



State of Utah

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Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

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

C/007/039 Incoming

cc: Steve C.

&

December 29, 2010

Vicky S. Miller, Environmental Engineer
Canyon Fuel Company, LLC – Soldier Creek Mine
P.O. Box 1029
Wellington, UT 84542

Dear Ms Miller:

Subject: Reconnaissance Inspection (RI) Report
for Dugout Canyon Mine, UT0025593

On November 30, 2010 an RI was completed on Dugout Canyon Mine. Attached is a report of that inspection. Please note the deficiency cited. The deficiency is self-explanatory and at this time no response is needed.

Thank you for your time and if you have any questions or concerns please contact me at (801) 536-4386 or mherkimer@utah.gov.

Sincerely,

Mike Herkimer, Environmental Scientist
UPDES Engineering Section

MH:JK:mc

Enclosures

cc: (w/encl) Stephanie Gieck, USEPA Region VIII
Claron Bjork, Southeast Utah Health Dist
Dave Ariotti, Southeast District Engineer
Darron Haddock, Division of Oil, Gas & Mining

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JAN 06 2011

DIV. OF OIL, GAS & MINING



United States Environmental Protection Agency
Washington, D.C. 20460

Water Compliance Inspection Report

Section A: National Data System Coding (i.e., ICIS)

Transaction Code N	NPDES U T 0 0 2 5 5 9 3	yr/mo/day 1 0 1 1 3 0	Inspection Type R	Inspector S	Fac. Type 2
1	3 11	12 17	18	19	20
Remarks					
21					
Inspection Work Days 1	Facility Self-Monitoring Evaluation Rating 4	BI N	QA N	Reserved	
67 69	70	71	72	73 74	75 80

Section B: Facility Data

Name and Location of Facility Inspected (For industrial users discharging to POTW, also include POTW name and NPDES permit number) CANYON FUEL CO. Dugout Canyon Mine Up Nine Mile Canyon Road NE of Wellington, UT	Entry Time/ Date 11:15 a.m. 11/30/2010	Permit Effective Date 12/01/2009
	Exit Time/ Date 12:30 p.m. 11/30/2010	Permit Expiration Date 11/30/14
Name(s) of On-Site Representative(s)/Title(s)/Phone and Fax Number(s) Vicky Miller, Environmental Engineer, 435-636-2869	Other Facility Data (e.g., SIC NAICS, and other descriptive information) Bituminous Coal Underground Mining Facility SIC Code 1222 NAICS 212112	
Name, Address of Responsible Official/Title/Phone and Fax Number Dave Spillman Canyon Fuel Company, LLC P.O. Box 1029 Wellington, UT 84542 (435) 636-2872	SEE ATTACHED	
Contacted <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Section C: Areas Evaluated During Inspection (Check only those areas evaluated)

<input type="checkbox"/> Permit	<input type="checkbox"/> Self Monitoring Program	<input type="checkbox"/> Pretreatment	<input type="checkbox"/> MS4
<input type="checkbox"/> Records/Reports	<input type="checkbox"/> Compliance Schedule	<input type="checkbox"/> Pollution Prevention	
<input checked="" type="checkbox"/> Facility Site Review	<input type="checkbox"/> Laboratory	<input type="checkbox"/> Storm Water	
<input checked="" type="checkbox"/> Effluent/Receiving Waters	<input type="checkbox"/> Operations & Maintenance	<input type="checkbox"/> Combined Sewer Overflow	
<input type="checkbox"/> Flow Measurement	<input type="checkbox"/> Sludge Handling/Disposal	<input type="checkbox"/> Sanitary Sewer Overflow	

Section D: Summary of Findings/Comments

(Attach additional sheets of narrative and checklists, including Single Event Violation codes, as necessary)

SEV Codes	SEV Description

Name(s) and Signature(s) of Inspector(s) Mike Herkimer, Environmental Scientist 	Agency/Office/Phone and Fax Number(s) DWQ (801) 536-4386	Date: 12/29/2010
N/A		
Name and Signature of Management/QA Reviewer John Kennington, Manager UPDES Engineering Section 	Agency/Office/Phone and Fax Number(s) DWQ (801) 536-4380	Date: 12/29/2010

Reconnaissance Inspection

Canyon Fuel Company, Inc., Dugout Canyon Mine

UPDES Permit Number (UT0025593)

November 30, 2010

Facility Description

Location: Up Pace Canyon, off Hwy. US 6 near Wellington, Utah.

Coordinates: Outfall 005 – 39° 40' 17" latitude, -110° 30' 29" longitude

Main Office: Up Nine Mile Canyon Road at Dugout Headquarters.

Average flow: ~0.42 MGD for 005 in 2010.

Receiving Water: Pace Canyon Creek which goes to Grassy Trail Creek when there is sufficient flow.

Description & Process: Dugout Canyon Mine is an underground coal mining operation. Dugout has six permitted discharge points. Only outfall 005 from Pace Canyon will be investigated during this inspection.

Narrative

Weather conditions at the time of the inspection were cold (lower 40's or upper 30's) and cloudy. Outfall 005 was discharging to Pace Canyon Creek.

The reason for the inspection is to provide documentation of the high iron concentration at outfall 005 and to observe changes in surface flow to help in mitigation of the high iron. The discharge flow from 005 was diverted from Pace Canyon Creek to Clark Valley Reservoir through a series of ditches. This is documented in the attached pictures.

