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February 21, 2002

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**DIVISION OF
OIL, GAS AND MINING**

Lowell Braxton, Director
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

*Re: Application by Energy West Mining Corporation (Pacifcorp) for Permit Size Increase
Deer Creek Mine ACT/015/018*

Dear Mr. Braxton

The purpose of this letter is to provide comments and to request an informal conference for the above-referenced permit Application by Huntington-Cleveland Irrigation Company ("Huntington-Cleveland"). First, Huntington-Cleveland would like to acknowledge the actions and efforts of the Applicant in addressing hydrologic concerns in the operation of its existing mines. Actions such as balancing Deer Creek Mine water discharge between the Huntington Creek and Cottonwood Creek drainage to mimic natural pre-mining flows are forward thinking and appreciated by water users.

Also, the Applicant is a large stockholder of Huntington-Cleveland, and the two entities have worked closely together in addressing water quality and quality concerns in the Huntington-Creek drainage. It is expected that these efforts will continue.

Huntington-Cleveland supports extension of mining by Applicant into the Mill Fork, so long as such mining can be accomplished without affecting the hydrologic balance and causing an unaddressed contamination, diminution or interruption of water for which Huntington-Cleveland holds the right. See Utah Code Ann. § 40-10-18(15)(c). Huntington-Cleveland is the holder of the majority of water rights in the Huntington Creek drainage and specifically Little Bear Spring and the springs in Rilda Canyon which are important drinking water sources for shareholder municipalities and district of Huntington-Cleveland.

Huntington-Cleveland has reviewed the hydrologic and geologic data and analysis prepared on behalf of Applicant by Mayo & Associates in support of the Application. The conclusions appear to be that aquifers in the Mill Fork Tract can be characterized as "active" or "inactive." Active aquifers have "modern water" and are in communication with surface recharge sources and springs and seeps which discharge in the Mill Fork Tract area. On the other hand, inactive aquifers have "ancient" water and are

not generally in communication with surface recharge or discharge sources. The inactive aquifers generally underlie the active aquifers.

These conclusions by the Applicant's hydrologist support the ultimate conclusion in the hydrologic information submitted that mining in the Mill Fork Tract, with the exception of mining in the area of the Joe's Valley fault, will not affect groundwater sources of Huntington-Cleveland in the Huntington Drainage or other water right holders.

Huntington-Cleveland would like to have the opportunity to discuss this analysis and findings and explore several corollary areas not discussed in the hydrologic information in support of the Application. These areas would include (1) the route of water from the surface to now be found in the inactive aquifers; (2) consequences to active aquifers of voids created in the inactive aquifers created by mine de-watering; (3) planned discharge of water encountered in mining the Mill Fork Tract; (4) extent of groundwater expected to be encountered in mining the Mill Fork Tract; (5) consequences of dynamic changes to the steady state of the inactive aquifers.

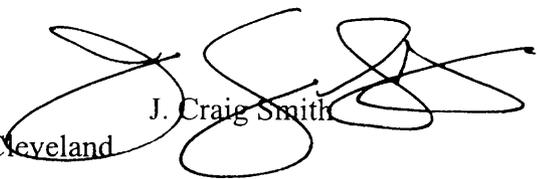
Of course, other areas of discussion may arise. The hydrologic information provided by Applicant is voluminous and highly technical, and Huntington-Cleveland has not had the opportunity to fully review and digest it.

We appreciate the efforts of the Division in fulfilling its role in protecting the hydrologic balance and water users rights in areas of coal mining.

Please feel free to contact me to schedule the informal conference.

Yours truly,

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J. Craig Smith

cc: Board of Directors, Huntington-Cleveland
cc: Kay Jensen, President
cc: Dennis Ward, Vice President
cc: O. Eugene Johansen, Emery Water Conservancy District
cc: Jerry Olds, P.E., State Engineer
cc: Robert Morgan, P.E., Director of Natural Resources