and associated documents are available for review during normal working hours (8 am - 5 pm) at the Division of Water Quality.

UTAH WATER QUALITY BOARD

IN THE MATTER OF	:	DOCKET NO. I92-03SA
COASTAL STATES ENERGY CO.	:	SETTLEMENT AGREEMENT
UTAH FUEL CO., SKYLINE MINE	:	
UPDES PERMIT NO. UT0023540	:	

This SETTLEMENT AGREEMENT and CONSENT ORDER (hereinafter "AGREEMENT") is between COASTAL STATES ENERGY COMPANY, UTAH FUEL COMPANY, SKYLINE MINE (hereinafter "SKYLINE") and the UTAH WATER QUALITY BOARD (hereinafter "the BOARD"), concerning discharges from SKYLINE's 001 discharge point to Eccles Creek.

1. The BOARD has authority to administer the *Utah Water Quality Act as amended 1953*, (hereinafter "the ACT").
2. The BOARD has been delegated authority by the U.S. Environmental Protection Agency (EPA) to administer the *National Pollutant Discharge Elimination System* (NPDES) permit program under the *Federal Clean Water Act* (CWA).
3. The EXECUTIVE SECRETARY of the BOARD (hereinafter the "EXECUTIVE SECRETARY") will administer the terms and provisions of this AGREEMENT.
4. This AGREEMENT resolves the NOTICE OF VIOLATION and ORDER (Docket Number I92-03) issued to SKYLINE on April 22, 1992 by the BOARD. This AGREEMENT constitutes a settlement of the violations of SKYLINE's Utah Pollutant Discharge Elimination System (UPDES) permit No. UT0023540 cited in said ORDER, and subsequent violations of total dissolved solids (TDS) and sulfates which have occurred and which may occur through September 30, 1994. This AGREEMENT does not relieve SKYLINE from any other obligation imposed under the ACT, the *Utah Wastewater Disposal Regulations*, the UPDES permit, or any other State or Federal laws.
5. SKYLINE agrees to abide by the following "interim limits" for TDS and sulfate:
 - A. TDS shall not exceed 1600 mg/L as a daily maximum. No other TDS limits shall apply.
 - B. Sulfate shall not exceed 1000 mg/L as a daily maximum.

Type of sample and frequency of analysis for TDS and sulfate shall be once per week by grab sample. The results of these sample analyses shall be included on the required monthly discharge monitoring reports (DMRs). In addition, the results for each sampling shall be included on a separate sheet of paper attached to the DMRs.

6. SKYLINE agrees to pay a penalty of \$2,000.00 per day for every day they take a sample which indicates they are in violation of the interim effluent limits in paragraph 4. Payment of a penalty shall occur within 30 days of demand by the Executive Secretary. Skyline shall pay by check made payable to the State of Utah and delivered to the Division of Water Quality, 288 North 1460 West, P.O. Box 144870, Salt Lake City, Utah, 84114-4870.
7. SKYLINE agrees to the following requirements:
 - A. Submit on a quarterly basis a trend analysis for TDS and sulfate concentrations.
 - B. Submit on a quarterly basis, a progress report on what actions were taken during that time period to comply with UPDES permit limits.
 - C. On a quarterly basis submit a yearly average concentration for TDS which consists of a moving average computed each month.
 - D. Pay \$500.00 per day for each day the quarterly reports required in A, B & C are late (late means not received by the Division of Water Quality on or before the due date). The quarterly reports are to be received on or before the twenty eighth (28th.) day of the month following each quarter. Quarterly reports shall be submitted on April 28th., July 28th., October 28th. and January 28th.
8. SKYLINE shall achieve compliance with all requirements of their UPDES permit by September 30, 1994. SKYLINE shall implement all reasonable and practical controls to reduce the TDS and Sulfate concentrations to the maximum extent possible, at all times.
9. SKYLINE shall adhere to all the conditions set forth in this AGREEMENT unless their performance is prevented or delayed by events which constitute a force majeure. A force majeure is defined as any natural or other event arising from causes not reasonably foreseeable and beyond the control of the Respondent, which could not have been overcome by due diligence, and which delays or prevents performance by dates required by this AGREEMENT.
10. Nothing contained in this AGREEMENT shall preclude the BOARD from taking appropriate action to abate an imminent endangerment to the public health or the environment should such a situation arise at SKYLINE's facility.

11. Nothing in this AGREEMENT shall preclude SKYLINE from requesting approval from the BOARD for a mitigation project under UAC R317-19.4 in lieu of a portion of the penalties provided by this AGREEMENT. Approval of any mitigation project is solely at the discretion of the BOARD and must meet the requirements of UAC R317-19.4.
12. If agreement by SKYLINE and the BOARD cannot be reached regarding any provision under this AGREEMENT, SKYLINE or the BOARD may commence a proceeding under the *Administrative Procedures Act* and applicable regulations of the BOARD to resolve the dispute. The BOARD'S final decision in any adjudicative proceeding shall be subject to judicial review under applicable State law.
13. Nothing in this AGREEMENT shall constitute a waiver by SKYLINE to raise in its defense any legal or factual contention for future allegations of noncompliance.
14. Nothing in this AGREEMENT shall constitute or be considered a release from any claims, to include natural resource damage claims, cause of action, or demand in law or equity which the STATE may have against SKYLINE or any other person, firm, partnership or corporation for any liability arising out of or relating in any way to the release of pollutants to waters of the State.
15. This AGREEMENT shall terminate at midnight, September 30, 1994.

AGREED to this _____ Day of _____, 1994.

COASTAL STATES ENERGY COMPANY,
UTAH FUEL COMPANY, SKYLINE MINE

UTAH WATER QUALITY BOARD

By



Authorized Agent

By

Executive Secretary