0033

CYPRUS PLATEAU MINING CORPORATION
A Cyprus Amax Company

Cyprus Plateau Mining Corporation
Post Office Drawer PMC
Price, Utah 84501
(801) 637-2875

July 3, 1997

Mr. Don Ostler
Executive Secretary
Utah Department of Environmental Quality
Division of Water Quality
288 North 1460 West
P.O. Box 144870
Salt Lake City, Utah 84114-4870

ACT/007/038 #2
Copy Dave, Joe
Mary Ann, Joe

Dear Mr. Ostler,

RE: WILLOW CREEK MINE, CARBON COUNTY - CYPRUS PLATEAU MINING CORPORATION

On July 1, during regular coal mining activities our continuous miner crew experienced a large unanticipated inflow of water in the Willow Creek Mine. The inflow was estimated at the time at approximately 800 gallons per minute. The flow quickly flooded the mine area potentially endangering the health and safety of the miners, and caused the crews to move to a safe area of the mine. Regular mining activities have been suspended in the area of the mine affected. Dewatering activities were immediately started to prevent complete flooding of the mine. The water was initially pumped out of the mine where it flowed to sediment pond number 1 (discharge point No. 001, UPDES Permit No. UTG040012). Since the mine is new and small there is no room for in-mine storage of water.

On July 1 we notified Mr. David Ariotti of the Southeastern Utah Health District Office, and Mr. Peter Hess of the Utah Division of Oil, Gas and Mining. On July 2 we notified Mr. Mike Herkimer of the Division of Water Quality of the situation. In these notifications, we outlined the situation, what was being done to control the situation and to make the mine safe for workers. We also discussed our evaluation of the cause of the water ocurance, what we were doing at the time to control the flow, and control measures to prevent environmental degradation. We outlined our short term plan for stopping the flow if possible, controlling the flow, preventing discharges to Willow Creek if possible, treatment methods and actions, a sampling plan, and reduction of the amount of potential discharge to Willow Creek if possible. The Utah Division of Wildlife Resources was also notified on July 1. On July 3 we notified Mr. Jerry Jackson of the Division of Water Quality and discussed the possible need to divert the water into the old mine beneath our current mining operation.

Our first line of defense is the sediment pond which controls runoff from the mine area. This sediment pond was designed to control storm flow as required by the DOGM regulations however, during construction we were able to make the pond approximately 40% larger than required in the event of future need. The pond is being used as a buffer between any mine discharge and Willow Creek. As of late today the pond contains approximately 45% of the dead storage below the DOGM storm event volume. Water will not discharge until the water level reaches the decant devices. Our efforts so far have prevented a discharge from pond 1. Discharge from the pond may occur in the future. We are doing everything possible to reduce the possibility of a discharge from the pond. Based on two water quality analyses the water is non-hazardous, but may not meet the present UPDES permit limitations for TDS if discharged from pond 1.

The following briefly outlines our short term and long term plans to address the upset condition:

Short Term Plan

1. Water is being pumped out of the mine where some of it flows to sediment pond No. 1 and the balance is being diverted into old mine workings beneath our mine via a borehole.
2. Water is being removed from pond 1 by tanker truck and hauled to a total containment pond that feeds our coal preparation plant. This effort is to prevent discharge to Willow Creek.
3. An old coal exploration hole that we think may be the primary path of the mine inflow is being reopened in an attempt to place a seal in the path of the inflow.
4. The flooded mine area is being dewatered so an in-mine sealing attempt can be made.
5. A flocculation system is being investigated to introduce flocculent into the sediment pond No. 1 inflow to settle out suspended solids. If the pond discharges it may be above the suspended limits in the UPDES permit.
6. A reverse osmosis water treatment plant is being investigated to treat a portion of the mine discharge. Initial water samples indicate the TDS level that may not meet the 2000 lbs/day UPDES limit if discharged.
7. Water sampling is being conducted as follows:
   Daily samples of mine water for DOGM parameters list.
   Regular sampling of Willow Creek and Price River as required by the DOGM permit.
   Additional background samples of Willow Creek and Price River above and below the mine .
   Additional samples of Price River at the USGS Heiner Gaging station, near Price City and below Price City. .