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Mine file CB  
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William B. Prince

May 22, 1989

HAND DELIVERED

Lowell P. Braxton  
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Mineral Resource Development  
and Reclamation Program  
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**RECEIVED**  
MAY 22 1989

**DIVISION OF  
OIL, GAS & MINING**

Re: Reclamation of Blazon #1 Mine

Dear Lowell:

This letter confirms our recent telephone conversations and meeting in your office wherein we discussed the status of the reclamation of North American Equities, Ltd.'s ("NAE") Blazon No. 1 Mine (the "Mine").

In summary, we discussed a meeting held on April 24, 1989, at the Division's offices with Susan Lanier, Randy Hardin, Harold Sandbeck, Rick Summers and Joel Helfrich. That meeting concerned the remaining on-site activities required by the Division to satisfy NAE's obligations under the reclamation plan and to allow NAE to obtain partial release of its reclamation bond. Our discussions also included the Notice of Violation No. N89-27-6-1 dated April 24, 1989, relating to a minor earth slide at the area.

Since those discussions and meetings, NAE submitted on May 10, 1989, its responses to the Division's comments regarding NAE's "As-Built Report" and the Division conducted an on-site review of the Mine on May 12, 1989. NAE has also submitted through its engineers, Earthfax Engineering Inc., additional "As-Built" cross sections, reclamation drawings,

Lowell P. Braxton  
May 22, 1989  
Page 2

stability data and slope stability mitigation plans. Finally, Earthfax has undertaken the planting and revegetation requirements under the reclamation plan.

NAE has completed substantially all of the on-site reclamation activities precedent to seeking partial release of its reclamation bond. The remaining on-site activities include placing a level marker in the sediment pond, completing the slope soil erosion mitigation activities, capping the water well and addressing minor on-site matters raised during the site inspection. NAE has instructed Earthfax to address these issues as soon as weather conditions permit complete access to the site.

Earthfax has indicated that the Division is currently preparing and will provide to NAE final comments reviewing the revised "As-Built Report." The comments will also address issues raised during the on-site inspection. I encourage the Division to provide NAE with those comments as soon as possible for two reasons. First, NAE has mobilized Earthfax and its subcontractors to complete all remaining reclamation work during the month of May. The cost involved to NAE in mobilizing personnel on-site is very substantial and NAE is unable financially to reactivate the necessary personnel a second time later in the summer. Secondly, NAE has expressed its desire to obtain partial release of its reclamation bond as soon as possible. Sue Lanier has indicated that she thought it was possible to publish notice for reclamation bond release early this summer. NAE desires to maintain a sufficiently strict schedule to allow it to meet the reclamation bond release requirements no later than July, 1989. NAE has instructed Earthfax to use its best efforts to expedite the remaining reclamation activities. I would encourage the Division to make similar efforts to allow NAE to obtain a partial release of its reclamation bond.

Very truly yours,



William B. Prince

jcw/enc.

cc: Alan Smith (NAE)  
Rich White (Earthfax)