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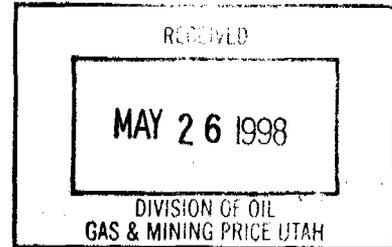


**CYPRUS PLATEAU
MINING CORPORATION**
A Cyprus Amax Company

Willow Creek Mine
847 Northwest Highway 191
Helper, Utah 84526
(435) 472-0475
Fax: (435) 472-4780

May 21, 1998

Pete Hess
Utah Division of Oil, Gas and Mining
451 East 400 North
CEU Box 169
Price, Utah 84501



RE: Notice of Intent to Conduct Minor Coal Exploration, Exploration Permit Application, ACT/007/038, Cyprus Plateau Mining Corporation, Willow Creek Mine, Carbon County, Utah #2

98C

Dear Mr. Hess:

Cyprus Plateau Mining Corporation (CPMC) intends on drilling water monitoring wells B-13, B-14, and B-15 during mid to late June upon Division approval. The intent of these groundwater wells is to provide information necessary to determine groundwater occurrence, quality, and evaluate the source of groundwater recharge into the K-seam workings.

Access to these drill sites will mainly be along Highway 191 with a short section off of the existing highway to the proposed drill sites as shown on Figure 1. Therefore, surface disturbance will be greatly minimized. Encroachment upon Highway 191 right of way is being requested via a right of way encroachment permit from UDOT. Growth media encountered will be salvage and protected for redistributing during reclamation of the access road and drill sites.

Additionally, a request for monitoring well construction was applied for through the State Engineers' office located in Price. No well or road construction will commence until authorization is received from the State Engineers, UDOT, and DOGM.

The enclosed Notice of Intent to Conduct Minor Coal Exploration should address all regulatory requirements pursuant to its intended purpose, but should the Division need additional information or have any questions, please do not hesitate to contact me at (435) 472-4741.

Sincerely,

A handwritten signature in black ink, appearing to read 'Johnny Pappas'.

Johnny Pappas
Sr. Environmental Engineer

Enclosures

File: WCENV 2.5.2.9
Chrono: JP980510.LTR

APPLICATION FOR PERMIT PROCESSING

| | | | | | | |
|--|-------------------------------------|----------------------------------|-----------------------------------|---|---------------------------------------|--|
| <input type="checkbox"/> Permit Change | <input type="checkbox"/> New Permit | <input type="checkbox"/> Renewal | <input type="checkbox"/> Transfer | <input checked="" type="checkbox"/> Exploration | <input type="checkbox"/> Bond Release | Permit Number: ACT/007/038 |
| Title of Proposal: Exploration Permit Application ACT/007/038 to allow | | | | | | Mine: Willow Creek Mine |
| drilling of surface water monitoring wells B-13, B-14, and B-15 | | | | | | Permittee: Cyprus Plateau Mining Corp. |

Description, include reason for application and timing required to implement:
 To provide information necessary to evaluate groundwater occurrence, quality, and recharge into K-seam workings

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

| | | |
|---|--|---|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____ |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?) |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein. (R645-301-123)

John Pappas - Johnny Pappas - Sr. Env. Eng. 5/26/98
 Signed - Name - Position - Date

Subscribed and sworn to before me this 26 day of May, 1998.
Jackie D. Bogdin
 Notary Public

My Commission Expires: 3-15 2001
 Attest: STATE OF UT COUNTY OF CARBON



Notary Public
JACKIE D. BOGDIN
 106 Welper Drive
 Helper, Utah 84526
 My Commission Expires
 March 15, 2001
 State of Utah

RECEIVED

Received by Oil, Gas & Mining

MAY 26 1998

DIVISION OF OIL
& MINING PRICE UTAH

ASSIGNED TRACKING NUMBER

