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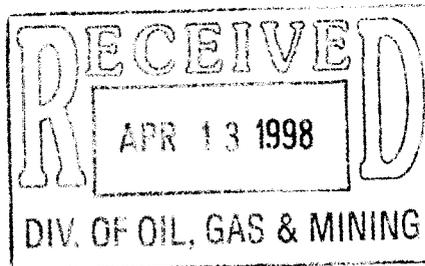
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April 10, 1998



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

Re: **Permit Renewal, Crandall Canyon Mine**
ACT/015/032 #2

Copy May Ann,
Lara, J., Paul

Dear Mr. Braxton:

This firm represents Huntington-Cleveland Irrigation Company ("Huntington-Cleveland"). This letter is in response to Public Notice for Permit Renewal recently published for the above-referenced mine. Please consider this letter as conveying Huntington-Cleveland's comments, objections and request for an informal conference by Huntington-Cleveland to the Division of Oil, Gas & Mining ("DOGM").

A review of the hydrologic data in DOGM's file raises many questions. For example, Mr. David Darby's March 3, 1998 Memorandum states, "The Crandall Canyon Mine started producing water in significant volumes in 1996. . . ." (Memo at 1). The Memorandum does not reach any conclusion as to the source of significant water and recommends further studies.

Mr. Darby's Memorandum is contrasted with the Probable Hydrologic Consequences Determination, ("PHC"), dated January 23, 1995, revised April, 1997, and received by DOGM on July 30, 1997, which states: "Because of the tightness of the joints and the presence of aquacludes, significant mine inflows from the overlaying strata have not occurred and [sic] nor are they anticipated." (PHC, pg. 2) "Currently there is no discharge from the Crandall Canyon Mine." (PHC, pg. 8) These are just two examples of statements throughout the PHC to the effect that the Crandall Canyon Mine is not nor is it expected to encounter significant volumes of water.

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The PHC is obviously outdated and fails to identify the source of these "significant volumes" of water or the probable hydrologic impact of the discharge of "significant volumes" of water out of the Crandall Canyon Mine on the hydrologic balance or on water right holders in the area, including Huntington-Cleveland. As the PHC does not recognize the discharge of water, it cannot account for the hydrologic impact of such discharge.

It should be noted that the discharge is so significant that Huntington City has recently filed an application with the State Engineer to appropriate 1.0 cfs of the discharge from the Crandall Canyon Mine.

Similarly, the Cumulative Hydrologic Impact Assessment ("CHIA") is dated July 1989 and was last updated September 1994 predates the 1996 "significant volume" discharge, and thus fails to provide any information or analysis of the source or impact of such discharge on the hydrologic balance or on water right holders.

Obviously, the outdated and inaccurate PHC and CHIA must be updated and corrected. The Permit should not be renewed without the PHC and CHIA being updated and required to specifically address the impact of the discharge of the significant volume of water on the hydrologic balance and holders of state appropriated water rights in the area.

Yours truly,


J. Craig Smith

cc: Board of Directors
Huntington-Cleveland Irrigation Company