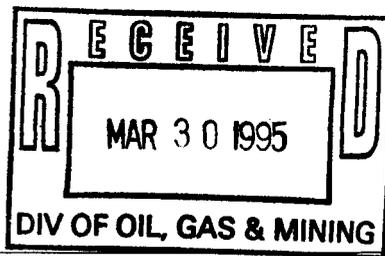


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**CYPRUS
Plateau Mining**



Cyprus Plateau Mining Corporation
P.O. Drawer PMC
Price, Utah 84501
(801) 637-2875

March 28, 1995

Mr. James Carter, Director
Utah Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

PRO/00/038 #2

Dear Mr. Carter,

RE: WILLOW CREEK PERMIT SCHEDULE MEETING MARCH 24, 1995

Thank you for meeting with us to discuss the schedule for review of the Willow Creek Mine Mining and Reclamation Permit application. We felt the meeting went very well and the schedule developed and the approach you suggested for review is appropriate. This letter is a follow-up with our understanding of the meeting results.

The attached revised bar chart schedule presents the schedule as agreed upon by you, Darron and Lowell. The schedule starts on April 20, 1995, the day the permit application is delivered to the Division. The schedule agreed upon is the best estimate based on a complete application submittal, any deficiencies will be addressed as soon as possible and the schedule adjusted accordingly. We will address each line item and the highlights of the meeting as follows:

1. ***Apparent Completeness Review (ACR).***
The ACR is a review of the application to determine if pertinent sections of the regulations have been addressed, and if the application warrants distribution to the appropriate agencies with sign-off authority for their particular areas of jurisdiction. The ACR is more than a mere check for major parts of the application and forms the basis for technical analysis. You committed to having the ACR completed by May 22, 1995.
2. ***Public Notice***
At the date of ACR determination, the public notice can go into the local newspaper for the mandated 4 consecutive week publication period. The notice may go into the Sun Advocate on May 25, 1995.
3. ***Public Comment Period***
The public comment period starts at the end of the public notice period

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- which ends on June 15, 1995 and would run through July 15, 1995.
4. *Environmental Resource Review - Baseline information*
The environmental resource review of baseline information actually starts the day the Apparent Completeness Review begins. Since the various disciplines start reviewing information for the ACR, their review of the baseline information begins at that time. You committed to having this review completed by July 1, 1995.
 5. *Operation and Reclamation Plan Review*
Some of the engineering sections of the application do not depend on environmental resource review, ie., mine plan, subsidence, subsidence monitoring plan, facilities review, and etc. Review of these sections can start at the date of submittal, those that depend on review of environmental resource information will naturally follow step 4 above.
 6. *Issue Technical Adequacy Review (TA)*
Considerable discussion was held on this step in addition to our overall philosophy that has been discussed from inception of the Willow Creek Project with the Division. We agreed that to help the Division conduct a thorough review and to keep the process as simple as possible, we would meet regularly during the review process, both environmental resource review and operation and reclamation plan review to discuss Division concerns or deficiencies in the application. This process will improve communications and will allow us to modify the application on an ongoing schedule to expedite the process. It also will greatly help the Division personnel with their reviews by providing information and corrections to the document in a timely fashion. Less time overall will be required for the review and approval because the "stop and start" problem will be eliminated. Stopping and restarting permit reviews is a counterproductive practice.

Regularly scheduled meetings were suggested since it gives both the Division and CPMC deadlines for providing changes or additional information and for reviews. We realize that schedules are hard to coordinate and that we will need to be flexible. These meetings will be held with individual technical staff personnel from your office to minimize tying up personnel. Occasionally meetings with two or more staff members may be necessary to coordinate issues.

The final TA, we hope, will contain few items to be addressed and changed in the application. By following the regular meeting schedule and submitting changes in a timely manner, the TA document should be nothing more than

the Division's findings. Based on our meeting, the schedule for issuance of the TA document is September 15, 1995.

7. *CPMC prepare & submit responses to TA document*

As discussed above in item 6, we hope our responses to the TA will be minimal. If there are issues in the final TA document, we will respond as soon as possible. The schedule established at our meeting is to have all TA responses completed by October 31, 1995.

8. *Review TA responses*

Division review of CPMC TA responses was scheduled to be complete by December 15, 1995. As discussed above, there should be few TA responses and should not take long to finalize.

9. *Administrative review and hearing if needed*

This review will not be necessary as far as we are concerned since we plan to have all issues resolved during the review process.

10. *OSM review and approval*

Two months was discussed as appropriate for OSM review, although the Division cannot commit for the OSM. We discussed inviting Rick Holbrook and other appropriate personnel out to see the site at the TA issuance time to familiarize them with the site.

11. *Need to start construction*

We need to start construction of surface facilities as soon as possible but no later than April, 1996.

Highlights of discussions on the agenda from our meeting other than the schedule above are as follows:

Number of MRP sets needed

Eleven sets are needed. I asked if agencies like the SHPO and the DWQ need full sets since they only review limited sections of the application. The document will consist of approximately twelve (12) three ring binders which are very expensive to print and assemble. Darron agreed to discuss the issue and tell us how to handle the situation.

Reviving old issues

We expressed concern that old approval items will be brought up and delay final approval such as in the Castle Gate preparation plant area, and in Crandall Canyon. These areas are a part of the approved Castle Gate permit and will be included in the Willow Creek permit area. The Division has within the past year or two required significant revisions to the Castle Gate permit in these areas. We will incorporate these areas into the Willow Creek permit application as

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appropriate. To prevent delays to the review of the Willow Creek permit application we would ask that these areas be approved as is, if there are issues that need to be addressed they can be handled as permit modifications after approval.

Project schedule

John Borla asked that a meeting be set up to present the schedule to Senior Cyprus Management and Ted Stewart so they could see the progress being made on the project. The timing of this meeting was discussed as the week of April 17, 1995.

Castle Gate permit change to remove coal waste at the Willow Creek face-up

The need for a timely review of this change was discussed. We expressed our opinion that the submittal is not a significant revision since it includes less than the 15% land increase to the Castle Gate permit and since the Willow Creek CHIA area was included in the approved Price River Coal permit approval.

We asked that the Division make a determination of revision status before or by March 28, 1995, and that if public notice is required that it be started by March 30, 1995.

Final approval is needed by June 15, 1995 to allow removal of the waste material during the summer months to prevent winter construction problems.

Team Members

The Division review team will consist of:

Darron Haddock Permit Supervisor
Paul Baker Biology, Vegetation,
Land Use and Ownership & Control
Steve Johnson Hydrology
Henry Sauer Soils
Jim Smith Geology & CHIA
Wayne Western Engineering

Cyprus Plateau Mining team will consist of:

Ben Grimes Manager
Subsidence & all sections

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Jerry Nettleton
TerraMatrix Baseline, Operation Plan &
Hydrology

Steven Viert
Cedar Creek Associates, Inc. Wildlife
Rollin Daggett
Hydrobios Consultants Aquatic Biology
Kent Crofts
IME Soils & Vegetation
Mike Polk
Sagebrush Archeology Cultural/Historical
John Mercier Geology
John Borla Mine Plan & Engineering

When the application has been submitted, we will contact Darron and schedule regular meetings as discussed above.

Please let me know if you have comments on this letter.

Respectfully,

Ben Grimes
Project Manager

Enclosure

CC: Lowell Braxton
Darron haddock
John Borla

File: WCENV 2.5.2.7
Chron: BG950315