Ohio | Environmental Protection Agency
John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

September 20, 2011

Re: Belmont County
American Energy Corp., Century Mine
0IL00091*GD
Compliance Evaluation Inspection
Correspondence (IWW)

Mr. Kevin Hughes, General Manager & Superintendent
American Energy Corp. Century Mine
43521 Mayhugh Hill Road
Beallsville, Ohio 43716

Dear Mr. Hughes:

On August 9, 2011, I conducted a Compliance Evaluation Inspection (CEI) at the American Energy Corporation (AEC) Century Mine. Farley Wood, Crellin Scott, Dave Washinski, and Cody Mozena represented AEC on the inspection.

The purpose of the inspection was to determine AEC's compliance status with the terms and conditions of the NPDES permit, federal number OH059552, state number 0IL00091*CD. A copy of the inspection form is attached.

As a result of the inspection and file review I have the following comments:

1. Ohio Administrative Code Chapter 3745-33-03 - NPDES Permit Status

   The NPDES permit is expired. An application for renewal has been received. The expired NPDES permit is effective until the permit is renewed.

2. Ohio Administrative Code Chapter 3745-07-04 - Certified Operator

   AEC has obtained the services of a certified operator for operation of the sewage treatment plant. It is necessary for you to submit a completed Certified Operator form, a copy of which is attached.

3. NPDES Permit Part 1, A – Compliance with Effluent Limitations

   A review of the Monthly Operating Reports (MORs) from December 2010 through July 2011 indicates the following violations of the NPDES permit:

Southeast District Office
2195 Front Street
Logan, OH 43138-8637

740 | 385 8501
740 | 385 6490 (fax)
www.epa.ohio.gov

Month	Outfall	Parameter	Type	Limit	Reported	Date
March 2011	015	Total Suspended Solids	1D Conc	70	75	3/14/2011
March 2011	015	Total Suspended Solids	30D Conc	35	36.5	3/1/2011
March 2011	015	Iron, Total (Fe)	1D Conc	6000	33010	3/14/2011
March 2011	015	Iron, Total (Fe)	30D Conc	4000	8673	3/1/2011
March 2011	015	Manganese, Total	1D Conc	4000	7241	3/14/2011
March 2011	015	Manganese, Total	30D Conc	2000	2323	3/1/2011
April 2011	014	Total Suspended Solids	30D Conc	35	57	4/1/2011

We have received your reports addressing these violations. AEC must make every effort to comply with the NPDES permit.

As you know, Ohio EPA and the company are continuing to negotiate to resolve outstanding enforcement issues. Please respond to the problem identified in item 2 above within 20 days of receipt of this notice. If there are any questions, please contact me at (740) 380-5284.

Sincerely,

Ms. Abbot Stevenson
Environmental Engineer
Permits and Enforcement Section
Division of Surface Water

AS/dh

Enclosure

c: Martha Horvitz, Ohio EPA, CO, Legal
c: Farley Wood, American Energy Corp.

NPDES
Compliance Inspection Report

A. NATIONAL DATA SYSTEM CODING

Permit No.	NPDES No.	Date	Inspection Type	Inspector	Facility Type
0IL00091*GD	OH0059552	August 9, 2011	C	S	2

B. FACILITY DATA

Name & Location of Facility Inspected	Entry Time	Permit Effective Date
American Energy Corp., Century Mine 43521 Mayhugh Hill Road Beallsville, Ohio 43716 (mine office 740-926-9152)	1:15 p.m.	December 1, 2002
	Exit Time	**Permit Expiration Date**
	5:00 p.m.	July 31, 2007

Name(s) & Title(s) of On-Site Representative(s)	Phone Number(s)
Farley Wood, Director of Environmental Compliance and Permitting Cody Mozena, Water Quality Management Crellin Scott, Assistant Director of Environmental Compliance & Permitting Dave Washinski, Manager of Compliance	(740) 310-0308 (740) 310-9428 (740) 213-2589 (740) 210-9418
Name, Address, & Title of Responsible Official	**Phone Number**
Kevin Hughes, General Manager and Superintendent American Energy Corp. 43521 Mayhugh Hill Road Beallsville, Ohio 43716	(740) 926-9152

