Coastal
The Energy People

September 27, 1995

RECEIVED
SEP 29 1995
DIV. OF OIL, GAS & MINING

Mr. Don Ostler, Director
Division of Water Quality
Division of Environmental Quality
State of Utah
Salt Lake City, Utah 84114-4870

Re: NPDES Permit UT-0023540

Please put w/ NOV file

Route to Ken, Copy DFO, file ACT/007/005 #7 w/ NOV file

Dear Mr. Ostler,

Utah Fuel Company is providing the required written notification of a failure to comply with the maximum effluent limitations for oil and grease at the 001 discharge point in accordance with conditions of NPDES Discharge Permit UT-0023540, Part II 1-3 and Utah Coal Mining Rules R645-301-731.223.

The problem occurred with the sample taken 6 September 1995, which had an oil and grease concentration of 75 mg/l which exceeds the daily maximum limitation of 10 mg/l. The laboratory report was received on 27 September 1995.

The Division of Water Quality was notified of an emulsion spill on 6 September 1995 and the issue was addressed in a letter to Mr. Mike Herkimer of your department dated 11 September 1995.

Sincerely,

Gary E. Taylor

Gary E. Taylor
Sr. Mining Engineer
Utah Fuel Company

cc: Division of Oil, Gas & Mining
Micheal Reed, EPA

Ken Payne Keith Zobell
Barry Barnum Craig Hilton

DWQ0927.GET

Utah Fuel Company
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September 19, 1995

James E. Carter, Director
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Dear Mr. Carter:

Regarding the emulsion spill which occurred at the Skyline Mine on September 6, Utah Fuel Company has met with the Division of Water Quality and the Division of Wildlife Resources to discuss the potential settlement. It will be sometime before the actual amount of the settlement is determined by the above mentioned divisions. Utah Fuel Company hereby commits to pay the mutually acceptable settlement agreement.

Very truly yours,

Ken Payne
Vice President & General Manager

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September 14, 1995

David Darby
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: DWR meeting regarding emulsion spill at Skyline Mine on September 6, 1995

Dear Mr. Darby:

This afternoon representatives of Utah Fuel Company met with Miles Moretti and Kevin Kristofferson of DWR to discuss resolution of the above referenced incident. There are two remediation options which will be recommended by DWR. The first is that cut-throat trout fry can be stocked into Eccles and Mud Creeks. The second option is to trap trout from Huntington Creek during the spring of 1996 and plant those fish in Eccles and Mud Creeks. The second option is prefered because it will result in a catchable fish population in approximately one year, whereas the first option will take about three years to develop a catchable fish population. In order to implement the trapping and transplanting option DWR must receive approval to assure that diseased fish are not transplanted. Since Huntington Creek is a certified disease-free fishery the DWR personnel believe they will get approval to trap and tranplant the fish. However, if the this option is not approved then the first option, stocking the creeks with fry, will be implemented.

Price DWR will prepare the recommendation by the end of next week (September 22) and it is anticipated that DEQ will receive the recommendation the following week. The settlement will be determined by which option is recommended so a final settlement amount was not agreed upon at this time.

The tone of the meeting was very cooperative and cordial. DWR was complementary on the way in which Utah Fuel responded to this incident, and accepted the plan which has been implemented to prevent future spills.

If there are any questions please contact Keith Zobell or Barry Barnum at Utah Fuel Company.

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Dave, we appreciate working with you toward a resolution of this unfortunate situation. Thank you for your help.

Very truly yours,

Barry J. Barnum

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Plan to Prevent Overflow of Emulsion From Mixing Tank

The spill of longwall emulsion fluid which occured at the Skyline Mine #1 on September 6, 1995, was caused by the failure of a motorized valve which supplies water to the emulsion mixer. The valve is designed to close when enough emulsion has been produced to fill the mixing tank which is located underground. When the valve failed to close the tank continued to produce emulsion which overflowed directly into an underground sump. From the sump the emulsion was pumped directly into the surface sediment pond from which it was discharged into Eccles Creek.

The emulsion which was discharged into the creek is highly soluable and biodegradable. As a result there was no oil slick on the surface of the creek and no oil coating on the stream bed. The emulsion became entirely dissolved in the stream water making any clean-up efforts impossible and unnecessary.

In order to prevent such a spill from occuring in the future the following steps have been taken or will be taken upon approval:

- A back-up motorized valve has been installed in series with the primary value. These valves are designed to open electrically and close by spring action if there is no power. If one valve fails to close there is a back-up valve to stop the mixing process.

- A back-up float switch has been installed in the emulsion tank. This switch will shut down the emulsion system immediately and set off an alarm on the surface monitoring system if the tank is over filled.

