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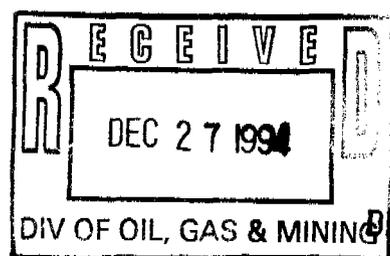
United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Moab District
Price River Resource Area
900 North 700 East
Price, Utah 84501

IN REPLY REFER TO:

CERTIFIED MAIL--Return Receipt Requested
Certification No. 118 951 431



3482
UTU-64263
(UT-066)

DEC 23 1994

Mr. Tom Hurst
Mining Engineer
Cyprus Plateau Mining Corporation
P. O. Drawer PMC
Price, Utah 84501

Re: Underground Exploratory Drilling, Mine Plan Modification, Starpoint No. 2 Mine

Dear Mr. Hurst:

On December 5, 1994, the Bureau of Land Management (BLM) received Cyprus Plateau's (Cyprus) request to modify the approved R2P2 for the Starpoint Mine No. 2. This requested minor modification is for the Wattis Seam on Federal coal lease U-64263. Cyprus's request is to conduct underground exploratory drillholes/coreholes from entries (gateroads and bleeders).

Cyprus is approaching the lease boundary and the suspected Pleasant Valley Fault has not been encountered. The exploratory drilling is necessary to establish the locations of bounding enechelon faults to the west of UTU-64263, so as to appropriately design the mine layout. The drill sites will be on the west extent of the longwall panels as mining advances to the north and located approximately every 500 to 800 feet, generally not exceeding 500 feet in length. Fault fractures trend approximately north 10 to 20 degrees east and die out to the north. Total fault offset is estimated to be 450 feet down to the west.

The fault zone would prevent mining on the west side of the fault. Therefore, actual mine workings would not affect potential mining on the other side of the fault zone. Indeed, the regulations encourage making agreements between adjacent coal lessees to recover all the coal at the boundaries. Allowing underground exploratory drilling to locate the fault would not affect the future minability of the coal on the other side of the fault and would enhance the conservation of the coal resource. There will be no disturbance or damage to the surface lands, resources or improvements and all exploratory drillholes will be sealed with a cement/bentonite mix. This exploratory program is deemed casual use and beneficial to the conservation of the resource.

The BLM has determined that the proposed modification to the R2P2 is in compliance with the Mineral Leasing Act of 1920, as amended, the regulations at 43 CFR 3480, the lease terms and conditions, and will achieve maximum economic recovery of the Federal coal.

Cyprus is authorized to conduct underground exploratory drilling from the gateroads and entries of the 3rd North Mains. All data derived from the drilling will be submitted to the BLM within 60 days of completion of each drillhole.

If you have any questions, please contact George Tetreault at 637-4584.

Sincerely,

/s/ DEAN NYFFELER

Area Manager

Acting

Enclosure
Mine Map

cc: UT-065, DM, Moab (w/encl.)
UT-921, SD, Utah (w/encl.)
Utah Division of Oil Gas and Mining
355 West North Temple Street
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203 (w/encl.)

ENCLOSURE