C. AREAS EVALUATED DURING INSPECTION

U	Permit	S	Flow Measurement	N/A	Pretreatment
S	Records/Reports	S	Laboratory	N/A	Compliance Schedules
S	Operations & Maintenance	S	Effluent/Receiving Waters	S	Self-Monitoring Program
S	Facility Site Review	S	Sludge Storage/Disposal		Other
N/A	Collection System				

(S = Satisfactory; M = Marginal; U = Unsatisfactory; N = Not Evaluated; N/A = Not Applicable)

D. SUMMARY OF FINDINGS/COMMENTS (attach additional sheets if necessary)

1. Permit - see letter item 1

Abbot Stevenson, Inspector, Ohio EPA, Southeast District Office — Date: 9/20/11

Jennifer M. Witte, Reviewer, Ohio EPA, Southeast District Office — Date: 9/20/11

Sections E through K: Complete on all inspections as appropriate (N/A = Not Applicable; N/E = Not Evaluated)

E. PERMIT VERIFICATION

Inspection Observations Verify the Permit	YES	NO	N/A	N/E
a. Correct name & mailing address of permittee	☒	☐	☐	☐
b. Correct name & location of receiving waters	☒	☐	☐	☐
c. Product(s) & production rates conform with permit application (industries)	☐	☒	☐	☐
d. Flows & loadings conform with NPDES permit	☒	☐	☐	☐
e. Treatment processes are as described in permit application/briefing memo	☒	☐	☐	☐
f. New treatment process(es) added since last inspection	☐	☒	☐	☐
g. Notification given to state of new, different, or increased discharges	☒	☐	☐	☐
h. All discharges are permitted	☒	☐	☐	☐
i. Number & location of discharge points are as described in permit	☐	☒	☐	☐

Comments:
c. Coal production has increased
i. Outfall 012 is not a direct discharge, it discharges to pond 08; Outfall 016 will not be constructed

F. COMPLIANCE SCHEDULES/VIOLATIONS

	YES	NO	N/A	N/E
a. Any significant violations since the last inspection	☐	☒	☐	☐
b. Permittee is taking actions to resolve violations	☐	☐	☒	☐
c. Permittee has compliance schedule	☐	☒	☐	☐
d. Compliance schedule contained in: _____	☐	☐	☒	☐
e. Permittee is meeting compliance schedule	☐	☐	☒	☐

G. OPERATION AND MAINTENANCE

Treatment Facility Properly Operated & Maintained	YES	NO	N/A	N/E
a. Standby power available: Generator: ☐ Dual Feed: ☐	☐	☒	☐	☐
b. Adequate alarm system available for power or equipment failures	☒	☐	☐	☐
c. All treatment units in service other than backup units	☒	☐	☐	☐
d. Sufficient operating staff provided: # of shifts: 1 Days/Week: 5	☒	☐	☐	☐
e. Operator holds unexpired license of class required by permit. Class: 1	☒	☐	☐	☐
f. Copy of certificate of Operator of Record displayed on-site	☒	☐	☐	☐
g. Minimum operator staffing requirements fulfilled (OAC 3745-7)	☒	☐	☐	☐
h. Routine & preventive maintenance schedule/performed on time	☒	☐	☐	☐
i. Any major equipment breakdown since last inspection	☐	☒	☐	☐
j. Operation & maintenance manual provided & maintained	☒	☐	☐	☐
k. Any plant bypasses since last inspection	☐	☒	☐	☐
l. *Regulatory agency notified of bypasses: On MORS: ☐ 800 No.: ☐*	☐	☐	☒	☐
m. Any hydraulic and/or organic overloads experienced since last inspection	☐	☒	☐	☐

Comments:
e. Bill Deter of Quality Environmental Services is the Operator of Record. Class A is required, Bill is a Class 1. The staffing requirement is 2 days per week for a minimum of 1 hour per week.

Record Keeping	YES	NO	N/A	N/E
a. Log book provided	☒	☐	☐	☐
b. Log book kept on-site	☒	☐	☐	☐
c. Log book contains the following:	☒	☐	☐	☐
1. Identification of treatment works	☒	☐	☐	☐
2. Date/Time of arrival/departure of ORC	☒	☐	☐	☐
3. Daily record of operation and maintenance activities	☒	☐	☐	☐
4. Laboratory results (unless documented on bench sheets)	☐	☒	☐	☐
5. Identification of person making log entries	☒	☐	☐	☐
d. Is the ORC submitting written notification to Ohio EPA and permittee when a collection system overflow, treatment plant bypass or effluent limit violation has occurred.	☒	☐	☐	☐

Comments:
c.4. See answer to Part 3 Laboratory Question f.

