



John R. Kasich, Governor
Mary Taylor, Lt. Governor
Scott J. Nally, Director

January 16, 2013

Re: Vinton County
Sands Hill Coal Prep. Plant
Compliance Inspection
NPDES Permit 0IL00074*DD
Correspondence (IWW)

Mr. Chris Walton
Sands Hill Mining, LLC
38701 State Route 160
Hamden, Ohio 45634

Dear Mr. Walton:

On December 17, 2012, I received a complaint regarding elevated ammonia levels in Little Raccoon Creek. On December 19, 2012, I conducted an inspection at the Sands Hill Coal Company - Coal Preparation Plant Facility. Mr. Bryan Brunton accompanied me on the inspection. The purpose of the inspection was to determine if Sands Hill Coal Company was in compliance with the terms and conditions of National Pollutant Discharge Elimination System (NPDES) Permit Number 0IL00074*DD. Results of the inspection are summarized below.

At the time of the inspection, there was no discharge from the facility except through outfall 001. At the time of the inspection, I was informed the facility is currently using anhydrous ammonia in the coal preparation plant. In addition, I was informed the ponds at your facility do not discharge under normal conditions. Please be advised Part I, A of your permit states "The permittee is not authorized to discharge ammonia from this outfall resulting from use of ammonia for treatment/neutralization."

Sands Hill Mining is currently not permitted to utilize anhydrous ammonia in the coal preparation plant or in the ponds on-site. Ohio EPA has informed the facility numerous times over the years that use of anhydrous ammonia is strictly prohibited. Failure to comply with the terms and conditions of your NPDES permit is cause for formal enforcement. Therefore, we expect the facility to cease the use of anhydrous ammonia immediately and permanently at this facility for any use where the ammonia could be present in discharges to waters of the state which includes ground water.

A review of your Discharge Monitoring Report (DMR) for December 2012 reveals the company reported the facility was not discharging. Please be aware at the time of my inspection, outfall 001 was discharging. The DMR includes a certification statement

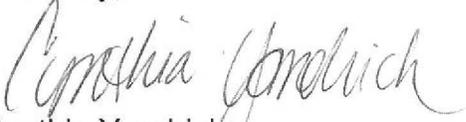
which states, "I certify under the penalty of law that I have personally examined and am familiar with the information submitted and based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment."

Please be aware Part I, A of your permit requires precipitation and flow rate to be monitored and reported once per day. In addition, pH, suspended solids, iron and manganese are to be monitored and reported once every two weeks. Sulfate, selenium and total filterable residue are to be monitored and reported once per quarter during the months of March, June, September and December. Lastly, hardness, calcium, magnesium, sodium, chloride and mercury are to be monitored and reported twice per year during the months of June and December. We expect Sands Hill Mining to inspect each outfall daily and to report in accordance with the permit.

At the time of the inspection, I was informed the area had experienced multiple storms which may have resulted in the discharge from outfall 001. Sands Hill Mining must collect a representative sample of the effluent at the time of the discharge. Part II, Item G of your permit includes alternative effluent limits if the discharge meets the requirements in this section of the permit.

If you have any questions, please contact me at (740) 380-5266.

Sincerely,



Cynthia Yandrich
District Representative
Division of Surface Water

CY/dh

Enclosure



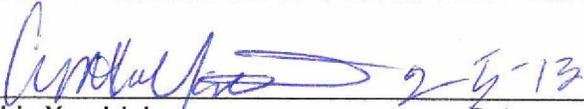
State of Ohio Environmental Protection Agency
Southeast District Office

Industrial NPDES Compliance Inspection Report

Section A: National Data System Coding					
Permit #	NPDES #	Month/Day/Year	Inspection Type	Inspector	Facility Type
0IL0074*DD	OH0076431	12/19/12	C	S	2

Section B: Facility Data			
Name and Location of Facility Inspected		Entry Time	Permit Effective Date
Sands Hills Coal Company Coal Preparation Plant State Route 160 Hamden, Ohio, Vinton County		1:30 p.m.	May 1, 2012
		Exit Time	Permit Expiration Date
		2:15 p.m.	April 30, 2017
Name(s) and Title(s) of On-Site Representative(s)		Phone Number(s)	
Bryan Brunton, P.E.		740-384-4211	
Name, Address, and Title of Responsible Official		Phone Number	
Christopher Walton, General Manager 38701 State Route 160 Hamden, Ohio 45634		740-384-4211	

