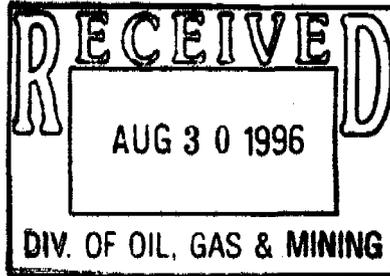


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QUI #2

August 29, 1996

Mr. Paul B. Baker
Reclamation Biologist
Utah Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801



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

Re: Castle Gate Mine (Permit ACT/007/004) - Response to Division Order 96A, Regarding Soil Salvage Operations in the School House Canyon Refuse Pile Area and in the area of Conveyor Segments SC-6 and SC-7.

Dear Mr. Baker:

As directed by Johnny Pappas of Amax Coal Company, this response addresses soil salvage operations in the vicinity of the School House Canyon Refuse Pile and also in the vicinity of proposed Conveyor Segments SC-6 and SC-7. The information provided in this submittal was collected and discussions prepared by Mr. Kent A. Crofts, a consultant to Cyprus Plateau Mining Corporation (CPMC). Mr. Crofts conducted detailed site investigations of the subject areas on July 12-13, 1996 including characterization of the soils found in these areas and collection of soil samples. Due to turn-around times for completion of laboratory soil analyses, sample analysis data are not yet available. Analysis results and an evaluation of soil suitability based on the results will be submitted to UDOGM following receipt.

This submittal responds to the following UDOGM comment as contained in Division Order 96A:

The Division finds the permit deficient in that the existing Mining and Reclamation Plan (MRP) does not address soil salvage in the Schoolhouse Canyon Refuse Pile area and soil salvage and reclamation in the area of conveyors SC-6 and SC-7 and associated transfer buildings being constructed for the Willow Creek Mine (R645-301-230 - Operations Plan; R645-301-240 - Reclamation Plan).

In order to comply with these regulations, the permittee must amend the mining and reclamation plan to address pertinent requirements to remove and store topsoil resources in the identified areas and to replace topsoil during reclamation in the conveyor area.

Pursuant to discussions between Robert Davidson of UDOGM and Ben Grimes of CPMC, it was agreed that additional soils pits would be excavated in the Schoolhouse Canyon Refuse Pile Area to characterize existing soil resources and evaluate the feasibility of soil salvage in the refuse pile area and that soil salvage potential along the proposed conveyor would be investigated. The supplemental soils characterization work was initiated on July 12, 1996 and completed on July 13, 1996. Field work involved excavation and characterization of soil

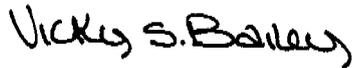
Paul B. Baker
August 29, 1996
Page 2

horizons in 10 soils pits in the refuse pile area and the sampling of 6 of these pits for physical and chemical soils properties. Soils in the vicinity of proposed Conveyors SC-6 and SC-7 and associated transfer towers were also examined. The results of this field sampling effort are summarized in Appendix 8-3, including Willow Creek Mine's "Facilities Area Soil Map" (Map

4). This information should be sufficient to allow UDOGM to proceed to vacate the "Order & Findings of Permit Deficiency" issued on 21 May 1996, relative to the soils.

We appreciate your consideration and timely action on this matter. Please feel free to contact me at (801) 561-1555 or Johnny Pappas with any comments or questions regarding this submittal.

Sincerely,



Vicky S. Bailey

cc: Johnny Pappas, Amax Coal Company