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June 28, 1988

WILLIAM B. PRINCE

Lowell P. Braxton  
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**RECEIVED**  
JUN 29 1988

DIVISION OF  
OIL, GAS & MINING

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

Dear Lowell:

I appreciate the time you, Dick Smith and Randy Harden took on Tuesday, June 21, to meet with me to discuss reclamation of the North American Equities ("NAE") Blazon No. 1 Mine. The meeting was very helpful in giving me an overview of the history of the project and the direction in which the Division would like to see the reclamation work proceed.

Although by mutual consent we agreed to keep the meeting informal, Randy, Dick and I did feel that it would be helpful to summarize in writing the Division's comments, concerns and positions with respect to NAE's approved Reclamation Plan (the "Plan"). Summarized below from my handwritten notes are the key points that we discussed. It is not the intention of NAE by describing these matters in this letter to concur with or accept the Division's position on any particular issue, nor does NAE intend to waive any administrative right or other remedy which it may have with respect to its reclamation obligations under the Plan for the Blazon Mine. In like manner, I understand that it is the Division's position that the enumerated matters in this letter are not intended to constitute a formal review of the Plan. The list does, however, represent the Division's current comments on the status of the reclamation of the Blazon Mine and those specific aspects of the Plan that the Division believes require special attention.

With these thoughts in mind, the following constitute the matters raised by the Division at our meeting. The numbered paragraphs are for ease of reference only and are not intended to assign priority of importance to any single matter.

1. Mud Creek Channel.

a. The proposed design for rechanneling Mud Creek pursuant to the Plan exceeds regulatory requirements and the proposed reclamation actions will involve expenses in excess of what is required. The Division expressed some concern that the proposed "widening" of the channel would in fact be detrimental to the environment of the area. The Division proposed that the rechanneling be redesigned.

b. The performance standards require a "filter blanket" between the riprap and the channel sides, although this requirement is not specifically set forth in the Plan.

2. Sediment Control Structures.

a. The Division has noted that the current sediment ponds are out of compliance with the performance standards and do not meet design standards under the Plan. The Division suggests that the ponds either be reconstructed in accordance with the Plan or be "field designed" consistent with the performance standards and constructed with Division approval.

b. Specifically, the Division noted the following immediate deficiencies with the ponds:

(i) The proposed emergency spillway for the lower pond will not fit in the area as specified by the Plan. The Plan proposal for the spillway may be both more expensive and larger than required.

(ii) The primary spillway has been damaged and needs to be reconstructed.

(iii) The emergency spillways are located below instead of above the primary spillway.

(iv) Construction specifications for the Mud Creek Channel pursuant to the Plan will affect the location and/or configuration of the ponds. Redesign of the channel will require alterations to the pond design.

(v) Pursuant to the Plan, the ponds are designed to remain in place requiring a design to meet more strict and lengthy performance standards. The Division has suggested that the Plan may be revised for removal of the ponds which would result in a different operational design.

3. Little Snyder Drainage. The Division letter of June 9, 1988, requires NAE to submit to the Division for approval complete and adequate plans for the Little Snyder Drainage area by June 28, 1988. Earth Fax Engineering Inc. has been retained by NAE to complete the plans. Rich White of Earth Fax has been in contact with the Division.

4. Transformer Road.

a. The Plan is in error as written because the road grade is shown as approximately 8% while field surveys show the grade to be approximately 15%. The Division requires the road to be modified to meet the Plan or requires reclamation of the road.

b. In addition, the drainage on the road must be redesigned, or alternatively the road must be reclaimed. Reclamation of the road may constitute an amendment of the Plan because it involves an additional disturbed area. An amendment of the Plan will require a new approval process.

5. Access Road.

a. A cross culvert under the road is shown on the Plan but does not exist on the site. The Plan should be revised to reflect the absence of the culvert.

b. The Plan violates the performance standards because it allows water to escape from the site along the access road. The Division requires the collection and diversion of water from the road.

c. There are erosion problems where the water runs into the existing culverts under the road. The Plan does not provide for inlet structures on the culverts but the Division claims that the inlets are covered by the performance standards.

d. The slope of the access road is inaccurately described in the Plan. The Plan must be revised or the road drainage ditch (culvert "A" to the gate) must be changed.

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6. Water Well. The Plan calls for a transfer of the well and water rights to Mr. Otani. The water rights have been transferred but not the well rights. If the well is not to be used it must be plugged in accordance with state law.

7. Riparian Vegetation. The Plan requires installation of riparian vegetation within a defined distance of Mud Creek. The revegetation may be modified if the proposed rechanneling of Mud Creek is revised.

8. Reclamation Timetable. The activities for mulching, crimping and seeding are out of order.

9. Reclamation Monitoring Term. The Plan calls for a ten-year monitoring plan for a proposed five-year liability period. The Plan should be revised if the lesser term is desired.

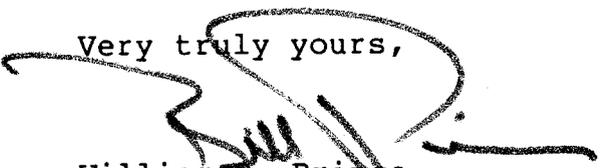
10. Topsoil Distribution. Sufficient topsoil is not available to complete the Plan as proposed and substitute topsoil may be required.

11. Mud Creek Cutbank. Mud Creek is cutting away at the bank near the location of the topsoil deposit. The bank should be stabilized.

12. Copies of Plan. The regulations require eight copies of the Plan to be submitted to the Division. The Division has only one copy. One copy should be retained at the site.

Please take the time to review the enumerated items and let me know if it is complete and accurate. I would appreciate a written supplement to this letter if you feel the list should be expanded or modified.

Very truly yours,



William B. Prince

jcw

cc: Alan W. Smith (NAE)  
Claire M. O'Neal (NAE)  
Rick White (Earth Fax)  
Alan W. Czarnowsky (ACZ)