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State of Utah

Department of
Environmental Quality

Dianne R. Nielson, Ph.D.
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

May 24, 2006

Ms. Vicky Miller
Canyon Fuel Co., LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Reconnaissance and Storm Water Inspections.

Dear Ms. Miller:

On May 23, 2006 I conducted inspections of the Soldier and Dugout Canyon Mine facilities in regards to UPDES Permit Nos. UT0023680 & UT0025593, respectively. No deficiencies were observed during the inspection.

Enclosed are copies of the inspection reports for your records. I appreciate your time to facilitate the inspections. If you have any questions, please contact me at (801) 538-6779 or by e-mail at jstudenka@utah.gov.

Sincerely,

Jeff Studenka, Environmental Scientist
UPDES Permits Section

Enclosures

cc (w/encl): Darcy O'Connor, EPA Region VIII
Claron Bjork, SE District Health Department
Dave Ariotti, SE District Engineer
Pam Grubaugh-Littig, Division of Oil Gas & Mines
Tom Rushing (Storm Water reports only)

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Handwritten notes:
C/007/0018
ad
C/007/0039

NPDES Compliance Inspection Report

Section A: National Data System Coding

Transaction Code	NPDES	Yr/Mo/Day	Inspection Type	Inspector	Fac Type			
1 [N]	2 []	3 [U][T][0][0][2][5][5][9][3]	11	12 [06][05][23]	17	18 [R]	19 [S]	20 [2]
Remarks						66		
21 []	Reserved				Facility Evaluation Rating	BI	QA	Reserved
67 []	70 [4]	71 [N]	72 [N]	73 []	75 []	80		

Section B: Facility Data

Name and Location of Facility Inspected CANYON FUEL COMPANY - DUGOUT CANYON MINE NINE MILE CANYON ROAD, WELLINGTON, UT		Entry Time/Date 9:15 AM / 5-23-2006	Permit Effective Date 12-1-2004
		Exit Time/Date 10:00 AM / 5-23-2006	Permit Expiration Date 11-30-2009
Name(s) of On-Site Representative(s) Vicky Miller Canyon Fuel Company, LLC		Title(s) Environmental Engineer	Phone No(s) 435-636-2869
Name, Address of Responsible Official David Spillman Canyon Fuel Company, LLC - Soldier Canyon Mine P.O. Box 1029 Wellington, UT 84542		Title Manager of Technical Services	Contacted No
		Phone No. 435-636-2872	

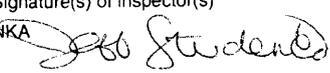
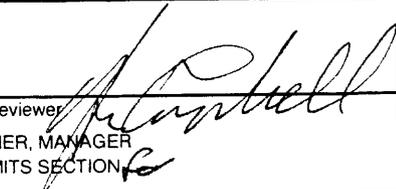
Section C: Areas Evaluated During Inspection

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated, NA = Not Applicable)

S	Permit	S	Flow Measurement	NA	Pretreatment	S	Operations & Maintenance
S	Records/Reports	NA	Laboratory	NA	Compliance Schedules	NA	Sludge Disposal
S	Facility Site Review	S	Effluent/Receiving Water	S	Self-Monitoring Program		Other:

Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

The purpose for the site visit was to perform a reconnaissance inspection while already in the area. The recently cleaned sediment pond, outfall locations and receiving waters were observed with no deficiencies. At the time of the inspection, the receiving stream of Dugout Creek was at very low flow.

Name(s) and Signature(s) of Inspector(s) JEFF STUDENKA 	Agency/Office/Telephone (801) 538-6779 DIVISION OF WATER QUALITY	Date 5-24-06
N/A	Agency/Office/Telephone N/A	Date N/A
Signature of Reviewer  MIKE HERKIMER, MANAGER UPDES PERMITS SECTION	Agency/Office (801) 538-6058 DIVISION OF WATER QUALITY	Date 5-24-06

Regulatory Office Use Only

Action Taken	Date	Compliance Status Noncompliance Compliance
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NPDES Compliance Inspection Report

Form Approved
OMB No. 2040-0003
Approval Expires 7-31-85

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Remarks					
21 []					66
Reserved	Facility Evaluation Rating	BI	QA	-----Reserved-----	
67 []	70 [4]	71 [N]	72 [N]	73 []	75 [] 80

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		Contacted No	

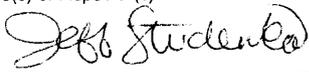
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Section D: Summary of Findings/Comments (Attach additional sheets if necessary)

The SWPPP was on site and last updated in December 2005 to include the newly added Pace Canyon disturbance area. At the time of the inspection, the sediment pond had recently been cleaned and there were no deficiencies observed.

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