WATER QUALITY
M E M O R A N D U M

Utah Coal Regulatory Program

April 27, 2004

TO: Internal File

THRU: Daron R. Haddock, Permit Supervisor

FROM: Gregg A. Galecki, Reclamation Specialist III

RE: 2003 Fourth Quarter Water Monitoring, Canyon Fuel Company, LLC, Skyline Mine, C/007/0005-WQ03-4, Task ID #1818

1. Was data submitted for all of the MRP required sites? YES [x] NO [ ]

Identify sites not monitored and reason why, if known:

Data was submitted for all surface-water, groundwater, and UPDES sites.

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 30April07

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

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

Close observations were made this quarter comparing spring and stream flows of 2003 with the previous three (3) years. This is primarily due to the increased pumping of groundwater from the mine. No springs or streams showed signs of reduced flows and actually observed increased flows when compared to the last few years.

Mine #3 is no longer pumping water, as evident by CS-12 having No Flow since September 2003. MD-1, which is a composite of CS-12 and CS-14 averaged flows of 5,230 gpm for the quarter with a TDS of 430 mg/l.

Stream sites CS-4 and CS-11, located on Eccles Creek and adjacent to the road, both illustrated elevated concentrations of sodium and chloride in the samples collected on November 11, 2003. Precipitation was recorded in late October and early November which may have caused UDOT to possibly add salt to the road.

Numerous flows were given in cubic-feet/second (cfs) instead of gallons/minute (gpm), but the operator has committed to correcting the values.

Some interesting observations have been noted in the groundwater elevations surrounding the JC wells. Wells located north of the JC wells continue to decline in depth, specifically 99-21-1 (36-ft), 20-28-1 (32-ft), 99-28-1 (27-ft), 79-26-1 (27-ft), 79-35-1B (20-ft). However, wells located north of the JC wells have shown signs of recovery over the last few quarters, specifically 79-35-1A (72-feet drawdown, 15-ft recovery), W2-1 (178-ft drawdown, 18-ft recovery), 99-4-1 (-37-ft, + 6-ft), 20-4-1 (-40-ft, +5-ft), 20-4-2 (-40-ft, + 20-ft). This may be associated with the flooding of the mine. This condition will continue to be monitored.

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 the required information was submitted electronically.

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

The sediment pond at the Portal (001) was the only discharge point to report a discharge to Eccles Creek during the quarter. Discharge was continuous. Weekly sampling produced an average flow of 5,620 gpm, average TDS of 391 mg/l and an average T-Fe value of 0.25 mg/l. No exceedances were noted.

Based on continuous flow data supplied by Skyline Mine personnel, discharge to Eccles Creek averaged 5,375 gpm, while pumping of JC-1 averaged 3,988 gpm, and JC-3 averaged 2,465 gpm to Electric Lake (6,450 gpm total).

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

The sediment pond discharges continually and is sampled, at a minimum, once a week. Discharge fluctuated widely during the quarter based on JC-3 being activated and discharging water to Electric Lake. Discharges into Eccles Creek ranged from approximately 8,440 gpm when JC-3 was not pumping, to as low as approximately 1,700 gpm when it was pumping.

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

No further action is necessary for the 2003 03-4 (4^{th}) Quarter Water Monitoring data.

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