

**Otter Creek**

*Mike Rowlands*  
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February 13, 2015

Ms. Melissa Sjolund  
MPDES Permit Coordinator  
MT DEQ Coal and Uranium Program  
P.O. Box 200901  
Helena, MT 59620-0901

RECEIVED

FEB 13 2015

DEQ/WPB  
PERMITTING & COMPLIANCE DIV.

RE: Application Fee Deficiency, Otter Creek Coal, LLC, MPDES Permit No.: MT0031852

Dear Melissa,

Thank you for taking the time to meet with representatives of Otter Creek Coal to discuss the MPDES Application Fee Deficiency letter dated January 20, 2015. I was informed the meeting was very beneficial in explaining the DEQ decision making process accessing fees for the permit application.

As discussed during the meeting, a revised Table 4-1 is enclosed. The revised table includes a number of clarifying items. Additional information includes expanded information for internal sediment control structures and further definition of mining activities.

We have reviewed 40 CFR Part 434 – Coal Mining Point Source Category – and EPA Industrial Storm water Fact Sheet, Sector H: Coal Mines and Coal Mining Related Facilities, in order to classify outfalls with respect to effluent type. Consequently, Table 4-1 also has been expanded to specify the type of outfall at each location. Based on this review we concur with your determination of the three outfall types. Following is our rationale for outfall classification:

- All of the alkaline mine drainage outfalls include active mine area and/or spoil storage within the controlled watershed and hence potentially would combine mine area drainage and storm water, and in some cases, runoff from spoil stockpiles. These outfalls are classified as Alkaline Mine Drainage subject to the standards of 40 CFR Part 434, Subpart D.
- Those outfalls which include facilities of any kind in the watershed area (per the EPA Fact Sheet) but not mining area (per the 40 CFR Part 434 by definition) are classified as Storm water. Some of these outfalls also include soil storage.
- Three outfalls would be subject to 40 CFR Part 434, Subpart H – Western Alkaline Coal Mining. The lowest pollution potential is considered to come from these outfalls which would carry runoff from soil storage piles. This runoff is exposed to soil only, with no spoil material, coal fines, etc.

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FEB 18 2015

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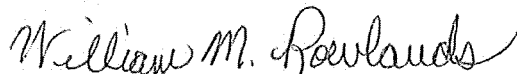
In its application, OCC had anticipated that all outfalls except those classified as western alkaline would fall under the Alkaline Mine Drainage category, and did not request permitting for storm water. In recognition of EPA guidance and ARM 17.30.201(6) (g), OCC requests that storm water outfalls be integrated into the application under Schedule I.A.

Although OCC questions the need for a significance determination fee for each class of outfall from this single project, rather than belabor the point we prefer that review of the MPDES permit application proceed expeditiously. Accordingly, a check in the amount of \$17,500 is enclosed as requested.

After going through this exercise, OCC appreciates the challenges in applying the MPDES fee rule to a new surface mining operation. We also recognize that by integrating industrial storm water outfalls, a Storm water Pollution Prevention Plan (SWPPP) will be required. The core of a SWPPP would consist of the drainage control plan and other mitigating measures to protect the hydrologic balance incorporated into the mining permit, and we anticipate that guidance in preparing the SWPPP will be forthcoming in DEQ's initial review of the application.

Should you have any questions concerning the letter, I can be reached at (406) 245-0990 or our consultants James Lloyd (406) 443-4150 and Dave Simpson (406) 437-2041.

Sincerely,



William M. (Mike) Rowlands  
President, Otter Creek Coal, LLC

Enclosure: Table 4-1 (Revised Feb 2015)  
Invoice #5L1500726

c: James Lloyd, Hydrometrics  
Heidi Kaiser, Hydrometrics  
Dave Simpson, Simpson Associates  
Victoria Marquis, Crowley Fleck  
Jon Kenning, DEQ  
Kristin Bowers, DEQ

Table 4-1. Otter Creek Coal Mine , Outfall Listing (revised February 2015)

