



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

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August 10, 1999

Gary Taylor, Sr. Environmental Engineer  
Canyon Fuel Company, LLC  
Skyline Mine  
HC 35 Box 380  
Helper, Utah 84526

Re: Approval for Discharge of Longwall Emulsion from the Fire Suppression Tank and Sediment Pond into Mine Workings, Canyon Fuel Company LLC, Skyline Mine, ACT/007/005, File #2 Carbon County, Utah

Dear Mr. Taylor:

The purpose of this letter is to confirm the events of the past few days regarding the emulsion spill at the Skyline Mine and to approve your request to pump the Sediment Pond water into the under ground mine workings.

On August 4, 1999, I received your call at which time you appraised me of the emulsion spill at the Skyline Mine. The emulsion, (approximately 100 to 150 gallons), leaked from an underground storage tank into the sump areas. The emulsion contaminated water was pumped from the sump areas to the fire suppression tank located outside the mine. The spill was apparently caused by clogged filters in the underground storage tank.

At the conclusion of our conversation I authorized permission to pump the emulsion contaminated water from the fire suppression tank into the sediment pond and then back into the mine in an isolated area of the mine where the fluid could not discharge to the surface. Jeff DeFrest, (Geologist for the Manti La Sal National Forest), also concurred with the proposed plan. Mary Ann Wright, Daron Haddock, Mike Suflita, Steve Demczak and Wayne Western were appraised of the situation.

On August 5, 1999, Steve Demczak visited the Skyline Mine and met with you, Chris Hansen, and Dan Meadors. Steve verified that water from the sediment pond had been pumped into the mine. Steve was also notified by company officials that representatives from the company would be meeting on August 12, 1999 to evaluate long term solutions to prevent future emulsion spills.

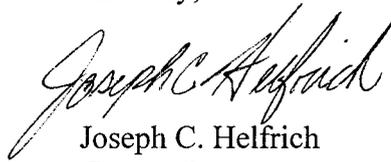
This is my understanding of the sequence of events regarding the emulsion spill.

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Approval is granted for your pumping plan as proposed. Please notify the Division when the procedure has been completed.

Thank you for your prompt attention to this matter. Please call if you have any questions or concerns regarding the emulsion spill.

Sincerely,



Joseph C. Helfrich  
Permit Supervisor

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- cc: Chris Hansen, Canyon Fuel
- Dan Meadors, Canyon Fuel
- Jeff DeFrest, Manti LaSal Ntl. Forest
- Mary Ann Wright, DOGM
- Daron Haddock, DOGM
- Pamela Grubaugh- Littig, DOGM
- Mike Suflita, DOGM
- Wayne Western, DOGM
- Steve Demczak, PFO

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