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Orig. [unclear] [unclear]
cc R. Harden
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WILLIAM B. PRINCE

September 2, 1988

HAND DELIVERED

Mr. Lowell P. Braxton
Utah Division of
Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 250
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RECEIVED
SEP 2 1988

DIVISION OF
OIL, GAS & MINING

Attn: Randy Harden

Re: North American Equities' Plan for Final
Reclamation; ACT/007/021

Dear Lowell:

This letter is to confirm the telephone conversation on August 1, 1988, between Randy Harden and Conrad Parrish of ACZ Inc. regarding UDOGM's conditional approval letter of August 29, 1988. The purpose of the telephone conversation was to clarify the scope of the requirements and stipulations to UDOGM's approval of the Blazon Mine reclamation plan. This letter documents NAE's understanding of UDOGM's requirements and stipulations. This letter will serve as formal acceptance of the stipulations subject to UDOGM's concurrence with the contents of this letter.

Stipulation UMC 783.25-(1)

NAE will provide certified drawings.

Stipulation UMC 817.24-(1)

NAE will spread existing topsoil over the portal pad area. The optimum distribution of this material will be worked out with UDOGM personnel in the field. No additional material will be imported to the site and only existing site material will be placed on the portal bench.

Stipulation UMC 817.45-(1)

NAE will install straw bales above the access road culverts and swale. Location of these features will be shown on the as-built maps following construction. NAE will maintain these features plus other required sediment straw bale dikes during the bond release. NAE notes, however, that the straw bale dikes and sediment fences are high maintenance items and that NAE does not and will not maintain field personnel on site.

Stipulation UMC 817.46-(1-2)

Sediment markers will be installed in the ponds.

The ponds will be certified as-built following construction.

Stipulation UMC 817.53-(1)

NAE will submit to Mr. Otani prior to September 25, 1988, all documentation necessary for the transfer of the well. NAE will not assume responsibility for any delays to or changes in the manner of the transfer caused by Mr. Otani.

Stipulation UMC 817.101-(1-2)

NAE will submit justification for reclamation earthwork on the site. It is our understanding that a rigorous geotechnical analysis is not required to complete this stipulation. Rather a "common sense," logical and workable field solution will be developed and implemented to satisfy this stipulation. NAE will provide this information with 60 days of the completion of site reclamation.

NAE will not conduct backfilling and grading operations under adverse weather conditions.

Stipulation UMC 817.11-(1)

NAE will submit a riparian vegetation monitoring plan.

Stipulation UMC 817.101-1(1)

NAE understands that this stipulation merely references field work to ensure that foundation areas and swale areas are surfaced with road base material. NAE will accept this stipulation and will ensure that any pad areas in

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need of repair will be properly addressed. Our feeling at this time is that this will constitute one (1) to two (2) truck loads of additional road base material at most.

If you have any questions, please do not hesitate to contact me or Conrad Parrish immediately. NAE is anxious to begin reclamation work this construction season and shares UDOGM's concern to timely reclaim this site.

Very truly yours,



William B. Prince

jcw

cc: Conrad Parris (ACZ)
Alan W. Smith (NAE)
Jill Stahl (NAE)