





**CYPRUS PLATEAU  
MINING CORPORATION**  
A Cyprus Amax Company

Willow Creek Mine  
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Helper, Utah 84526  
(435) 472-0475  
Fax: (435) 472-4780

October 15, 1998

Mr. Lee McElprang, President  
Huntington Cattle Association  
P.O. Box 448  
Huntington, Utah 84528

**Re: Agreement Concerning Star Point Spring**

Dear Mr. McElprang:

Following our conversation concerning the Star Point Spring and the Hoague Stockpond, I am sending a draft settlement agreement and a draft services agreement for your review. Under the settlement agreement, the Association agrees to release all claims against Cyprus, in exchange for Cyprus to perform the work on the Star Point Spring and Hoague Stockpond. The services agreement formalizes the work Cyprus will perform at those two locations.

You will see that we need some information to fill in a few blanks in the two agreements:

1. We are uncertain why the Huntington-Cleveland Irrigation Company joined in the Citizen Complaint. Since they did join, we've included them as parties to the agreements.
2. What kind of entities are the Huntington Cattle Association and the Huntington-Cleveland Irrigation Company? We've made a guess (in the introductory paragraph of each agreement), but we would like you to tell us.
3. We need the number of the Forest Service Grazing Permit, and the complete name of the Grazing Allotment. Also, it would be very helpful to receive the complete Permit. Could you please send it to us?
4. Does the Grazing Permit allow development and use of water from the Star Point Spring and the Hoague Stockpond?

I will prepare an Exhibit "A" for each agreement. Exhibit "A" is a description of the Star Point Spring and the Hoague Stockpond. Unless you disagree, I intend to describe them by name, quarter-section, Township and Range, and label the location of each on a topographic map of suitable scale.

Mr. Lee McElprang  
October 15, 1998  
Page 2

Please review the two agreements, and contact me at your convenience to discuss them. We are anxious to move the process along and to resolve this dispute finally and amicably.

Sincerely,



Johnny Pappas  
Sr. Environmental Engineer

Enclosure

cc: J. Trackemas (w/o enclosure)  
G. Walker (w/o enclosure)  
B. Kirchhoff (w/o enclosure)