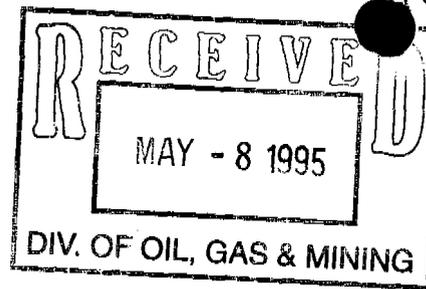


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May 4, 1995



EarthFax

EarthFax
Engineering Inc.
Engineers/Scientists
7324 So. Union Park Ave.
Suite 100
Midvale, Utah 84047
Telephone 801-561-1555
Fax 801-561-1861

Mr. Daron R. Haddock
Utah Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

SUBJECT: Reclamation Plan to Cover Exposed Coal Seams
Hardscrabble No. 4 Mine Canyon
Castle Gate Coal Mine, Carbon County, Utah

cc: Wayne, Paul,
Steve, Daron

Dear Daron:

Under the direction of Mr. Johnny Pappas of Cyprus Plateau Mining, I have reviewed your letter dated March 29, 1995 concerning the reclamation plan to cover the exposed coal seams in the Hardscrabble No. 4 Mine Canyon. The letter requests additional information regarding two issues: the blast design and the cover over exposed coal.

In summary, the following items concerning the blast design were requested:

1. The design must be certified by a certified blaster;
2. The Operator must show the location of drill holes and the extent of the area to be blasted (presumably, the submitted drill-hole layout overlaid on the reclamation topography map that was submitted);
3. A pre-blast survey; and
4. A description of how the public will be protected during the blast operation.

These requests are all reasonable. Mr. Mel Coonrod of EIS prepared the blast design and he is willing to certify it. However, a contractor other than EIS may be selected to perform the blasting and grading. If that occurs, the associated blaster will prepare and certify his own plan, rendering the EIS plan obsolete. Cyprus is committed to submitting to the Division a complete, certified blast design prior to the start of blasting, as required by R645-301-524.220. If EIS is selected, Mr. Coonrod will complete and certify the previously submitted design. If a different contractor is selected, then that contractor will submit a certified design.

Your letter also requested that exposed coal be covered with a minimum of 4 feet of soil. Essentially, the plan submitted on March 3, 1995 is in conformance with this request. To clarify, exposed coal will be dealt with as follows:

1. Coal dislodged from the primary coal seam or nearby rider seams will be used as backfill and covered with a minimum of 4 feet of non-acid and non-toxic forming materials.
2. If additional sections of the primary coal seam are inadvertently exposed as a result of blasting, the in-situ coal will be covered with a minimum of 4 feet of materials.
3. If the exposure of rider seams inadvertently increases as a result of blasting, the in-situ coal will be covered to the extent possible with materials gathered from the blasting and from excavated soils associated with this project.

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4. Blasting will be restricted to the north side of the No. 4 Mine Canyon east of the No. 4 Mine portal.

Material used as fill to cover the coal will primarily be generated by blasting. However, Cyprus is considering several supplemental sources of fill. Specifically, the concrete debris resulting from structure demolition in the main canyon could be used as fill in the existing plunge pool prior to placing blast-generated soils and rock. Secondly, some of the existing riprap in reclamation diversion HCRD-1 could also be used as fill, and would be replaced with more angular rock generated from blasting. The fill from these sources will be covered with suitable growth medium to encourage the establishment of vegetation. Please let me or Mr. Pappas know if you have any objections to these alternatives.

Hopefully, this letter allays your concerns sufficiently to grant Cyprus approval to proceed with implementation of the reclamation plan to cover the exposed coal seams in Hardscrabble No. 4 Mine canyon.

Sincerely,



William S. Hendrickson, P.E.
Civil Engineer

cc: Mr. Johnny Pappas (Cyprus)