Collection System	YES	NO	N/A	N/E
a. *Percent combined system. Percent:* 0	☐	☐	☒	☐
b. Any collection system overflows since last inspection: CSO: ☐ SSO: ☐	☐	☐	☒	☐
c. Regulatory agency notified of overflow (SSOs)	☐	☐	☒	☐
d. CSO O&M plan provided and implemented	☐	☐	☒	☐
e. CSOs monitored and reported in accordance with permit	☐	☐	☒	☐
f. Portable pumps used to relieve system	☐	☐	☒	☐
g. Lift station alarm systems provided and maintained	☒	☐	☐	☐
h. Are lift stations equipped with permanent standby power or equivalent	☒	☐	☐	☐
i. Is there an inflow/infiltration problem (separate sewer system), or were there any major repairs to collection system since last inspection	☐	☐	☒	☐
j. Any complaints received since last inspection of basement flooding	☐	☐	☒	☐
k. Are any portions of the sewer system at or near capacity	☐	☐	☒	☐

H. SLUDGE MANAGEMENT

	YES	NO	N/A	N/E
a. Sludge adequately disposed. Method: taken to another WWTP	☒	☐	☐	☐
b. If sludge is incinerated, where is ash disposed of? _____	☐	☐	☒	☐
c. Is sludge disposal contracted? Name: Sparky's	☒	☐	☐	☐
d. Has amount of sludge generated changed significantly since last inspection	☐	☒	☐	☐
e. Adequate sludge storage provided at facility	☒	☐	☐	☐
f. Land application sites monitored and inspected per state rules	☐	☐	☒	☐
g. Records kept in accordance with state rules	☒	☐	☐	☐
h. Any complaints received in last year regarding sludge	☐	☒	☐	☐
i. Is sludge adequately processed (digestion, dewatering, pathogen control) in accordance with Ohio EPA rules	☐	☐	☒	☐

Comments:
c. Sparky's Septic Hauling takes sludge to Moundsville WWTP.

I. SELF-MONITORING PROGRAM

Part 1 – Flow Measurement	YES	NO	N/A	N/E
a. Primary flow measuring device properly operated & maintained. Type of device: ☐ Ultrasonic & parshall flume ☐ Calculated from influent ☐ Weir ☒ Other ☐ Ultrasonic & weir specify: Estimated	☒	☐	☐	☐
b. Calibration frequency adequate. Date of last calibration: ____	☐	☐	☒	☐
c. Secondary instruments (totalizers, recorders, etc.) properly operated and maintained	☐	☐	☒	☐
d. Flow measurement equipment adequate to handle expected ranges of flows	☐	☐	☒	☐
e. Actual flow discharged is measured	☐	☒	☐	☐
f. Flow measuring equipment inspection frequency: ☐ Daily ☐ Monthly ☐ Weekly ☒ Other (N/A)				

Comments:
a.-f. Flows are estimated.

Part 2 - Sampling	YES	NO	N/A	N/E
a. Sampling location(s) are as specified by permit	☒	☐	☐	☐
b. Parameters and sampling frequency agree with permit	☒	☐	☐	☐
c. Permittee uses required sampling method	☒	☐	☐	☐
d. Sample collection procedures are adequate	☒	☐	☐	☐
i. Samples refrigerated during compositing	☒	☐	☐	☐
ii. Proper preservation techniques used	☒	☐	☐	☐
Conform with 40 CFR 136.3	☒	☐	☐	☐
e. Monitoring records (e.g., flow, pH, D.O., etc.) maintained for a minimum of three years including all original strip chart recordings (e.g., continuous monitoring instrumentation, calibration, & maintenance records)	☒	☐	☐	☐
f. Adequate records maintained of sampling date, time, exact location, etc.	☒	☐	☐	☐

Part 3 – Laboratory, General	YES	NO	N/A	N/E
a. Written Standard Operating Procedures (SOPs) for all analysis performed on-site	☒	☐	☐	☐
b. EPA approved analytical testing procedures used (40 CFR 136.3)	☒	☐	☐	☐
c. If alternate analytical procedures are used, proper approval has been obtained	☒	☐	☐	☐
d. Analysis being performed more frequently than required by permit	☒	☐	☐	☐
e. If (c) is yes, are results reported in permittee's self-monitoring report	☒	☐	☐	☐
f. Commercial laboratory used: 1. Parameters analyzed by commercial lab: All except for pH for sediment ponds 2. Lab name: TraDet				

Comments:
f.2.a. Contract operator of record takes samples at sewage plant and prepares them for pickup by courier from TraDet Labs.
f.2.b. On site staff collects and preserves sediment pond samples for pickup by courier from TraDet Labs.

