



State of Utah

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September 15, 2008

Gregg Galecki, Environmental Engineer
 Canyon Fuel Company, LLC
 Skyline Mine
 HCR 35, Box 380
 Helper, UT 84526

Subject: Upset Condition Demonstration Correspondence Received
 UPDES Permit No. UT0023540 - Skyline Mine

Dear Mr. Galecki:

We are in receipt of your letter correspondence dated August 12, 2008 regarding the upset condition which caused an unanticipated discharge of coal fines to Eccles Creek at the UPDES Permit facility referenced above. In the letter, you describe the cause of the upset as a failed discharge pipe, which was damaged during routine maintenance on August 7, 2008. You also noted that the facility was at the time being properly operated and that the appropriate notifications were made as required in *Part III.H.2* of your UPDES Permit No. UT0023540 (Permit).

Proper remedial measures, as documented in your letter include immediately repairing the discharge pipe once the damage was observed, to include a cement cap over the discharge pipe to prevent a similar occurrence in the future, as well as continued visual inspections of the discharge and downstream waters of Eccles Creek, including manually removing any deposits of coal fines observed in the stream channel.

On August 26, 2008 DWQ staff visited with you and inspected your facility to verify these conditions and demonstrations. Separate DWQ inspection correspondence dated August 28, 2008 indicates that minor amounts of coal fines were observed along the stream's edge proximal to the beaver ponds near the Whiskey Creek confluence and that no ill effects to wildlife were observed from the Eccles Creek discharge downstream to Muddy Creek.

Based upon the available information referenced herein, your demonstration and claim for an upset condition has been evaluated pursuant to *Part III.H.1* of the Permit. At this time a determination has been made by the Executive Secretary that the Canyon Fuel Company, LLC

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Skyline Mine Facility has adequately demonstrated the appropriateness for making a claim of upset. Therefore, please continue to implement your remediation plan and keep DWQ informed of the situation.

The Division of Water Quality appreciates your continued willingness and cooperation regarding compliance with the provisions of your UPDES permit. If you have any questions, please contact Jeff Studenka of this office at (801) 538-6779 or by e-mail at jstudenka@utah.gov.

Sincerely,

Utah Water Quality Board



Walter L. Baker, P.E.
Executive Secretary

WB/JS/mc

cc: Jennifer Meints, EPA Region VIII
Claron Bjork, SE District Health Department
Dave Ariotti, SE District Engineer
Daron Haddock, Utah Division of Oil Gas & Mines
Jim Karpowitz, Utah Division of Wildlife Resources
Nathan Darnall, U.S. Fish & Wildlife Services