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State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Executive Director
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Division Director

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March 12, 2008

Earl Fillmore
Huntington Cleveland Irrigation Company
71 North Main Street
Huntington, UT 84528

Subject: Inflow to Bear Canyon #4 Mine, Co-Op Mining Company, Bear Canyon Mine, C015/0025

Dear Mr. Fillmore:

On February 14, 2008, the Bear Canyon Mine operator notified Pete Hess, the Division inspector for this mine, of inflow to the #4 Mine. Enclosed is a copy of Mr. Hess' email to the Division and Jeff Studenka of the Division of Water Quality. The mine operator has subsequently added two underground sites to monitor the quality and quantity of the inflow.

After your phone call on March 6, 2008, I asked the mine for an update of the situation. A copy of Mark Reynolds' email response is also enclosed.

Mr. Hess inspected the mine last week. His observations and conversations with the mine operator indicate the inflow continues to diminish, and that the water being discharged to Bear Creek under the UPDES permit apparently meets water-quality requirements and has little visible sediment.

This inflow is a possible agenda item for the upcoming Emery County Water Users Meeting, which is scheduled for May 8, 2008. The Division regrets that HCIC was not notified of this inflow to the Bear Canyon Mine sooner because we previously agreed to notify the water users of major inflows to the mines. The Division will work on developing procedures to follow in the future so that water users receive more timely notification of such inflows.

Sincerely,

A handwritten signature in black ink, appearing to read "J.D. Smith".

James D. Smith
Assistant Permit Supervisor

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Enclosures

cc: Mark Reynolds, Co-op Mining Co
Price Field Office

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From: Pete Hess
To: Daron Haddock; Jeffrey Studenka; Jim Smith; Mary Ann Wright; Pam Gru...
CC: creynolds@etv.net; cwmining@etv.net; mreynolds@etv.net
Date: 02/14/2008 3:26 PM
Subject: #4 Mine CM section flooding @ Bear Canyon / Inflow from Longwall Panel #1

February 14, 2008 @ 2:48 PM

Just got off the phone with Mark Reynolds. They are picking up about 200 GPM from inflow on longwall panel #1. The water is flooding the CM section and the pumps are losing ground because of the 3 inch boreholes connecting the #3 and #4 Mines through the inter-burden.

The Permittee wants to run six inch pipe out the 4 Mine portal entries down the access road into the #3 Mine where they will reconnect the pump system into the line coming up the right fork. They will utilize the same UPDES outfall in Bear Creek.

Since the CM section is flooding, I told them to proceed with the installation of the pump line, to be sure to keep the new pump line on the access road. They will be running the discharge through several sumps underground but I told them to pull samples if the water is turbid.

I will be up there first thing tomorrow.

Jim Smith - Re: #4 Mine CM section flooding @ Bear Canyon / Inflow from Longwall Panel #1

From: Mark Reynolds <mreynolds@etv.net>
To: Jim Smith <jimdsmith@utah.gov>
Date: 03/06/2008 10:12 AM
Subject: Re: #4 Mine CM section flooding @ Bear Canyon / Inflow from Longwall Panel #1
CC: Pete Hess <petehess@utah.gov>

Jim,

The water flow has dropped. In fact it dropped enough that we ended up not needing to put in the surface pipeline running from the #4 Mine to the #3 Mine. I mentioned this to the HCIC board at the last shareholders meeting and told them we anticipated it to stop completely within 6 months. We have started sampling the site so we will need a new site added to your database for 1st quarter.

Jim Smith wrote:

Mark,

Earl Fillmore of HCI called to get information on the inflow to th

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