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HANSEN
ASSOCIATES**

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May 7, 1986

RECEIVED
MAY 23 1986

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

DIVISION OF
OIL, GAS & MINING

Dear John:

We appreciated the time that you, Tom Munson and Rick Smith were able to spend with Ben Grimes and myself on March 20, 1986 regarding repermitting requirements associated with the hydrology section of Plateau Mining Company's permit application. As follow-up to this meeting, summarized herein is our understanding of critical issues discussed.

1. We discussed which set of regulations should be used from which the format of the permit is to be prepared, i.e., the existing regulations or the new set of regulations which DOGM is presently in the process of preparing. You indicated that the format should follow the existing set of regulations (Revision date-September, 1982). The new regulations are still in the process of being prepared and have not as yet been adopted by law.
2. We discussed the requirements for erosion control on the existing roadway which is used as access to sediment pond #4 in the new 40 acre parcel of ground to be added to the permit area. Tom Munson indicated that sediment control would be required but felt that minor erosion control such as water bars, small sediment traps, etc. would be adequate.
3. We also discussed what DOGM views as the critical issues related to hydrology. It was indicated that the critical issues related to surface water are the monitoring locations, monitoring frequencies and parameters, sediment control, and a compilation of all information and data collected to date. Critical issues associated with ground water as discussed

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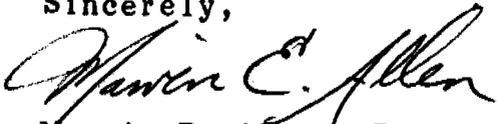
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include an in-mine inventory of sources for ground water inflow into the mine, a discussion of the hydrologic balance during operation and post mining periods, an inventory of all springs during the spring and fall periods of the year and the effects of subsidence on ground water resources.

In addition to the above referenced meeting, I inquired of Rick Smith (by telephone on March 24, 1986) as to the requirement of obtaining chemical samples from all springs during the inventory of springs. Rick indicated that chemical samples would only be required from springs determined as representative springs for in-monitoring consultation with DOGM. All springs other than those designated as representative springs for monitoring purposes would be inventoried for flow rate, location, and geologic occurrence (if evident in the field). Should a spring be encountered in the field which was designated as a representative monitoring spring, but whose flow rate exceeded a designated minimum value determined in consultation with DOGM, then a water quality sample should also be obtained from that spring.

Should you have any additional clarification regarding information summarized herein, please call.

Sincerely,



Marvin E. Allen, P.E.
Executive Vice President

MEA/jd

cc: Ben Grimes