Section C: Areas Evaluated During Inspection					
(S = Satisfactory; M = Marginal; U = Unsatisfactory; N = Not Evaluated; N/A = Not Applicable)					
U	Permit	U	Flow Measurement	N	Pretreatment
M	Records/Reports	N/A	Laboratory	N/A	Compliance Schedules
U	Operations & Maintenance	M	Effluent/Receiving Waters	M	Self-Monitoring Program
S	Facility Site Review	N	Sludge Storage/Disposal	--	Other
N/A	Collection System				

Section D: Summary of Findings (attach additional sheets if necessary)	
Please see attached letter.	
Inspector	Reviewer
	
Cynthia Yandrich Division of Surface Water Southeast District Office	Jennifer M. Witte Compliance & Enforcement Supervisor Division of Surface Water Southeast District Office
Date: 2-5-13	Date: 2/6/13

MONTHLY REPORT FORM

4500



Name, Address City, County, ZIP:
 Sands Hill Mining LLC - Sands Hill
 Coal Preparation Plt
 State Rte 160
 Vinton
 Hamden OH45634

Station Code: 001
 Reported Date (Month Year): December 2012
 Sampling Station Description:

Application: 0IL00074*DD
 1/16/2013
 CONCENTRATION DATA

in(1) - Enter 1 for Continuous, 2 for Composite, 3 for Grab Sample in(2) - Enter frequency of sampling	Reporting Lab: Ream & Haager Laboratory	Analyst: NA
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Day	(1) Total Estimate	3	3	3	3	3	Total
	(2) 1/Day	1	1	1	1	1	1/Day
	(50050) Flow Rate MGD	(01045) Iron, Total (Fe) ug/l	(01055) Manganese, Total (Mn) ug/l	(70300) Residue, Total Filterable mg/l	(00981) Selenium, Total Recoverable ug/l	(00945) Sulfate, (SO4) mg/l	(00045) Total Precipitation Inches
01	AN						0
02	AN						0.64
03	AC	AC	AC	AC	AC	AC	0.17
04	AC						0.22
05	AC						0.02
06	AC						0
07	AC						0.9
08	AN						0.49
09	AN						0.59
10	AC						0.99
11	AC						0.01
12	AC						0
13	AC						0
14	AC						0
15	AN						0.01
16	AN						0
17	AC	AC	AC	AC	AC	AC	1.03
18	AC						0
19	AC						0
20	AC						0.65
21	AC						0
22	AN						0
23	AN						0
24	AC						0.06
25	AC						0.58
26	AC						0
27	AC						0
28	AC						0
29	AN						0.38
30	AN						0
31	AC						0
TOTAL	0	0	0	0	0	0	6.74
AVG	0	0	0	0	0	0	0.2174
MAX	0	0	0	0	0	0	1.03
MIN	0	0	0	0	0	0	0

I certify under the penalty of law that I have personally examined and am familiar with the information submitted and based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

Date Report Completed: 01/15/2013	Signature of Reporter: Brandi Smith	Title of Reporter:
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MONTHLY REPORT FORM

4500



Name, Address City, County, ZIP :
 Sands Hill Mining LLC - Sands Hill
 Coal Preparation Plt
 State Rte 160
 Vinton
 Hamden OH45634

Station Code : 001
 Reported Date (Month Year) :
 December 2012

Application : 1/16/2013
 0IL00074*DD

Sampling Station Description :

CONCENTRATION DATA

in(1) - Enter 1 for Continuous, 2 for Composite, 3 for Grab Sample in(2) - Enter frequency of sampling	Reporting Lab : Ream & Haager Laboratory	Analyst : NA
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Day	(1)	(2)	Total Suspended Solids mg/l	pH S.U.				
	3	1						
01								
02								
03	AC	AC						
04								
05								
06								
07								
08								
09								
10								
11								
12								
13								
14								
15								
16								
17	AC	AC						
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
TOTAL	0	0	0	0	0	0	0	0
AVG		N/A						
MAX	0	0						
MIN	0	0	0	0	0	0	0	0