



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 8, 1989

Mr. William B. Prince
Holme Roberts & Owen
Suite 900
50 South Main Street
Salt Lake City, Utah 84144

Dear Mr. Prince:

Re: Review of Stipulation Response and As-Built Report, North American Equities, Blazon #1 Mine, ACT/007/021, Folder #2, Carbon County, Utah

The Division has reviewed the Reclamation As-Built Report and stipulation response, received January 18, 1989, for the Blazon #1 mine. The submittal was found adequate to address stipulations UMC 783.25-(1)-MMD/RPS, UMC 817.24-(1)-JSL, UMC 817.45-(1)-MMD/RPS, UMC 817.46-(2)-MMD/RPS, UMC 817.101-(2)-JRH, UMC 817.116-(1)-LK, and UMC 817.181-(1)-JRH of the Division's August 29, 1988 conditional approval.

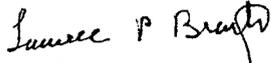
The response to the remainder of the stipulations was found to be deficient, as documented in the attached review. Also documented are deficiencies which were found in the As-Built Report.

As discussed with your previously, these stipulations and deficiencies need to be adequately addressed before any bond release can be granted. An adequate response by April 10, 1989 should enable the Division to complete its review while the site is still inaccessible.

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Mr. William B. Prince
Blazon #1 Mine
ACT/007/021
March 8, 1989

Please contact me or Susan Linner if we can provide more information.

Sincerely,


Lowell P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

Attachment
cl
cc: A. Smith, NAE
B Team
BT45/186-187

North American Equities
Blazon #1 Mine
ACT/007/021

March 7, 1989

STIPULATION REVIEW

Stipulation UMC 817.46 - (1) - MMD/RPS

Stipulation UMC 817.46 - 1 - MMD/RPS of the Division's August 29, 1988 Conditional Approval document requires the installation of sediment level markers in the sedimentation pond. The operator has responded by including a commitment to installing two sediment level markers in the in the summer of 1989 but no markers have been installed to date. Therefore, the stipulation is considered to be outstanding until the markers are in place. The operator proposes to show the 60% cleanout elevation on one marker and the maximum sediment level on the other marker. The 60 % cleanout level and the maximum sediment level must be clearly depicted on each marker. Markers must be placed near the pond inlet and the pond center such that the average sediment level can easily be determined. The operator has committed to conducting a chemical analysis of pond sediment prior to removal and disposal. Sediment must not be removed or transported off site prior to receiving Division approval of the disposal area.

Stipulation UMC 817.53 - (1) - MMD/RPS

The above referenced stipulation essentially requires North American Equities to transfer the water well located at the Blazon #1 minesite as per UMC 817.53 or permanently close the well as required by the Division of Water Rights, Administrative Rules for Water Well Drillers, Adopted July 1, 1985. The response received consists of correspondence from Holme, Roberts and Owen, Attorneys At Law dated January 17, 1989. In that correspondence it is stated that the terms of the water well transfer are currently a portion of a lawsuit in the Seventh Judicial District Court. The letter states that the well transfer/closure issue cannot be addressed until that litigation is resolved.

However, the Division of Water Rights, Administrative Rules for Water Well Drillers, Adopted July 1, 1985, rule 12.1, requires that "when any well is temporarily removed from service, the top of the well shall be sealed with a water-tight cap or seal." A conversation between myself and Jerry Bronicel, Water Well Compliance Specialist, Division of Water Rights on January 18, 1989

revealed that the DWR would consider this well to be temporarily abandoned and that the well must comply with rule 12.1. He also stated that the well would be considered to be permanently abandoned after a period of five years of non-use. This would coincide with the loss of that water right. It was agreed that North American Equities will be in compliance with Oil, Gas and Mining and Water Rights rules until the litigation issue is settled if the well is treated as a temporary abandonment and the well casing is sealed according to rule 12.1.

Therefore, Stipulation UMC 817.53 - (1) - MMD/RPS is revised as follows:

Stipulation UMC 817.53 - (1) - RPS (revised)

1. The operator must install a water-tight cap or seal on the top of the well in accordance with the Division of Water Rights, Administrative Rules for Water Well Drillers, Adopted July 1, 1985, prior to May 15, 1989. The applicant must submit the information required by UMC 817.53 completely and accurately relative to transfer of the well, or permanently abandon the well in accordance with the above said rules within 30 days of final judgment relative to the litigation cited in the letter to the Division from Holme, Roberts and Owen dated January 17, 1989.

