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FILE ACT/015/002, #2
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STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 28, 1984

Mr. Don W. Nelson
Western States
Mineral Corporation
S. J. Groves and Sons
614 Charleston National Plaza
Charleston, West Virginia 25301

Dear Mr. Nelson:

RE: Continuation of Mining and Reclamation Plan Review, Western States Minerals Corporation, J.B. King Mine, ACT/015/002, #2, Emery County, Utah

On November 16, 1984, the Division denied a request for an extension of the date to initiate the Technical Analysis of the J.B. King Permanent Program Permit Application. Based on additional information and discussions with Dallas Wolford and Shirl McArthur, I reconsidered that decision and granted an extention. The deadline for initiation of the Technical Analysis will be January 7, 1985.

The permit application is in order and adequate for Division staff to initiate the technical review. The Division must complete or terminate the permanent program permit review, and this must be done in an expeditious manner. Therefore, the Division must have a decision from your company regarding the permitting of this mine.

By close of business of Monday, January 7, 1985, we required that Western States Minerals commit to one of the following actions:

1. Terminate permanent program permitting procedures for the J.B. King Mine and proceed with reclamation.

   This option requires that Western States Minerals immediately post the updated reclamation surety bond.

This bond has been reviewed by the Division and revised to reflect 1985 costs. This new bond amount is $292,577, which is an additional $142,577 above the interim bond amount currently posted with the state.

The Division will review the reclamation plan as presented in the MRP. When the Division approves the reclamation plan, permanent reclamation will be initiated by Western States Minerals.

2. Request that the J.B. King Mine be permitted as a new mine.

This option also requires that Western States Minerals immediately post the updated reclamation surety bond. This bond has been reviewed by the Division and revised to reflect 1985 costs. This new bond amount is $292,577, which is an additional $142,577 above the interim bond amount currently posted with the state.

The Division will revoke administrative delay and put the J.B. King Permanent Program Permit review at the end of the new mine permit list. Review of the application will commence with the TA (Technical Analysis) when DOGM reaches the J.B. Kings priority level on the list. This could be anywhere from eight to twelve months from now.

Under this procedure, no operation could be conducted on the mine until the Permanent Program Permit was approved. Upon approval of the Permanent Program Permit Application, the bond would again be revised to reflect a five-year permit term.

3. Proceed with permanent program permitting of the J.B. King Mine, with Western States Minerals as the operator.

This option also requires that Western States immediately post the updated reclamation surety bond. This bond has been reviewed by the Division and revised to reflect 1985 costs. This new bond amount is $292,577, which is an additional $142,577 above the interim bond amount currently posted with the state.

The Division would conduct the Technical Analysis of the application. Western States Minerals would be expected to meet deadlines for submission of any additional information required for approval of the application. If a deadline was not met, administrative delay would be revoked.

Under this option, the property could be operated under the interim permit, in accordance with permanent program performance standards. If administrative delay was revoked, all operations would cease.

Upon approval of the Permanent Program Permit Application, the bond would again be revised to reflect a five-year permit term.

4. Proceed with permanent program permitting of the J.B. King Mine, with a new operator.

This option also requires that Western States immediately post the updated reclamation surety bond. This bond has been reviewed by the Division and revised to reflect 1985 costs. This new bond amount is $292,577, which is an additional $142,577 above the interim bond amount currently posted with the state.

Western States Minerals would be required to formally notify the Division of their intent to transfer ownership of the mine to a specific, named entity. This notification would be required by close of business on January 7, 1985. Procedures for transfer of the interim permit would be conducted in accordance with UMC/SMC 788.18 and any other pertinent rules and regulations. The Division would proceed with the Technical Analysis and require the operator, be it Western States Minerals or a new entity, to respond in accordance with prescribed review deadlines. Any failure by the operator to meet a deadline would result in revocation of administrative delay.

Under this option, the property could be operated under the interm permit, in accordance with permanent program performance standards. If administrative delay was revoked, all operations would cease.

Upon approval of the Permanent Program Permit Application, the bond would again be revised to reflect a five-year permit term.

If you have any questions, please contact me. We look forward to proceeding with one of these options. Thank you for your cooperation.

Best regards,

Dianne R. Nielson

Dianne R. Nielson
Director

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cc: J. Blake
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