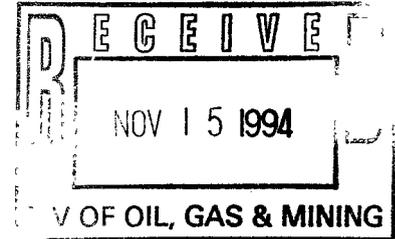




CERTIFIED MAIL
RETURN RECEIPT REQUESTED

November 10, 1994

Mr. Lowell Braxton, Associate Director- Mining
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



RE: J.B. King ACT/015/002 - Clarification of erosion control measures for refuse pile side slopes; the Division's responsibility for the vegetation test plots; bond clock setback; and reclamation bond requirement

Dear Lowell:

I am in receipt of your letter of November 2, 1994 and the additional clarifications provided. While those clarifications are very beneficial to further understanding how we should proceed with our abatement action at the J.B. King reclaimed manesite, it does not clear up all the outstanding issues nor does it really constitute "approved Reclamation Plan Amendments". I strongly disagree with your position on this matter, but we are willing to proceed with field abatement if I receive clarification on four remaining issues. Therefore, please respond to the ***bold and italic print*** that follows with written confirmation that you agree, or rewrite accordingly so it meets your understanding.

1. *Erosion Control Measures for Refuse Pile Side Slopes* - The Feb. 1994 Reclamation Plan submittal discusses the application of rock mulch as an erosion control measure for the refuse pile side slopes, but also recognized that vegetation success would probably be compromised. Therefore, Western States Minerals Corp. (WSMC) requested a variance for vegetation success criteria. The Division denied that request, stating that the Regulation would not allow that type of variance. I discussed this with your staff and we reached the following understanding: ***While it was the belief of some members of the Division that the application of the rock mulch mixed with biosolids would give comparable results to those that presently exist (WSMC and its Consultants don't agree that it will), it was agreed that vegetation on the side slopes could be compromised if the application provided some improved erosional control and the overall site met the vegetation performance criteria at bond release (using the existing vegetation reference area and sampling methodology that is in the permit). This assumes that parts of the site may not meet all the criteria of "permanent, diverse, and effective vegetative cover", but the overall site would meet the vegetation performance criteria using a random sampling methodology.***

2. *Division's responsibility for the Vegetation Test Plots* - In my letter of August 19, 1994, on page 3, No.2 (ii) [Division Role] I stand corrected in that the Division is not responsible for the entire top of the refuse pile, only that portion covered by the vegetation test plots. However, the Division remains responsible for covering that area with two feet of inert cover and releases WSMC from any present or future revegetation success criteria. Therefore, the following is my understanding of this issue: ***WSMC, in the process of excavating earthen material from the proposed drainage channel***

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excavation, is willing to place this material over the vegetation test plot area at the Division's direction. The Division is willing to reimburse WSMC for all reasonable costs associated with that earthen placement, soil amendments, and reseeding; and releases WSMC from all future liability associated with that specific area, including revegetation success.

3. Bond Clock set back - The Bond Clock will be set back for only those areas disturbed during the performance of the work outlined in the "final approved plans", and excludes that area associated with the vegetation test plots and that area "smoothed" in the vicinity of the old drainage channels. The entire site will not be set back, only those areas identified above.

4. Reclamation Bond requirement - As stated before, because this proposal is in the form of an abatement action, and the Division presently holds the Phase II Bond of \$126,078.00, we assume there will be no increase in the reclamation bond for the proposed activity.

Hopefully, clarification of these final issues will prevent any misinterpretation of these points during field abatement and prior to having "approved Reclamation Plan Amendments".

One last point that needs to be made is the unrealistic time extension that you gave us for abatement to Nov. 30, 1994. If we get an expeditious response from you on the four issues, we could be in the field prior to the end of Nov. 1994, but I certainly could not have all the abatement actions completed by that date. My previous abatement schedule required approximately six (6) weeks, and could now be extended due to the inclement weather that can be expected from this date forward. Therefore, I request some reasonable extension of time and we will make every, reasonable effort to complete the work earlier than that date.

Thank you in advance for your quick response to my above clarifications, and the reasonable extension of time that I have requested.

Please call me at your convenience if you have any questions.

Sincerely,



E.M. (Buzz) Gerick
V.P. Operations