



State of Utah

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Governor

GREG BELL  
Lieutenant Governor

Department of  
Environmental Quality

Amanda Smith  
Executive Director

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

RECEIVED  
OCT 03 2011  
DIV. OF OIL, GAS & MINING

5007/039 Incoming  
cc: Steve C., April

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Executive Secretary

September 23, 2011

Mr. Erwin Sass, General Manager  
Dugout Canyon Mine  
P.O. Box 1029  
Wellington, Utah 84542

Dear Mr. Sass:

Subject: Canyon Fuel Company, Dugout Canyon Mine, Response to Your Letter of August 30, 2011 Regarding Future Non-compliance at Outfall 005 of UPDES Permit No. UT0025593

Thank you for your response of August 30, 2011 regarding our request for clarification about the future compliance of Outfall 005. We understand that it is hard to predict whether the Mine will discharge or not, based on the variability of the inflow, which affects the type of treatment system needed and the associated construction schedule. However, our purpose is to protect waters of the State through permit compliance. We hope that a hydraulic equilibrium will be reached, but in case one is not, we request that your Company to be ready to handle such a situation. Therefore, we request that you submit the following information within the next thirty days:

- When (what approximate date) can a determination be made as to whether or not the Mine will discharge at Outfall 005?
- If a discharge is anticipated, an estimate of :
  - When the Mine will begin discharging out Outfall 005,
  - Estimated volume of discharge at Outfall 005,
  - Type of treatment system needed based on the estimated volume of discharge,
  - Estimated construction time for the treatment system needed.

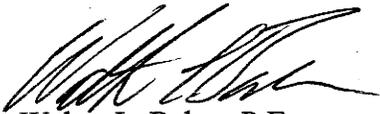
We understand that the corporate offices need review time for the proposed "Stipulation and Consent Order". Since no time extension was requested, we anticipate that you should submit a response by the 1<sup>st</sup> of November, 2011.

Mr. Erwin Sass, General Manager  
September 23, 2011  
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Thank you for your cooperation and, if you have any questions, please contact Mike Herkimer of my Staff at 801-536-4386 or [mherkimer@utah.gov](mailto:mherkimer@utah.gov).

Sincerely,

UTAH WATER QUALITY BOARD



Walter L. Baker, P.E.  
Executive Secretary

WLB:MDH:mc

cc: Stephanie Gieck, EPA Region VIII  
Darron Haddock, DOGM