Part 3 – Laboratory, Quality Control/Quality Assurance	YES	NO	N/A	N/E
a. Quality assurance manual provided and maintained	☐	☐	☒	☐
b. Satisfactory calibration and maintenance of instruments and equipment	☐	☐	☒	☐
c. Adequate records maintained	☐	☐	☒	☐
d. Results of latest U.S. EPA quality assurance performance sampling program: Date: _____ ☐ Satisfactory ☐ Marginal ☐ Unsatisfactory				

Comments:
Commercial laboratory is off-site, therefore, questions are not applicable.

J. EFFLUENT/RECEIVING WATER OBSERVATIONS

Outfall #	Oil Sheen	Grease	Turbidity	Visible Foam	Visible Float Solids	Color	Other
002	None	None	None	None	None	None	
008	None	None	None	None	None	None	
011	None	None	Slight	None	None	Slight green	
012	None	None	None	None	None	None	
013	No discharge						
014	None	None	None	None	None	None	
015	None	None	None	None	None	None	
017	None	None	None	None	None	None	

K. MULTIMEDIA OBSERVATIONS

Collection System	YES	NO	N/A	N/E
a. *Are there indications of sloppy housekeeping or poor maintenance in work and* storage areas or laboratories	☐	☐	☐	☒
b. Do you notice staining or discoloration of soils, pavement, or floors	☐	☐	☐	☒
c. Do you notice distressed (unhealthy, discolored, dead) vegetation	☐	☐	☐	☒
d. Do you see unidentified dark smoke or dustclouds coming from sources	☐	☐	☐	☒
e. Do you notice any unusual odors or strong chemical smells	☐	☐	☐	☒
f. Do you see any open or unmarked drums, unsecured liquids, or damaged containment facilities	☐	☐	☐	☒

If any of the above are observed, ask the following questions:
1. What is the cause of the conditions?
2. *Is the observed condition or source a waste product?*
3. Where is the suspected contaminant normally disposed?
4. Is this disposal permitted?
5. How long has the condition existed and when did it begin?

Environmental
Protection Agency
Division of Drinking and Ground Waters
Operator Certification Unit

Operator of Record (ORC) Notification Form

Ohio Environmental Protection Agency
Division of Drinking and Ground Waters
Operator Certification Unit
50 West Town St, Suite 700
P O. Box 1049
Columbus, OH 43216-1049

Phone: (614) 644-2752
1- 866 - 411-OPCT (6728)
Fax: (614) 644-2909
email: opcert@epa.state.oh.us
website: http://www.epa.ohio.gov/ddagw/opcert.aspx

I. SYSTEM INFORMATION

Name of System: _____ Phone Number: _____

PWS ID/NPDES Permit #: _____ STU #: _____ Classification: _____

_____ _____
Name of Facility Owner or Permittee, Title (Print) Facility Owner or Permittee (Signature)

II. SYSTEM TYPE (Check only one of the following. Use additional sheets if necessary.)

Public Water System (PWS)	Distribution System	Treatment Works	Collection System
☐	☐	☐	☐

III. OPERATOR OF RECORD INFORMATION

Add Additional (A), Existing (E), New (N) or Remove (R)	Effective Date	Name of Operator of Record	Certification Number & Expiration Date	I verify that I am the onsite certified operator responsible for the technical operation of the above referenced facility. I have a valid certification of a class equal to or greater than the classification of the above referenced facility. (Signature of certified operator)*

* A signature by an operator of record who is being removed is not required.
(Attach additional sheets if necessary.)

Amount of time an ORC spends onsite at the Facility: _____ hours/week _____ days/week

For Internal Use Only	
Reviewed by:	Date of SDWIS update:
Date of Compliance Status Letter:	