



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

May 8, 1987

CERTIFIED RETURN RECEIPT REQUESTED
P402 459 461

Mr. Alan Smith
North American Equities, Inc.
1401 17th Street, Suite 1510
Denver, Colorado 80202

Alan

Dear Mr. Smith:

Re: North American Equities, Inc., Blazon #1 Mine, ACT/007/021,
Carbon County, Utah

I had hoped to be able to discuss North American Equities' 1987 plan for reclamation at the Blazon #1 Mine with you but, have not been able to reach you at your office. Evidently your schedule has not permitted returning my telephone calls either. As you are aware, your Reclamation Plan for the Blazon site was approved November 12, 1985, and there are several references in this permit (enclosed) to immediate initiation of reclamation upon permit approval. We are both mindful that delays attendant to permit approval in 1985 precluded reclamation that field season, and both North American Equities and the Division of Oil, Gas and Mining had hoped that reclamation could be accomplished in the 1986 field season, but for various reasons this was not done.

I would appreciate discussing your 1987 reclamation plans for Blazon in light of the following:

- a. Your reclamation permit is a modification of the Mining and Reclamation Permit issued by the Division, the modification being that only reclamation is approved.
- b. Although, the term of the approved reclamation permit is five years, commitments made by North American Equities in the plan (as referenced above) were for immediate commencement of reclamation upon approval of the plan. I would interpret "immediate commencement" to be the first field season (with fall reseeding) after plan approval.

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- c. Utah regulations require contemporaneous reclamation (UMC 817.100). This can be interpreted to mean immediate commencement of reclamation operations when a disturbed area is no longer required for mining operations. I believe that a case can be made for large portion of the Blazon site qualifying for mandated contemporaneous reclamation.

In short, I believe a convincing case could be made for North American Equities being out of compliance with conditions of the permit and the contemporaneous reclamation regulation. Rather than belabor that, I would prefer to have complete reclamation at the Blazon site in 1987. I would like to hear your perspective on this and would appreciate discussing North American Equities' time table for reclamation. I would appreciate a response to this letter by June 5, 1987.

Sincerely,



L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

jvb
Enclosure
cc: S. Linner
0218R-27

P 402 459 461

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P.O., State and ZIP Code **Suite 1510, Denver CO 80202**

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