- The emulsion tank, motorized valves, and overfill float switch will be inspected once each operating shift to determine that they are in good working order and immediate repairs or replacements will be made when necessary. Each inspection will be recorded and the record will be made available for regulatory inspection at the mine office.

The attached sketches show the emulsion control system BEFORE the spill and the modifications made AFTER the spill to prevent overfilling of the emulsion tank in the future.

09/13/95

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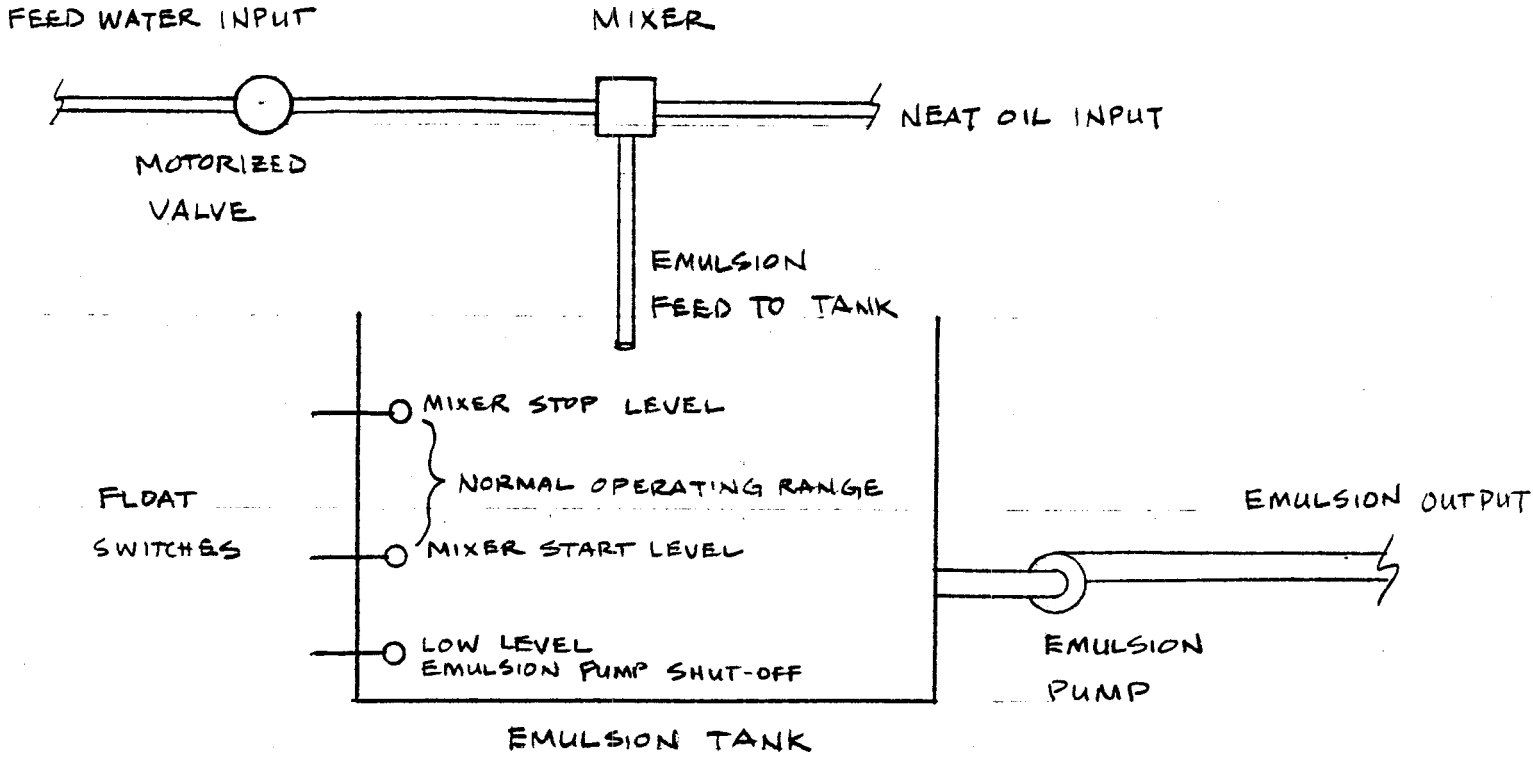
BY..... DATE..... SUBJECT..... SHEET NO..... OF.....

