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(0070039)



JON M. HUNTSMAN, JR.  
*Governor*

GARY HERBERT  
*Lieutenant Governor*

State of Utah

Department of  
Environmental Quality

Dianne R. Nielson, Ph.D.  
*Executive Director*

May 31, 2005

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

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

**Water Quality Board**  
Ray M. Child, *Chair*  
Douglas E. Thompson, *Vice-Chair*  
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Joe Piccolo  
Gregory L. Rowley  
Ronald C. Sims  
Walter L. Baker,  
*Executive Secretary*

Subject: Site Visits & Reconnaissance Inspections

Dear Ms. Miller:

On May 26, 2004 Dr. Bill Moellmer and myself from the Division of Water Quality met with you and Mr. Jared Sorensen of the Canyon Fuel Company to conduct an inspection of your facility and the Pace Canyon construction in regards to the UPDES Permit No. UT0024759. Specifically we observed the two proposed outfall locations, as well as a tour of the construction site and receiving waters of Pace Creek. In addition, I also performed a reconnaissance inspection on May 27, 2005 at the Banning Load-out facility.

Enclosed is a copy of the inspection reports for your records. I appreciate your time and effort to facilitate the inspections. If you have any questions, please contact me at (801) 538-6779 or by e-mail at [jstudenka@utah.gov](mailto:jstudenka@utah.gov).

Sincerely,

Jeff Studenka, Environmental Scientist  
Permits & Compliance Section

RECEIVED  
JUN 08 2005

Enclosures

DIV OF OIL, GAS & MINING

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

# 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 4 7 5 9]	11      12 [0 5 0 5 2 6]	17      18 [R]	19 [S]	20 [2]
<b>Remarks</b>					
21 [ ]					66
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 MINE PACE CANYON, WELLINGTON, UT		Entry Time 11:00 AM	Permit Effective Date 12-01-2004
		Exit Time/Date 2:00 PM/05-26-05	Permit Expiration Date 11-30-2009
Name(s) of On-Site Representative(s) Vicky Miller Jared Sorensen Canyon Fuel Company, LLC		Title(s) Environmental Engineer Mine Engineer	Phone No(s) 435-636-2869 435-636-2873
Name, Address of Responsible Official David Spillman Canyon Fuel Company, LLC - Dugout 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

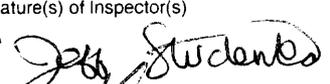
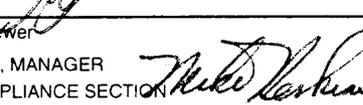
(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

S	Permit	ND	Flow Measurement	N	Pretreatment	S	Operations & Maintenance
S	Records/Reports	N	Laboratory	N	Compliance Schedules	N	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)

ND = no discharge, as site is under construction.

The purpose for the site visit and inspection was to become more familiar with the proposed new discharge locations at Pace Canyon. A tour of the construction site included observing the two proposed new outfalls followed by the receiving waters of Pace Creek, which at the time of this inspection was running strong from the spring run-off. Pace Creek is an intermittent stream flowing into Dugout Creek below the waterfall. Ms. Miller and Mr. Sorensen were very accommodating throughout the inspection process. There were no deficiencies observed during the inspection that would prevent the modification of the Dugout Mine UPDES permit from including the two additional outfalls as proposed.

Name(s) and Signature(s) of Inspector(s) JEFF STUDENKA 	Agency/Office/Telephone (801) 538-6779 DIVISION OF WATER QUALITY	Date 5-31-05
BILL MOELLMER 	Agency/Office/Telephone (801) 538-6329 DIVISION OF WATER QUALITY	Date 5-31-05
Signature of Reviewer MIKE HERKIMER, MANAGER  PERMITS & COMPLIANCE SECTION	Agency/Office (801) 538-6058 DIVISION OF WATER QUALITY	Date 6/6/05

## Regulatory Office Use Only

Action Taken	Date	Compliance Status Noncompliance Compliance
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# 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][G][0][4][0][0][1][1]	11	12 [0][5][0][5][2][7]	17	18 [R]	19 [S]	20 [2]
<b>Remarks</b>								
21 [ ]								66
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 - BANNING LOADOUT 12 MILES EAST OF WELLINGTON, UT (OFF US-6)		Entry Time 5:00 PM	Permit Effective Date 05-01-2003
		Exit Time/Date 5:30 PM/05-27-05	Permit Expiration Date 04-30-2008
Name(s) of On-Site Representative(s) N/A		Title(s) N/A	Phone No(s) N/A
Name, Address of Responsible Official David Spillman Canyon Fuel Company, LLC - Dugout canyon Mine P.O. Box 1029 Wellington, UT 84542		Title Manager of Technical Services	
		Phone No. 435-636-2872	Contacted No

## Section C: Areas Evaluated During Inspection

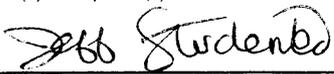
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S	Records/Reports	N	Laboratory	N	Compliance Schedules	N	Sludge Disposal
S	Facility Site Review	S	Effluent/Receiving Water	S	Self-Monitoring Program		Other:

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

ND = no discharge

The purpose for the site visit and inspection was to become more familiar with the facility and perform a reconnaissance inspection. A tour of the site included observing the two outfall locations followed by the receiving waters of Grassy Trail Creek, which at the time of this inspection was running strong from the spring run-off. The coal load-out facility has been inactive for several years and has not discharged to date. There were no deficiencies observed during the inspection.

Name(s) and Signature(s) of Inspector(s) JEFF STUDENKA 	Agency/Office/Telephone (801) 538-6779 DIVISION OF WATER QUALITY	Date 5-31-05
N/A	Agency/Office/Telephone N/A	Date N/A
Signature of Reviewer MIKE HERKIMER, MANAGER  PERMITS & COMPLIANCE SECTION	Agency/Office (801) 538-6058 DIVISION OF WATER QUALITY	Date 6/4/05

## Regulatory Office Use Only

Action Taken	Date	Compliance Status Noncompliance Compliance
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