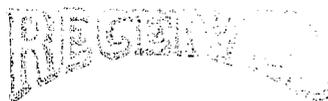




Cyprus Plateau Mining Corporation
P.O. Drawer PMC
Price, Utah 84501
(801) 637-2875

June 6, 1991

Mr. Lowell Braxton
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



JUN 07 1991

DIVISION OF
OIL GAS & MINING

Dear Mr. Braxton,

Re: Price River "Coal"

A couple of weeks ago, I discussed the Price River coal situation with you. As you know CPMC accepted delivery of nearly 100,000 tons of the materials from the UDOGM Abandoned Mine Reclamation project in Price Canyon.

Shortly after the coal was received at CPMC, a test run was made through our preparation plant. The material plugged up the plant to a point where it was impossible process it. The material can not be sold in a raw condition since it contains rock, wood, metal and various extraneous materials.

Since the first attempt to run the material through the plant, we have modified the plant by adding a fine coal circuit, which removes coal fines from the refuse material. We thought the new circuit might make a difference in the Price River coal, so we made another attempt to run it through. We experienced the same results as before.

Since the material is not marketable, and since there seems to be no other alternative, we are planning to spread it out over our refuse pile as waste refuse material. I discussed this with you previously and you indicated that this seemed reasonable. Unless we hear otherwise from you we will waste the material starting the week of June 24, 1991.

Respectfully,

Ben Grimes
Sr. Environmental Engineer

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