

WATER QUALITY MEMORANDUM

Utah Coal Regulatory Program

February 11, 2004

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor

FROM: Gregg A. Galecki, Reclamation Specialist III

RE: 2002 Second Quarter Water Monitoring, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005-WQ02-2, Task ID #1553

- 1. Was data submitted for all of the MRP required sites?** YES [x] NO []
Identify sites not monitored and reason why, if known:

The 'Spring' sampling was conducted in mid-June 2002. The following sites were added to the water monitoring program as part of the Winter Quarters lease: streams CS-19, CS-20; springs WQ1-39, WQ3-6, WQ3-26, WQ3-41, WQ3-43, WQ4-12; and wells W91-26-1 and W91-35-1.

- 2. On what date does the MRP require a five-year resampling of baseline water data.**
Renewal of the permit is April 30, 2007. The MRP makes no commitment to sampling baseline water parameters one year prior to the renewal date. No baseline parameters are even outlined. Operational parameters are the only parameters ever collected.

Permit Renewal date 30Apr07
The permit was renewed during the quarter.

- 3. Were all required parameters reported for each site?** YES [x] NO []

4. Were irregularities found in the data? YES [x] NO []

Anomalous solute analysis was noted at CS-13, Chloride (Cl) and Sulfate (SO₄) were 2-3 times normal values; S22-5 Cl value was <1% of normal and TDS was 50% of normal; and at S22-11 Ca and TDS values were 2-times normal values, and Na and Cl were 10-times normal values.

Static groundwater elevations in the following wells were noted since Fall 2000: Well 79-10-1B rose 111-feet (100-feet above Fall 1999), this well has been breached due to subsidence related to Mine #3; Well 79-35-1A dropped an additional 28.2 feet (216.4-feet total since June 2000); Well W2-1 dropped 56 feet (171.6-feet total since June 2000); and Well W79-26-1 has dropped 8.6-feet since June 2001. The groundwater elevations will continue to be monitored. Underground mine-inflows are affecting the water levels in the above-cited wells. This is evident in the increases in the mine discharge. No other irregularities were noted.

5. Were DMR forms submitted for all required sites?

1st month, YES [x] NO []
2nd month, YES [x] NO []
3rd month, YES [x] NO []

All DMR information was submitted electronically.

6. Were all required DMR parameters reported? YES [x] NO []

No flow conditions existed at the Loadout and Waste Rock facilities. Continuous discharge conditions existed from the Portal Area Discharge point.

7. Were irregularities found in the DMR data? YES [x] NO []

Exceedances were reported for all three (3) months (Apr-Jun) for the Total Dissolved Solids (TDS) maximum daily load of 7.1 tons/day. Discharge flows averaged approximately 8,130 gpm in April, 7,740 gpm in May, and 8,350 gpm in June (a 270% increase from 2nd quarter 2001). TDS values averaged approximately under 350 mg/l creating a daily loads of approximately 18.62-, 17.4-, and 19.34-tons /day TDS (respectively). Skyline Mine is working with DWQ to modify their permit to consider the TDS values on an mg/l basis instead of tons per day limit. Based on the Colorado Salinity Forum, a daily tons limit may be omitted if the TDS in mg/l remains below 500 mg/l. This will continue to be monitored.

8. Based on your review, what further actions, if any, do you recommend?

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No further action is necessary for the 2002 02-2 (2nd) Quarter Water Monitoring data.

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