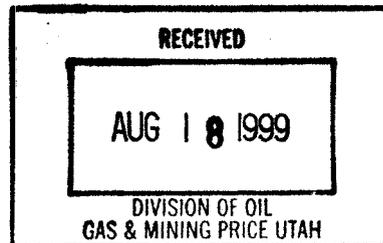




Canyon Fuel Company, LLC
Skyline Mines
 HC 35 Box 380
 Helper, Utah 84526
 (435) 448-6463 Fax: (435) 448-2632



17 August 1999

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

RE: UPDES Permit UT-0023540

Dear Mr. Ostler,

Canyon Fuel Company, LLC, Skyline Mines is providing the required written notification of a failure to comply with maximum seven day and thirty day average limitations for total suspended solids in accordance with conditions of UPDES Discharge Permit UT-0023540, Part II 1-3 and Utah Coal Mining Rules R645-301-731.223. The failure occurred at discharge point 001.

A sample was taken on 29 July 1999, showed a TSS of 41 mg/l for the seven day average and a thirty day average of 27.5 mg/l. At the time of sampling, there was no apparent run-off so testing for settleable solids was not requested. However, the weather records for 29 July 1999, indicate that runoff had occurred within twenty-four hours before the sample was taken, so the TSS limitation should apply. Since this sample was not tested for the settleable solids, it is being reported as a violation of the 35 mg/l seven day average and the 25 mg/l thirty day average limitations.

The laboratory report was received 13 August 1999.

Sincerely,

Gary E. Taylor
 Sr. Environmental Engineer
 Canyon Fuel Company, LLC

xc: Steve Demczak, Price Field Office, DOGM
 Mike Reed
 Dan Meadors Doug Johnson
 Chris Hansen