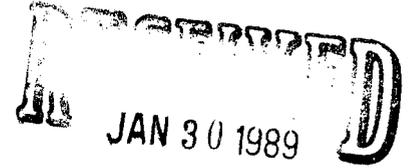




1407 West North Temple  
P.O. Box 899  
Salt Lake City, Utah 84110

January 27, 1989



OIL, GAS & MINING

Mr. John Whitehead  
Permit Supervisor  
Utah Division of Oil, Gas and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Dear Mr. Whitehead:

Enclosed is a copy of the "East Mountain Permit Area Probable Hydrologic Consequences" (PHC) statement. This was compiled by Rodger Fry and Chuck Semborski of the UP&L Mining Division Technical Services staff with consultation from the Division. If this meets with Division approval then it will be appropriately inserted into the Deer Creek permit. This then will meet the requirements of Condition No. 6 of the Deer Creek Mine permit.

This PHC statement was written to be compatible with the text of the Cottonwood/Wilberg permit. If you agree please let me know and it will be incorporated into the Cottonwood/Wilberg Mine permit as part of the permit renewal.

It is my understanding that you will need five (5) copies of this information for each permit. Please verify and call if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "David Smaldone".

David Smaldone  
Director of Permitting,  
Compliance and Services  
Mining Division

DS:bb:6157  
Enclosure

cc: Rodger Fry  
Chuck Semborski