Stipulation UMC 817.101 - (1) - JRH

NAE has submitted certified drawings and stability analysis regarding the earthwork accomplished at the mine site. In accordance with the requirements of this stipulation, soil analysis and stability calculations have been presented in the report. Certified maps and cross sections have been submitted within the plan.

DETERMINATION OF ADEQUACY:

Stability design and assumptions in the design and construction of the embankments for Little Snyder Drainage have yet to be provided. This work was submitted in draft form by LGS Associates in November, 1987. Modifications to the design and slope of Little Snyder Drainage with respect to the as-built construction should be taken into consideration when submitting this information. Stability analysis must be provided to the Divison to confirm the factors of safety as outlined in the stipulation.

Stability design for the sediment pond and the portal pad slope are included in the as-built plan. This analysis indicated that a factor of safety of 1.3 has been determined for the portal pad slope. Factors of safety in excess of 2.0 were realized from the analysis of the sediment pond embankment.

The access road to the portal bench area was not backfilled sufficiently to consider the earthwork in this area as approaching approximate original countour. Additionally, as-built drawings do not depict contours in the area questioned above. Insufficient

material was available on site to backfill the cut left by the road. A determination was made in the field by NAE that no material would be imported to complete the backfilling and grading of the road to meet AOC requirements. The Division has not approved final configuration of this area. The operator shall provide justification for leaving the access road in its current condition and address suitability for post mining land use in that area. Upon site inspection of the area, the Division shall make a determination as to whether or not the portal access road reclamation meets the requirements of the regulations.

AS-BUILT PLAN DEFICIENCIES

UMC 783.25 Cross Section, Maps, and Plans - JSL

Cross Section(s) of the transformer road reclamation area must be included in the Final Reclamation As-Built. The cross section(s) must accurately delineate the existing reclaimed area, including the tank removal area and the transformer road site.

UMC 800 Bonding - JRH

In order to complete the permitting requirements for bond release, NAE shall be required to:

1. Address outstanding stipulations and deficiencies found in this review of the plan and for the permit as required.
2. Submit all modifications or amendments to the reclamation plan required as a result of field construction in conjunction with the as-built drawings, including but not limited to; changes in the revegetation plan, monitoring, abandonment of well, culvert installations, hydraulic and hydrologic design changes, and, stability analysis and design.

UMC 817.24 Topsoil Redistribution - JSL

The Final Reclamation As-Built submittal did not adequately define those areas that did receive topsoil compared to those areas that have substitute topsoil. Nor was there discussion in the submittal to justify the as-builts for the placement and depth of cover material. The Final Reclamation As-Built must include discussion pertaining to this justification and clearly delineate those sites that received topsoil compared to those areas that did not.

UMC 817.25 Topsoil: Nutrients and Soil Amendments - JSL

The Final Reclamation As-Built did not include a nutrient and soil amendment plan. This plan must include:

- A) Sampling program & soil analysis to determine fertilizer requirements.
- B) Fertilizer application methodology.
- C) Fertilizer application timing.
- D) Type, analysis, and rate of fertilizer proposed for use.

On October 18, 1988, Carl Houskeeper, Rich White and myself agreed that fertilizer would be broadcast during spring of 1989. This commitment must be included within the Nutrient and Soil Amendment Plan.

UMC 817.43 Hydrologic Balance: Diversions and Conveyance of Overland Flow, Shallow Ground Water Flow, and Ephemeral Streams - MMD

1. The as-built information relative to the access road ditch and ditch B is not adequate. The submitted cross sections demonstrate that the diversions have been constructed larger than the proposed design and are therefore more than adequate for capacity. However the submittal does not state that the design slope was constructed at the site. The operator may elect to submit as-constructed slope information as diversion profiles showing minimum and maximum slopes or, submit maximum permissible velocity calculations which determine a corresponding maximum slope value and state that the diversions were constructed at slopes less than or equal to that value.
2. Details of the concrete box drop inlet to the culvert on Little Snyder could not be located in any of the operator's submittals. An as-built drawing must be submitted showing design details of the inlet structure including at a minimum the headwall height, width and length, and details of the weir inlet. The culvert structure design can not be approved without this information.

UMC 817.44 Hydrologic Balance: Stream Channel Diversions - MMD

Existing riprap at the outlets of culverts B and C is inadequate (as per certifying engineers report) to provide sufficient channel protection as required by regulations.

UMC 817.113 - LK:

The operator will complete the planting of tree and shrub seedlings prior to May 15, 1989.