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Sanders Exploration, Limited

THE ENERGY CENTER • 1901 PROSPECTOR SQUARE • POST OFFICE BOX 1329 • PARK CITY, UTAH 84060 • (801) 649-8212

August 1, 1983

Division Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84116

Attention: Joe Helfrich

Dear Joe:

This letter is to follow-up our phone conversation of last Friday July 29, 1983, regarding the difficulties in reclaiming certain drill locations in the Scofield-Clear Creek area of Carbon County.

Blazon Mine Area (Toe Investment Co./Blazon Co.)

Drill Holes - Blazon No. 1 and Blazon No. 2 cementing. Early this spring the access road in Barn Canyon was destroyed by a small slide. Jack Otani filled the slide area with the material at hand (i.e. mud). This week we finally made it up the road in a Bronco. It was treacherous and barely possible. Water is still apparently flowing through the road material. Some sort of drainage device may be required (pipe or rock drain). I don't think cement can be hauled to the drill sites until it dries out and can be repaired. The road to B-2 also has been blocked by a large tree and needs to be cleared. Jack Otani at Clear Creek will do the road work when the wet weather and ground conditions allow the repair.

North of Reservoir (Bishopsgate Coal Corporation)

Drill Hole 81-5-1P - Site Reclamation. As you know we have been attempting to get a dozer into this site for some time. As yet it has proved impossible to get heavy equipment into the area. I personally made a reconnaissance of the situation on July 27, 1983 and found that the access problems have not improved much. Jack Otani and one of his equipment operators also made another attempt at getting access to the site for heavy equipment. We both found the road through Dry Valley impassable with small vehicles let alone anything heavier. Doug Trease who owns a wrecker said he pulls at least one vehicle per day from the bog. The only other access to the site is over the Pondtown Creek bridge.

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This bridge is very old and made of logs. Mr. Otani does not think it will support the weight of a dozer. There is no other way across the stream. Mr. Otani also said that the almost daily rains in the area had caused the hillside below the drill site to become too soft to adequately support the operations of the dozer. The equipment would probably cause more damage to the undisturbed area while attempting to recontour the site than is currently in need of reclamation. He has been contracted to do the work as soon as he feels that it can be done safely and will be monitoring conditions a couple of times per week.

We will keep the Division apprized of any changes in conditions and progress made toward the completion of the work. If you have any questions please call Bill Green or me in Park City 322-0629 or 649-8212 anytime. Thank you.

Sincerely yours,

SANDERS EXPLORATION, LIMITED


Scott R. Williams, President

SRW/p