



Canyon Fuel Company, LLC
Soldier/Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435)637-6360 Fax: (435)636-2897

INCOMING
C0070039

July 14, 2003

Mr. Don Ostler, P.E. Director
Department of Environmental Quality
Division of Water Quality
288 North 1460 West
Salt Lake City, UT 84114-4870

RE: UPDES Permit UTG-040020, July 2003 Discharge

Dear Mr. Ostler:

Canyon Fuel Company, LLC, Dugout Canyon Mine is providing the required written notification of a failure to comply with the maximum daily tonnage for fixed dissolved solids, suspended solids and total iron according to UPDES Discharge Permit UTG-040020, Part II and the Utah Mining Rules R645-301-731.223. The failure occurred at Discharge No. 001A, Mine Discharge.

This exceedance of the Dugout Canyon Mine's UPDES Permit is due to the pumping of the water from the old Knight Mine workings in the Gilson Seam. For more details concerning the water being pumped from the old workings please refer to filed letters dated May 28, 2003 and June 11, 2003.

Should you have any questions concerning these reports, please call myself at (435)636-2869 or Dave Spillman at (435) 636-2872.

Sincerely yours,

Vicky S. Miller

cc: Dave Spillman
Mike Herkimer, DEQ
Pete Hess, UDOGM
Pam Grubaugh-Littig, UDOGM

RECEIVED
JUL 23 2003
DIV. OF OIL, GAS & MINING