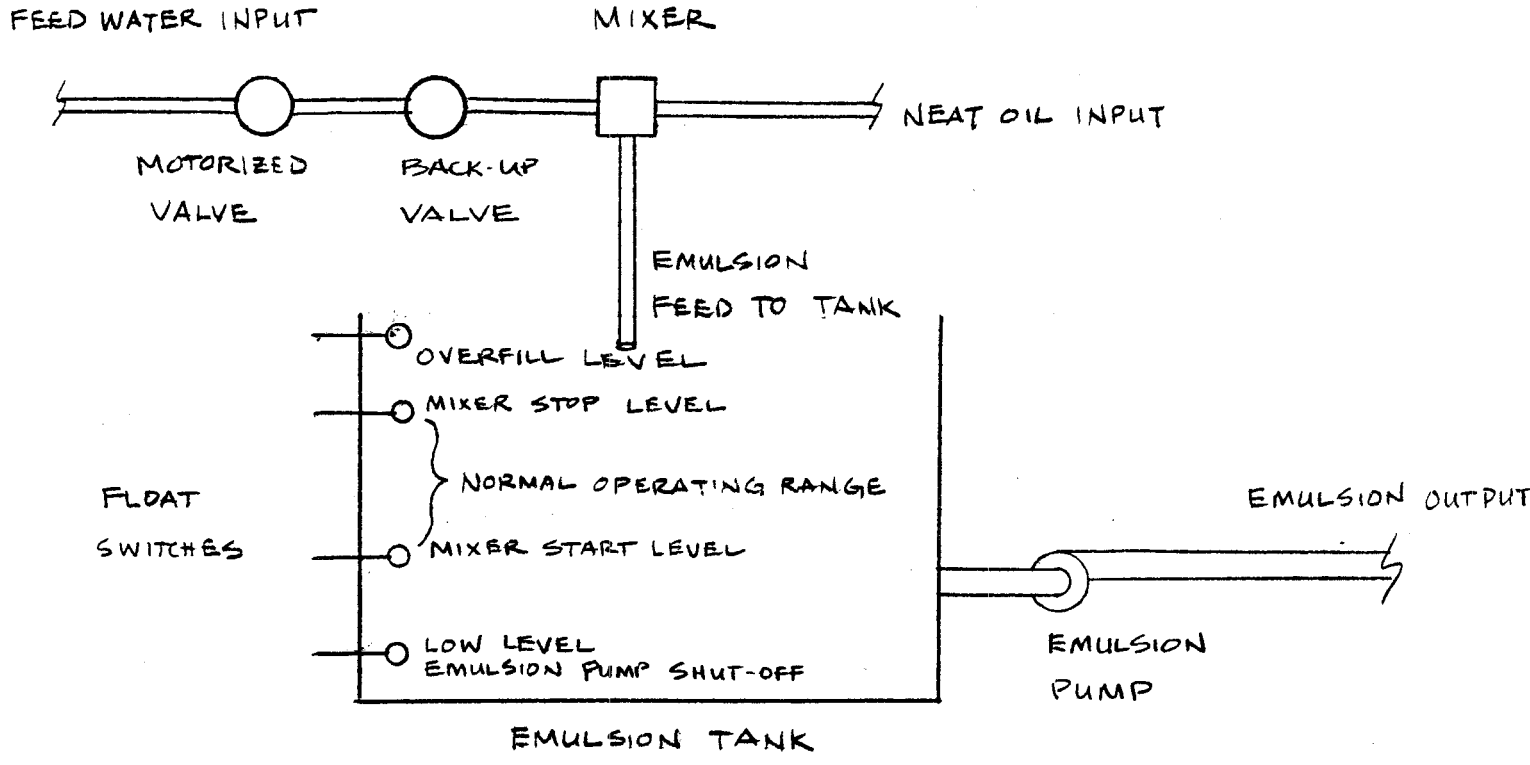
CHKD. BY..... DATE..... JOB NO.....

BEFORE



MOTORIZED VALVE IS OPENED BY MIXER START FLOAT SWITCH AND CLOSES BY SPRING ACTION WHEN THE MIXER STOP LEVEL IS REACHED. THE MOTORIZED VALVE FAILED TO CLOSE COMPLETELY

AFTER



MOTORIZED VALVE IS OPENED BY MIXER START FLOAT SWITCH AND CLOSES BY SPRING ACTION WHEN THE MIXER STOP LEVEL IS REACHED. THE MOTORIZED VALVE FAILED TO CLOSE COMPLETELY. BACK-UP MOTORIZED VALVE IS CONNECTED IN SERIES SO IF ONE VALVE FAILS THE OTHER WILL STOP THE FLOW. THE OVERFILL LEVEL FLOAT SWITCH IS CONNECTED IN SERIES WITH THE MIXER STOP LEVEL SWITCH SO THERE IS BACK-UP POWER SHUT-OFF TO MOTORIZED VALVES. ALSO OVERFILL SWITCH WILL SET OFF ALARM ON SURFACE.