



Michael O. Leavitt
Governor

Dianne R. Nielson, Ph.D.
Executive Director

Don A. Ostler, P.E.
Director

State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WATER QUALITY

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*Fy
for the Appropriate Hydro.*

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Don A. Ostler, P.E.
Executive Secretary

December 16, 1999

Mr. Reid Olsen
Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542

Dear Mr. Olsen:

Subject: Addition of New Discharge Point at Dugout Canyon Mine UTG040020

On November 12th we received a letter from Gary Taylor of Canyon Fuel Company, LLC, Skyline Mine requesting a third discharge point at Dugout Canyon Mine. The third discharge point will be located approximately 0.38 miles north of the Dugout Canyon Mine Site at latitude 39° 41' 18" and longitude 110° 32' 29" in Township 13 South, Range 12 East of the Pine Canyon, Utah 71/2 Quadrangle. The third requested outfall was for the discharge of overflow water from two tanks; one of 50,000 gallons that will be used for storage of potable water which will be trucked in and the other from a 300,000 gallon tank that will be used for storage of fire/process water which will be pumped from a well completed in the abandoned mine workings within the Gilson coal seam.

Upon review of the request, we have concern with the discharge of potable water. This water could contain a chlorine residual which may or may not have a toxic effect on the receiving stream and we do not normally allow a discharge of chlorine unless residual chlorine is monitored on a daily basis and is below the water quality standard for residual chlorine, which in this case is 0.2 mg/L. The purpose of the general permit for coal mining is to permit coal mining activities such as mine water discharges and discharges from sediment ponds, but not to permit hauled water with a potential chlorine residual. There are better methods which could be used other than the permitting process for disposal of excess water from the potable water storage tank. It is our understanding that the filling of the potable water storage tank can be tightly controlled as compared to the storage tank receiving mine water. We feel it cumbersome and not in our best interest to set this type of permitting precedent at coal mines and therefore will not permit the discharge from the potable water storage tank.

One purpose of the general permit is to allow for the discharge of mine water. Since it is mine water that will be discharged from the 300,000 gallon tank, it is appropriate for this discharge point to be an integral part of your existing general UPDES permit coverage by UTG040020 for Dugout Mine.

*FAX Steve @ PFO
Copy Mike Sflita
ACT/1007/039 #2*

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Therefore, as of December 16, 1999 we do not object to a discharge from a third outfall, labeled 003, provided that discharge consists of mine water only (no hauled potable water) and that the discharge is in compliance with all requirement of your UPDES permit UTG040020. Attached are pages 7 to 9 of the Dugout Canyon Mine permit which contains the necessary language. Please insert these pages into you original permit. Also, please remember that the discharge to waters of the State from the 50,000 gallon potable water storage tank is not allowed.

If you have any questions or comments regarding this letter please contact Mike Herkimer at 538-6058.

Sincerely,



Donald A. Hilden, Ph.D., Manager
Permits & Compliance Section

DAH:MDH:cc

cc: David Spillman, Dugout Canyon Mine
Gary Taylor, Skyline Mine
Sharon Fulvey, DOGM
Claron D. Bjork, Southeastern Utah Health District
David Ariotti, District Engineer

DUGOUTPERMOD.LTR
FILE:

***** P. 01 *****
 * TRANSACTION REPORT *
 * DEC-23-99 WED 10:12 AM *
 * SEND (M) *
 * DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP *
 * DEC-23 10:10 AM 14356135828 1'21" 2 SEND (M) OK 030 *
 * TOTAL 1M 21S PAGES: 2 *



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

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UTAH DIVISION OF OIL, GAS AND MINING
 FACSIMILE COVER SHEET

DATE: 12-23-99
 FAX #: 435-613-5878
 ATTN: Steve Demczak
 COMPANY: _____
 DEPARTMENT: DOGm
 NUMBER OF PAGES: (INCLUDING THIS ONE) 2
 ----- Shel Morrison DOGM