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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 24, 1999

Dan Meadors, General Manager
Canyon Fuel Company, LLC
HC 35 Box 380
Helper, Utah 84526

Re: Approval to Pump Water from Sediment Pond Underground, Canyon Fuel Company, LLC,
Skyline Mine, ACT/007/005, File #2, Carbon County, Utah

Dear Mr. Meadors:

As discussed in our phone conversation held on March 22, 1999, and as requested in a letter from Chris Hansen, we hereby authorize, on a temporary basis, the pumping of water contained in the Sediment Pond to your abandoned mine workings. This is a one time approval which is allowed in order to prevent the possible contamination of Eccles Creek in light of your recent Underground Emulsion Release. We encourage you to continue to closely monitor the situation to ensure that Emulsion is prevented from reaching Eccles Creek.

We laud your prompt efforts in remedying this unfortunate situation and thank you for notifying us so quickly. Your quick response should go along way toward preventing any offsite damage to the environment. We are however, very concerned about this type of situation. This is the third situation dealing with longwall emulsion fluids in the recent past that comes to mind. A few years ago a fish kill resulted from an emulsion fluid spill. A few months ago an emulsion fluid spill prompted pumping of the sediment pond water underground. This scenario seems to be repeating itself again. We feel that it is time to implement some additional methods for containing this type of situation. We look forward to hearing of your solution to this problem and encourage you to discuss this with our technical staff.

If you have any questions, please call.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock". The signature is fluid and cursive, with a long horizontal line extending to the right.

Daron R. Haddock
Permit Supervisor

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cc: Gary Taylor, Skyline
Chris Hansen, Skyline
Aaron Howe, USFS
Price Field Office

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