



Canyon Fuel Company, LLC
 SUFCO Mine
 397 South 800 West
 Salina, UT 84654
 (435) 286-4880 Fax: (435) 286-4499

February 3, 2004

Mr. Don Ostler, Director
 Department of Environmental Quality
 Division of Water Quality
 288 North 1460 West
 P.O. Box 144870
 Salt Lake City, Utah 84114-4870

RE: NPDES PERMIT UT-0022918

Dear Mr. Ostler:

According to the conditions of NPDES Discharge Permit UT-0022918, Part II-I-3 and Utah Coal Mining Rules R645-301-731.223, Canyon Fuel Company is providing the written notification of a failure to comply with the daily maximum limitation for Iron at outfall 003. The receiving stream for outfall 003 is Quitchupah Creek.

The daily maximum limit for iron of 1.0 mg/l was exceeded because the sample taken on December 17, 2003 had an iron value of 1.26 mg/l. The cause of this high iron reading is being investigated. Sufco has taken some additional samples at different locations in the mine. From the initial set of samples it appears the iron is coming from the East Mains gob seal area. More samples will be taken on February 4 to better help isolate the source of contamination.

The results of the December 17, 2003 sample were received on February 2, 2004. With Mountain States Analytical going out of business the last sample report was held up until all payments had cleared their office.

The results of the January 7, 2004 sample had an iron value of 0.243 mg/l.

Sincerely,
 CANYON FUEL COMPANY, LLC
 SUFCO Mine

L. Craig Hilton
 Technical Services Manager

LCH/MLD:kb

cc: Division of Oil, Gas & Mining
 EPA - Water Management Division
 Ken May
 Chris Hansen

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*According
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DIV OF OIL, GAS & MINING