

March 28, 2003

CERTIFIED MAIL 7099 3400 0016 8895 6207

Robert J. Hilton
P.O. Box 557
Pleasant Grove, Utah 84062-0557

CERTIFIED MAIL 7099 3400 0016 8895 6214

Gary D. Smith
1002 North 1020 East
Pleasant Grove, Utah 84062

Dear Mr. Hilton and Mr. Smith:

Re: Citizen Complaint of Spring Water Loss on Personal Property in Barn Canyon-Clear Creek Area, Canyon Fuel Company, LLC, Skyline Mine, C/007/005, Outgoing File

This letter is to acknowledge receipt of your letter dated March 1, 2003 and to respond to your concerns. From your letter, and subsequent phone discussions between Joanne Smith and our Hydrologist, Mike Suflita, we understand that you are concerned that your spring has been adversely affected by coal mining at Skyline Mine. From your description, the spring is located in the N1/2 NE ¼ of Section 4, T14S, R7E, SLB&M, within the U.S. Forest Service boundary. This is in the upper reaches of Barn Canyon southeast of Clear Creek, Utah. Based on our search of the Utah Water Rights database, we believe this is Exchange E2937, Water Right No. 91-4937, Price River Water Users Association Certificate C5967.

As you probably know, on September 17, 2001 Skyline Mine encountered significant water inflows to the mine. The waters have been, and are currently being, pumped into Eccles Creek. Numerous stakeholders are involved in extensive investigations of that flooding situation. Stakeholders include Skyline Mine & their consultants; PacifiCorp & their consultants; Huntington-Cleveland Irrigation Company; Emery County Water Users Association; and our agency, the Utah Division of Oil, Gas, & Mining. As would be expected, underground hydrology is a complex issue and there is not total agreement on all aspects of the situation. Therefore, investigations by all parties are continuing. Still, at this point the following elements have been determined:

- There are two distinct and separate types of aquifers in the area. One is termed a perched and discontinuous aquifer, which results in rainfall and snowmelt flowing into the ground and coming out as springs on the sides of the canyons. This can be readily seen on the east side of Huntington Canyon and along the east side of Electric Lake. The second aquifer type is located deep within the earth, typically thousands of feet below the canyon bottom. The two aquifer types are not in connection with each other except through fault systems, which intersect both of them. These two aquifers are typical throughout the Wasatch Plateau area. Please refer to the enclosed cross-section.

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- The source of the Skyline Mine inflow waters is the Star Point Sandstone formation located below the coal seams about 1,000 to 2,000 feet below the ground surface.
- Mine inflow waters are of ancient origin, about 4,600 years old, and show only trace amounts of modern water.
- Investigations have shown no discernable impacts from the mine flooding to springs in the areas directly above the mine or adjacent to the mine workings.

Our hydrologist assigned to Skyline Mine has investigated the situation with your spring and believes there is virtually no likelihood that mining activities have impacted your spring. This conclusion is based on the following:

- The distance from your spring to the nearest mine flooding inflow location is about 4.25 miles. This is well beyond the expected distance that mine subsidence might influence surface springs. The mine permit area boundary limits the extent of mining and your spring is located at least 3.5 miles outside the permit boundary. Also, monitoring of other springs above the mine and adjacent to the mine have shown no impact from mining activities. Details of this monitoring can be viewed at www.dogm.nr.state.ut.us/. This is our water database, which is used to evaluate mining impacts to the hydrogeologic environment.
- The Star Point Sandstone layer that is the source of mine inflow waters slopes upward to the east from Skyline Mine and comes to the surface on the west side of Mud Creek Canyon. Thus, the formation would not be related to your spring. Please refer to the cross-section drawing and geologic map that illustrate this situation.

If needed, Division personnel can meet with you to discuss our investigations and further explain the conclusions and/or we can visit your spring to better understand your concerns. At anytime, you may re-enter your complaint by providing evidence substantiating the reasons you feel your spring is having problems as a result of mining activities. I can be contacted at (801) 538-5306.

Sincerely,

Mary Ann Wright
Associate Director, Mining

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Enclosures: Hydrogeologic Cross-Section, and Fig 3a, Skyline Mine Mining and Geology Map
cc: Jim Fulton, OSM-WRCC
Jerry D. Olds, State Engineer
Chris Hansen, Skyline Mine
Price Field Office
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