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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: ___ Complete: X Exploration: ___
Inspection Date & Time: 3/23/99, 3.00 p.m. to 4:30 p.m.
Date of Last Inspection: 2/24/99

Mine Name: J.B. King County: Emery Permit Number: ACT/015/002
Permittee and/or Operator's Name: Western States Minerals Corp.
Business Address: Suite 130, 250 South Rock Blvd., Reno, Nevada 89502
Type of Mining Activity: Underground X Surface ___ Prep. Plant ___ Other ___
State Official(s): Robert Davidson
Company Official(s):
Federal Official(s):

Weather Conditions: Sunny, clear, and cool with breeze from south
Existing Acreage: Permitted-480 Disturbed-30 Regraded-___ Seeded-30 Bonded-30
Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___
Status: ___Exploration/___Active/___Inactive/___Temporary Cessation/___Bond Forfeiture
Reclamation (___Phase I/___Phase II/___Final Bond Release/___Liability___Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
a. For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

Table with 5 columns: Item, Evaluated, N/A, Comments, NOV/ENF. Rows include: PERMITS, CHANGE, TRANSFER, RENEWAL, SALE; SIGNS AND MARKERS; TOPSOIL; HYDROLOGIC BALANCE; DIVERSIONS; SEDIMENT PONDS AND IMPOUNDMENTS; OTHER SEDIMENT CONTROL MEASURES; WATER MONITORING; EFFLUENT LIMITATIONS; EXPLOSIVES; DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES; COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS; NONCOAL WASTE; PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES; SLIDES AND OTHER DAMAGE; CONTEMPORANEOUS RECLAMATION; BACKFILLING AND GRADING; REVEGETATION; SUBSIDENCE CONTROL; CESSATION OF OPERATIONS; ROADS; CONSTRUCTION/MAINTENANCE/SURFACING; DRAINAGE CONTROLS; OTHER TRANSPORTATION FACILITIES; SUPPORT FACILITIES/UTILITY INSTALLATIONS; AVS CHECK (4th Quarter-April, May, June)(date); AIR QUALITY PERMIT; BONDING & INSURANCE.

INSPECTION REPORT

(Continuation sheet)

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PERMIT NUMBER: ACT/015/002

DATE OF INSPECTION: 3/23/99

(Comments are Numbered to Correspond with Topics Listed Above)

SUMMARY:

- A new pond annual certification is due.
- The north-western portion of the perimeter fence has been damaged by the cows.
- No new weather and rainfall data could be located since the last weather and rainfall data was received for 5/5/98 thru 9/23/98.
- The liability insurance expires on 4/1/99 and needs to be renewed.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The reclamation permit for ACT/015/002 was renewed August 13, 1995 and will expire August 13, 2000. The bond amount specified in the permit is \$126,078.

2. SIGNS AND MARKERS

The lower and upper permit entry signs are both in good condition.

4. HYDROLOGIC BALANCE

a. DIVERSIONS

The north diversion ditch was repaired and cleaned out in late November 1998. The ditch is still in excellent repair with no signs of additional erosion from water flow. However, cattle tracks have traversed the repaired ditch along its entire length which has resulted in some surface damage.

b. SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond is partially filled with water and is no longer frozen. Cattle have frequented the sediment pond which has resulted in considerable surface disturbance in the immediate vicinity around the pond perimeter.

A new pond annual certification is due. The last annual certification for the sediment pond was performed last March 13, 1998 by Wesley K. Sorensen.

d. WATER MONITORING

No additional damage is observed with the data logger station box and rain collector. The replaced padlock for securing the data logger station is still in place.

No new weather and rainfall data could be located since the last weather and rainfall data was received for 5/5/98 thru 9/23/98.

INSPECTION REPORT

(Continuation sheet)

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PERMIT NUMBER: ACT/015/002

DATE OF INSPECTION: 3/23/99

9. PROTECTION OF FISH, WILDLIFE AND OTHER RELATED VALUES

Both the bottom front and upper entrance gates were secured and closed.

10. SLIDES AND OTHER DAMAGE

The north western portion of the perimeter fence has been damaged by the cows.

13. REVEGETATION

When we arrived we observed that 18 cow/calf units (36 total) were within the reclaimed site, with the gates shut. From visual observation, they have been in the site for some time. Grazing was evident throughout the site, along with considerable number of cow dung that were both fresh and aged. The amount of surface disturbance from tracks is considerable, even up on top of the refuse pile area. When we arrived, the cows were concentrated in the lower site, mainly around the sediment pond.

The cattle owner showed up at the latter stages of the inspection. He reported to us that the BLM had given him permission to place his cattle on the reclaimed site. He also reported that he had repeatedly opened the gate all winter, and that someone had repeatedly closed it afterwards. We took the time to explain the reclamation efforts and bonding requirements for the reclaimed site and that the cattle were damaging the vegetation and putting the bond release in jeopardy. Information was exchanged which included his name and phone number, our names and phone numbers, plus Western States Minerals information. His name is Brad Johnson, 435-529-3227, 435-529-7443, and ranch number 435-286-2432.

21. BONDING & INSURANCE

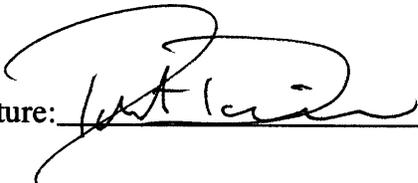
The liability insurance expires on 4/1/99 and needs to be renewed.

Liability insurance is carried by Federal Insurance Company through A and H Insurance, Inc., and expires 4/1/99. The bond is held by Seaboard Surety Company for \$126,078.00 and was last revised on August 13, 1985.

Copy of this Report:

Mailed to: OSM, E.M. Gerick (WSMC)

Given to: Joe Helfrich (DOGM)

Inspector's Signature:  #45 Date: 4-6-99