Outfall	Location	Construction Phase	Trap/Pond	Drainage Area	Storage volume	Design Flow	Treatment code	Receiving Water	Activity
OO1	45.49629° N -106.17035° W	Phase 1	EP-1	574.2 ac	31.98 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1: Scoria pit and storage - ancillary service road drainage - overburden storage - conveyor belt gallery - box cut development Phase 2: same as above(SAA) + active mining)
		Phase 2	EP-1A	324.3 ac	67.22 ac-ft	100-yr/24-hr			
OO2	45.49117° N -106.16046° W	Phase 1	EP-2	191.6ac	10.98 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1: Scoria Pit and storage - soil stockpiles - ancillary service road - coal truck dump station - conveyor gallery - box cut development Phase 2: SAA + active mining)
		Phase 2	EP-2A	183.1 ac	50.69 ac-ft	100-yr/24-hr			
OO3	45.48784° N -106.16156° W	Phase 1	EP-3	293.8ac	6.25 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1: Soil stockpiles - ancillary service roads - box cut development Phase 2: SAA + active mining
		Phase 2	EP-3A	342.9 ac	64.81 ac-ft	100-yr/24-hr			
OO4	45.48349° N -106.16379° W	Phase 1	EP-4	79.0 ac	4.75 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1: Box cut Development- Soil stockpiles - Ancillary service road Phase 2: Soil stockpiles - Ancillary service road
OO5	45.47447° N -106.15497° W	Phase 1	ST-4	47.9 ac	5.175 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1 and 2: Soil stockpiles
OO6A	45.45899° N -106.15067° W	Phase 1	ST-6N	11.2 ac	0.025 ac-ft	10-yr/ 24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1 and 2: Soil stockpiles
OO6B	45.45842° N -106.15101° W	Phase 1	ST-6S	9.8 ac	0.018 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1 and 2: Soil stockpiles
OO7	45.4651° N -106.1521° W	Phase 1	EP-7	2093.1ac	44.64 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Phase 1: Ancillary service roads - brushing/grubbing Phase 2: ancillary service roads - active mining
		Phase 2	EP-7	1086.6 ac	91.53 ac-ft	100-yr/24-hr			
OO8	45.50731° N -106.1583° W	Phase 1	EP-8	30.6 ac	1.70 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Soil salvage - earth moving - ancillary road - warehouse - shop - laydown area
OO9	45.50989° N -106.1586° W	Phase 1	EP-9 EP-9a ST-5	63.5 ac 23.2 ac	5.01 ac-ft 3.15 ac-ft 0.043 ac-ft	10-yr 24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Soil Stockpile - dragline erection site - Soil salvage - overburden stripping Phase 2: Effluent routed to EP-10
O10	45.50662° N -106.14736° W	Phase 1	EP-10	78.5 ac	3.65 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping - haul road drainage - active mining Phase 2: Active mining
		Phase 2	EP-10	426.7 ac	84.06 ac-ft	100-yr/24-hr			
O11	45.50879° N -106.14253° W	Phase 1	EP-11	106.3 ac	3.27 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping Phase 2: Effluent routed to EP-10
O12	45.5086° N -106.13584° W	Phase 1	EP-12	285.6 ac	11.33 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping Phase 2: Effluent routed to EP-10
O13	45.5087° N -106.13075° W	Phase 1	EP-13	4.7 ac	0.40 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping Phase 2: Effluent routed to EP-10
O14	45.5085° N -106.12613° W	Phase 1	EP-14	35.1 ac	3.24 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping Phase 2: Effluent routed to EP-10
O15	45.50801° N -106.12084° W	Phase 1	EP-15	651.6 ac	22.81 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Brushing/grubbing - overburden stripping Phase 2: Effluent routed to EP-10
		Phase 2	EP-15	746.6 ac	141.6ac-ft	100-yr/24-hr			
O16	45.50587° N -106.17346° W	Phase 1	EP-1B	199.8 ac	15.59 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Threemile Crk	Phase 1: Office/shop access road - ancillary service road - spoil stockpiles - conveyor belt gallery Phase 2: SAA
O17	45.50188° N -106.18416° W	Phase 1	EP-R5 EP-R4	117.6 ac 2.2 ac	5.6 ac-ft 0.24 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Rail loop - enclosed secondary crushing/screening - conveyor belt gallery - upland flow
O18	45.50498° N -106.18521° W	Phase 1	EP-R3	26.7 ac	2.12 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Rail loop - soil stockpile
O19	45.50807° N -106.1908° W	Phase 1	EP-R2	9.0 ac	1.17 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Rail loop - soil stockpile
O20	45.5055° N -106.19388° W	Phase 1	EP-R1	30.9 ac	4.62 ac-ft	10-yr/24-hr	1-U	Ephemeral Tributary to Otter Crk	Conveyor belt gallery - rail loop - coal silos - soil stockpile

Outfall Type
Alkaline Mine Drainage
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Western Alkaline Sediment
Western Alkaline Sediment
Western Alkaline Sediment
Alkaline Mine Drainage
Stormwater
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