

DRAFT

September 11, 1985

Mr. Dan Guy
Manager Permitting and Compliance
Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Dear Mr. Guy:

Re: Reclamation of Portal Exploration Road, Wild Horse Ridge
Project, Beaver Creek Coal Company, CEP/015/007, Emery County,
Utah

The Division has reviewed the status of the Wild Horse Ridge portal exploration project in response to your telephone conversation with Mr. John Whitehead of the Division and a letter from Nevada Electric Investment Company (NEICO). It is the Division's understanding that Beaver Creek Coal Company (BCCC) is no longer interested in developing the proposed Wild Horse Ridge Mine, due to poor market conditions. As such BCCC would like to close out their exploration permit and their involvement in the Wild Horse Ridge Permit Application Package (PAP).

In December of 1984, a letter was sent to you from Dianne R. Neilson, regarding the Division's conditions for BCCC to be released from the exploration permit. As part of these conditions, BCCC would transfer the exploration permit to NEICO with all the reclamation responsibility for the work which had been undertaken to date. NEICO would also take responsibility for the Wild Horse Ridge PAP and follow through with permitting the operation in the foreseeable future. This, then, would release BCCC for all responsibility for the Wild Horse Ridge property.

As part of the negotiations to achieve this release, NEICO, the land owner, has requested, in a June 27, 1985 letter received by the Division August 19, 1985, that the exploration access road be left in a slightly upgraded state and that BCCC be allowed to withdraw the PAP. NEICO does not wish to pursue permitting of the property at the present time, however they would like to maintain the exploration road as private access on and to their property.

These plans are unacceptable to the Division due to the lack of associated transfer of reclamation responsibility. As BCCC has indicated their intention to withdraw their proposed plans to mine the Wild Horse Ridge property and has declared the exploration phase to have been completed, the Division will consider one of the following options:

- 1) BCCC must reclaim the disturbances associated with the Wild Ridge Exploration projects; the portal access road, the portal pad benches, and the access roads and drill sites on top of Wild Horse Ridge; as required by the approved exploration plan, no later than November 30, 1985, or
- 2) As BCCC was in the process of beginning permitting of the mine and beyond the exploration stage, an agreement must be developed and submitted to the Division, for approval in accordance with UMC 788.18 - 19, which transfers the reclamation responsibility from BCCC to NEICO. In this agreement, NEICO must commit to the following points if mine development is to be postponed:
 - a) Accept transfer of the existing disturbances (the road and portal pad) as an inactive portion of a future mining operation.
 - b) Submit a permit application to upgrade the road to a Class II standard no later than December 31, 1985 and implement said upgrade no later than June 30, 1986.
 - c) Commit to accept Division inspection as a inactive mine on a quarterly basis and to maintain the road in accordance with the applicable portions of Part 817 of the Utah regulations.
 - d) Post a non-cancelable bond with the Division of \$ covering the reclamation of the existing road and portal pad. Said bond shall be effective on the day of the legal transfer from BCCC to NEICO.
 - e) Commit to reclaim the road and portal pad area if no permit application package is received by the Division before December 31, 1988.

If you have any questions regarding these options and requirements, please call me, Tom Suchoski, or Wayne Hedberg of my staff.

Sincerely,

L. P. Braxton
Administrator
Mineral Resource Development
and Reclamation Program

TJS:jvb

cc: A. Klein
W. Hedberg
J. Helfrich
K. May
D. Neilson
T. Suchoski

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A large, handwritten signature in dark ink is written across the lower half of the page. The signature is stylized and somewhat illegible. There are several additional scribbles and lines around the signature, including a large oval shape above the main line, a vertical line to the right, and a horizontal line below the signature. There are also two small arrows pointing downwards, one on the left and one on the right.