

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 Third Quarter Water Monitoring, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005-WQ02-3, Task ID #258

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

The 'Summer' sampling was conducted in late-August through September 2002. The following sites were added to the water monitoring program in June 2002 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. Sites MC-1 through MC-5 were added to the water monitoring program in August 2002 at part of the Eccles Creek/Mud Creek evaluation of increased mine discharge. Well JC-1 was also added to the water monitoring program to monitor water entering the Huntington Creek drainage.

- 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 from last quarter were not repeated and returned to normal parameters. Well 92-91-03 had a TDS value (3492 mg/l) that was 3-4 times normal parameters. This was likely a laboratory error in that other analysis did not reflect the increase.

Static groundwater elevations in the following wells were noted since Fall 2000: Well 79-10-1B has been breached due to subsidence related to Mine #3; Well 79-35-1A dropped an additional 2 feet (218.4-feet total since June 2000); Well W2-1 dropped 13.47 feet (185.1-feet total since June 2000); and Well W79-26-1 has dropped 24.1-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 (Jul-Sept) for the Total Dissolved Solids (TDS) maximum daily load of 7.1 tons/day. Discharge flows averaged approximately 8,900 gpm in July, 8,800 gpm in August, and 9,300 gpm in September (a 300% increase from 2nd quarter 2001). TDS values averaged approximately 325 mg/l creating a daily loads of approximately 18.55-, 21.6-, and 18.74-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.

Page 3
C/007/0012-WQ02-3
Task ID #258
February 11, 2004

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

No further action is necessary for the 2002 02-3 (3rd) Quarter Water Monitoring data.

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