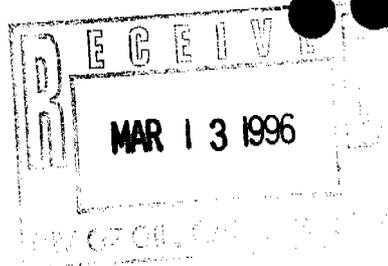


**HANSEN  
ALLEN  
& LUCE INC**



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Phone: (801) 566-5599

ACT/007/006 S.M.e #2

Mr. Steve Johnson  
Utah Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
III Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

March 11, 1996

RE: Summary of a meeting regarding in-mine water monitoring in Castle Valley and Gentry Ridge of the Cyprus Plateau Mining Corp., with David E. Hansen and Delmas W. Johnson, held on March 8, 1996.

Dear Mr. Johnson:

Per our discussion last Friday, this letter summarizes the issues of a proposal that were discussed in our meeting regarding the ground water monitoring of the Cyprus Plateau Mine. The monitoring well status and content of our conversation is itemized below:

- ▶ P-92-03 WD is a monitoring well that will be lost upon retreat from this portion of the mine. This particular well has been used to monitor the water level only.
- ▶ Well P-92-01A WD, which includes P-92-01B WD and P-92-01C WD ( a nested set of piezometers), will likely be lost upon the sealing of the south mains. This Well should be maintained and operated as long as feasibly possible.
- ▶ P-93-01 WD was a monitoring well lost in the Fall of 1995 during mining operations. This monitoring site will not be re-established.
- ▶ P-92-04 WD, P-92-02 WD, and the Graben Goose Gentry Ridge Sump must be maintained as three active monitoring stations. If and when these monitoring points fail, they must be redeveloped as soon as possible under Cyprus Plateau's direction. We discussed and agreed that the sampling data has been fairly uniform historically, and future data points could be extrapolated based on past behavior. With this uniformity in mind, if future collected data exhibit anomalies or atypical trends, you recommended that a new monitoring well might be appropriate, north of the current monitoring stations, to be utilized in characterizing these changes in sampling data.

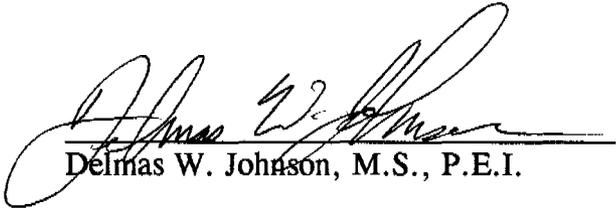
Mr. Steve Johnson  
March 11, 1996  
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- ▶ The Tie Fork Well of the Huntington Water District is at an appropriate location and elevation to be utilized as a down-gradient water monitoring point.

This letter of understanding is to re-iterate and confirm the discussion of our meeting last week. A formal submittal will be forthcoming. Please advise us of any questions or concerns you may have with the conclusions presented herein.

Sincerely,

HANSEN, ALLEN & LUCE, INC.



Delmas W. Johnson, M.S., P.E.I.

cc: David E. Hansen and Johnny Pappas