At the time of the writing of this inspection report the Division of Water Quality (DWQ) had found that the high iron concentration at 005 occurred as a result of an upset in the system (mine fire). A letter designating an upset condition at the mine was sent out on December 8, 2010. The mine is to submit in the first part of January 2011 a plan with an associated time frame to resolve the high iron concentration. This plan will be reviewed by DWQ, changed if necessary, and implemented as per the agreed upon time frame. If the iron problem is not resolved in the agreed upon time frame, the upset condition status will be terminated and an enforcement action against Dugout Mine will probably occur.

Deficiencies

At the present time the mine is not officially in violation of the T-Fe effluent limitation at 005 due to DWQ declaring an upset condition. However, if the iron effluent limitations are not met in the time frame agreed to the violations will become official and enforcement will probably occur. No response is needed to address this deficiency.

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Photo Log

Photo Number	File Name	Description	Date/Time	Photographer
1		Diversion from Pace Credits ^{Clark Valley Reservoir}	11/30	M. Herkimer
2		Same as photo #1	"	"
3		Same as photo #1	"	"
4		Clark Valley Reservoir north end.	"	"
5		Same as #4.	"	"
6		Clark Valley Reservoir middle to south end.	"	"
7		Same as #6.	"	"
8		Outlet from south end of Clark Valley Res.	"	"
9		Close-up of #8.	"	"
10		→ South end of Clark Valley Res. Outlet going towards Pace Creek	"	"
11		In Clark Valley Reservoir ^{South end.} just before outlet	"	"
12		^{CVR = Clark Valley Reservoir.} Small pond just downstream from CVR	"	"
13		Same as #12 - closer look.	"	"
14		Pace Canyon Creek just ^(from DOS outlet) downstream	"	"
15		Same as 14	"	"
16		^{DOS} Outfall to Pace Canyon Creek	"	"
17		Outfall DOS to Pace Canyon Creek.	"	"

Dugout Mine Pictures of Discharge from Pace Canyon
Outfall 005

All photos taken on November 30, 2010

By Mike Herkimer



Photo#1



Photo #2



Photo #3



Photo #4



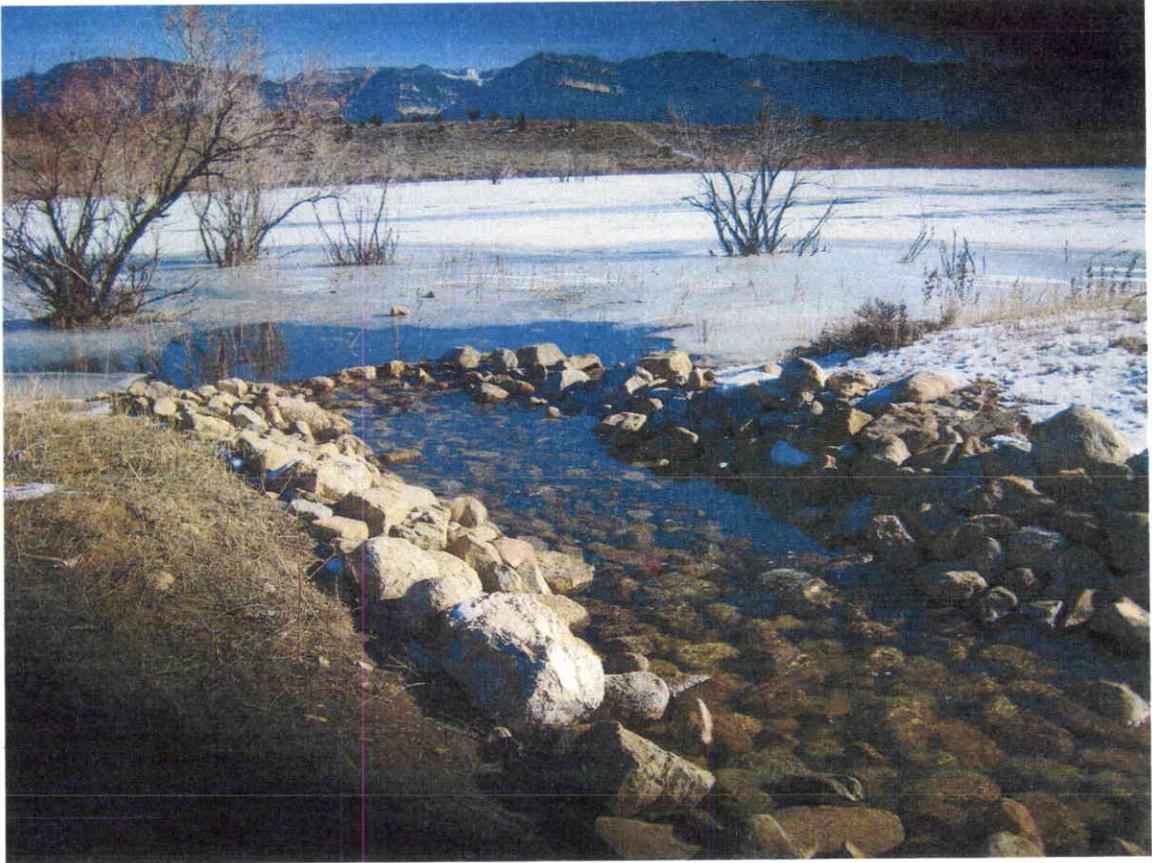
Photo #5



Photo #6



Photo #7



Photo#8



Photo #9



Photo #10



Photo #11



Photo #12



Photo #13



Photo #14



Photo #15



Photo #16



Photo#17