



State of Utah

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Governor

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Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

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

DEC 04 2014

Hand Delivered December 2, 2014

Mr. Chris Hansen, Director of Environmental Compliance and
Government Relations
Bowie Resource Partners, LLC
Canyon Fuel Company, LLC
225 North Fifth Street, 9th Floor
Grand Junction, CO 81501

Dear Mr. Hansen:

Subject: Salinity-Offset Program Funding Agreement and Invoice for UPDES Permit No.
UT0022918-SUFCO Mine

As you are aware, the Canyon Fuel Company, LLC (CFC) SUFCO mine facility, as referenced above, is now participating in funding a salinity-offset program to compensate for the amount of salinity discharged from the facility which is above the one-ton/day permit limit as required.

A plan for the mine facility to fund a salinity-offset program was drafted by CFC and previously submitted to the Division of Water Quality (DWQ) and subsequently finalized in November 2014. The plan, titled "Colorado River Salinity Offset Program Participation Plan", which is attached as "Exhibit A" to the Salinity-Offset Program Funding Agreement, was approved by DWQ and is hereby appended to the UPDES permit referenced above effective November 25, 2014.

With the Salinity-Offset Program Funding Agreement finalized and in place, the first of three equal payments of \$1,280,848.00 is due by December 31, 2014. A separate invoice has been prepared and hand delivered to you on December 2, 2014, along with a copy of the fully executed Funding Agreement for your records. Therefore, please remit the full invoice amount by December 31, 2014 to:

Department of Environmental Quality
Division of Water Quality
Attn: Sharon Schofield
P.O. Box 144870
Salt Lake City, UT 84114-4870

195 North 1950 West • Salt Lake City, UT
Mailing Address: P.O. Box 144870 • Salt Lake City, UT 84114-4870
Telephone (801) 536-4300 • Fax (801) 536-4301 • T.D.D. (801) 536-4414
www.deq.utah.gov

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Please make check payable to "Utah Division of Water Quality" and be sure to include the invoice number with you remittance. DWQ expects all payments from CFC to be made in accordance with the payment schedule as outlined in paragraph 2 of the Funding Agreement.

Your continued efforts to remain in compliance with the provisions of your UPDES permits are appreciated. If you have any questions with regards to this matter, please contact Jeff Studenka of this office at (801) 536-4395 or by e-mail at jstudenka@utah.gov.

Sincerely,



Walter L. Baker, P.E.
Director

WLB:JAS:JR:ph

cc: Amy Clark, EPA Region VIII (via email)
Brady Bradford, SE Utah District Health Department
Dave Ariotti, DEQ District Engineer
Steve Christensen, Division of Oil Gas & Mines
Mark Quilter, Utah Department of Agriculture and Food

DWQ-2014-015860