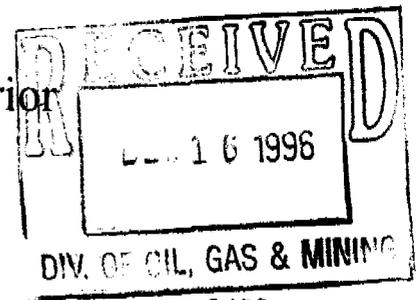




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab District
 Price River/San Rafael Resource Area
 125 South 600 West
 P.O. Box 7004
 Price, Utah 84501



3482
 U-54597
 (UT-066)

DEC 13 1996

Janette Kaiser
 Forest Supervisor
 Manti-LaSal National Forest
 599 Price River Drive
 Price, Utah 84501

Re: Termination of Exploration License Bond, Cyprus Plateau Mining Company (Cyprus), Star Point Mine

Dear Ms. Kaiser:

Cyprus has requested the termination of the liability on their \$140,000 Coal Exploration License Bond (No. 301505G1296) for exploration license U-54597. Does your office have any objections to the termination of the period of liability of the subject bond with Cyprus? The coal exploration license expired July 18, 1987.

We conducted an inspection on October 3, 1996, accompanied by Jack Rogers of Cyprus. Drill holes 85-35-2 and 85-2-4 which lie on McCadden Ridge and hole 85-35-1 in Tie Fork were completed in 1985. Drill hole 86-26-4 on Gentry Ridge was completed in 1986. Drill hole 85-35-2 and 85-2-4 have been successfully reclaimed. Drill hole 85-35-1 was artisan and has been converted to a culinary water well. Drill hole 86-26-4 has been converted to a monitoring well in the approved Mining and Reclamation Plan for the Star Point Mine. This hole should now come under the reclamation bond and be no longer considered as a liability to the exploration license. We recommend that the exploration license bond be terminated.

If you have any question, please contact George Tetreault of my staff at (801) 636-3600.

Sincerely,

/s/ Dick Manus

Area Manager

cc: UT-921, SD, Utah
 Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

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