

a



GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

Outgoing
C0070039
3729
R

February 23, 2011

CERTIFIED MAIL
7005 0390 0000 7507 4900

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Notice of Violation #10072, Canyon Fuel Company, LLC, Dugout Canyon Mine, C/007/0039, Outgoing File

Dear Mr. Sass:

On January 24, 2011, the Division of Oil, Gas and Mining (the Division) received your response to Notice of Violation #10072 (NOV). The NOV was issued for a failure to protect surface-water quality by allowing ground-water discharge to contribute additional suspended solids to streamflow outside the permit area; and otherwise prevent water pollution.

The NOV outlined three required actions to abate the NOV. The Division has completed its review of your response to the required actions and determined that additional information is necessary in order to abate the violation.

The required actions and corresponding deficiencies are outlined below.

Required Actions:

- 1) *Within 30 days of receipt of the NOV, submit plans for Division approval and incorporation into the Mining and Reclamation Plan (MRP) that depict/discuss measures that will be implemented to prevent additional contributions of suspended solids from leaving the permit area and otherwise prevent water pollution.*
 - o Deficiency: The Permittee must provide the Division with the plans as outlined above. The January 21, 2011 cover letter for the NOV response indicated that a treatment plan has been submitted to the Division of Water Quality (DWQ). Although, DWQ has not approved or accepted the proposed plan at this time, it does not preclude the submission of the plan to the Division for review.

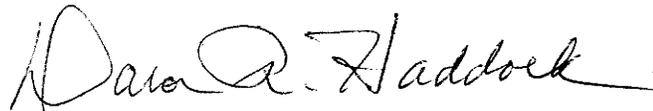


- 2) *Immediately, establish a pre-treatment mine water monitoring point and begin sampling on a monthly basis. Parameters to be analyzed include: total and dissolved iron, sulfate, alkalinity, total dissolved solids, total suspended solids, field conductivity, field temperature, field dissolved oxygen and field pH. The additional monitoring point must be added to the currently approved water monitoring program in the MRP along with a commitment to provide the monthly data to the Division via the electronic water monitoring database.*
- Deficiency: The Permittee must provide further information as to the pre-treatment water monitoring point. It's unclear from the submittal as to whether a pre-treatment mine-water sample is what is being proposed. The submittal indicates that the monitoring point is located on an "8" pipe at Pace Canyon Fan Portal". It appears that this is the discharge point for Outfall 005 which would presumably produce post-treatment mine water. If the first point where the polluted mine-water discharges is Outfall 005, this should be indicated.
- 3) *45 days after receiving final Division approval of the plans, the preventive measures must be constructed and functioning as designed.*
- Deficiency: NA- Until the treatment plans receive final approval from the Division, this requirement will be held in abeyance.

Our records indicate that 11 days elapsed from when you received the NOV on January 11, 2011 and when we received your response on January 24, 2011. As a result, upon receipt of this letter, 19 days remain for you to respond to the aforementioned deficiencies.

Please call me (801) 538-5262 or Steve Christensen (801) 538-5350 with any questions or concerns that you may have.

Sincerely,



Daron R. Haddock
Permit Supervisor

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

7005 0390 0000 7507 4900

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	

Postmark
Here

Total

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, UT 84542

Sent to
Street
or PO
City, State