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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

INSPECTION REPORT

Partial: X Complete:__ Exploration:__
Inspection Date & Time: 11/17/98 4:00 p.m. to 5:30 p.m.
Date of Last Inspection: 10/21/98

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 Officials(s): Robert Davidson, Mary Ann Wright and Pam Grubaugh-Littig
Company Official(s): Buzz Gerick and Chuck Cundick
Federal Official(s):_____
Weather Conditions: Cold, windy and overcast - cold front blowing in from northwest
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.

	Evaluated	N/A	Comments	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	[ ]	[ ]	[ ]	[ ]
2. SIGNS AND MARKERS	[X]	[ ]	[X]	[ ]
3. TOPSOIL	[ ]	[ ]	[ ]	[ ]
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	[X]	[ ]	[X]	[ ]
b. SEDIMENT PONDS AND IMPOUNDMENTS	[X]	[ ]	[X]	[ ]
c. OTHER SEDIMENT CONTROL MEASURES	[X]	[ ]	[X]	[ ]
d. WATER MONITORING	[ ]	[ ]	[ ]	[ ]
e. EFFLUENT LIMITATIONS	[ ]	[ ]	[ ]	[ ]
5. EXPLOSIVES	[ ]	[ ]	[ ]	[ ]
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	[ ]	[ ]	[ ]	[ ]
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	[ ]	[ ]	[ ]	[ ]
8. NONCOAL WASTE	[ ]	[ ]	[ ]	[ ]
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	[ ]	[ ]	[ ]	[ ]
10. SLIDES AND OTHER DAMAGE	[ ]	[ ]	[ ]	[ ]
11. CONTEMPORANEOUS RECLAMATION	[ ]	[ ]	[ ]	[ ]
12. BACKFILLING AND GRADING	[ ]	[ ]	[ ]	[ ]
13. REVEGETATION	[ ]	[ ]	[ ]	[ ]
14. SUBSIDENCE CONTROL	[ ]	[ ]	[ ]	[ ]
15. CESSATION OF OPERATIONS	[ ]	[ ]	[ ]	[ ]
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	[ ]	[ ]	[ ]	[ ]
b. DRAINAGE CONTROLS	[ ]	[ ]	[ ]	[ ]
17. OTHER TRANSPORTATION FACILITIES	[ ]	[ ]	[ ]	[ ]
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	[ ]	[ ]	[ ]	[ ]
19. AVS CHECK (4th Quarter-April, May, June)_____(date)	[ ]	[ ]	[ ]	[ ]
20. AIR QUALITY PERMIT	[ ]	[ ]	[ ]	[ ]
21. BONDING & INSURANCE	[ ]	[ ]	[ ]	[ ]

(Comments are Numbered to Correspond with Topics Listed Above)

2. SIGNS AND MARKERS:

The lower permit entry signs is in good condition. A mining claim has been posted on the sign for mining clay on State School Trust Lands.

4. HYDROLOGIC BALANCE:

(a) DIVERSIONS: North diversion ditch - according to the plan, the north diversion ditch is being cleaned out and breaches are being repaired. In addition to ditch repair, work includes excavation of the upper reaches and mid portions of the ditch while building up the free board. Since the current Mine Reclamation Plan does not include ditch designs for the diversion ditch, Western States is performing work according to new design criteria. At completion, "As Builts" will be submitted that will amend the plan and provide ditch designs.

(b) SEDIMENT PONDS AND IMPOUNDMENTS: The sediment pond still has water, but is down considerably from the rip rapped discharge spillway.

(c) OTHER SEDIMENT CONTROL MEASURES:

The Primary silt fence located between the undisturbed eastern diversion ditch and the top of the refuse pile has completely deteriorated and disintegrated on the northern edge of the site for approximately 50 feet. Verbal approval was given for removing this portion of the silt fence while repairs are being made at the site. Western States Minerals will amend the plan after removal. Based on discussion with Sharon Falvey, removal is appropriate since the upper portion of the refuse pile's surface has been gouged and roughened.

There is a swale that is located directly south and above the north facing hillside and the north diversion ditch. This swale collects and ponds storm water runoff which ultimately flows to the north and down the hillside and into the ditch. As a result of this runoff, considerable rill and gully formation has occurred directly above the failed diversion breach and is likely the cause of the breached diversion ditch. Field repairs will divert runoff to the south and southwest and away from the north diversion ditch.

In addition to repairing the ditch, Western States Mineral also proposed to repair the adjacent hillside above the ditch under husbandry practices without restarting the bond clock. This adjacent north facing hillside is a highly erodible area, about 1 acre in size and affects less than 3% of the total disturbed area. Decisions were made in the field not to disturb this hillside because it would disrupt established vegetation. Instead, the hillside's upper ridge line surface will be deep gouged to help prevent surface runoff from reaching the side slope. Ultimately, the roughened surface should help with revegetation of the steep slope, thus adding additional stability and erosion control by lessening runoff and sediment load into the diversion ditch.

INSPECTION REPORT

(Continuation sheet) Page 3 of 3

PERMIT NUMBER: ACT/015/002 DATE OF INSPECTION: 11/17/98

Copy of this Report:
Mailed to: OSM, E.M. Gerick (WSMC)
Given to: Joe Helfrich (DOGM)

Inspector's Signature: #45 Date: 11-19-98

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