ACT/017/017

plateau resources
LIMITED

General Office: 772 Horizon Drive, Grand Junction, CO 81501 (303) 245-5460
Corporate Office: 212 West Michigan Avenue, Jackson, MI 49201 (517) 787-8415
Registered Office: 141 East First South, Salt Lake City, UT 84111 (801) 534-0734

July 6, 1979

Ms. Mary Ann Wright
DIVISION OF OIL, GAS & MINING
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mary Ann:

This is to complete our response to your letter of June 25, 1979. It is my understanding that the acceptance of these responses will provide your office with all the information required to grant tentative approval on the proposed Frank M mining operation.

A decline of approximately 2500' will be driven at which point a bore hole will be bored to the surface. Then a double entry drift with breakthroughs and laterals will be driven about 5' beneath the ore body. The ore will be intercepted through incline laterals. All of this development work can be calculated as waste material. Thus, the approximate tonnage of the decline, bore hole, double entry drifts and breakthroughs, laterals and incline laterals should provide an approximate 315,000 tons of waste before ore is encountered.

A total of 446 test holes were drilled from the surface of the Frank M area to calculate geologic reserve estimates. Geologic computations from the results of those test holes indicated a total of 995,217 tons of ore. An additional 347,741 tons of ore is inferred by surface drilling giving a total of 1,342,953 tons of ore.

Using a 1:1 ratio of ore to waste, we can use a figure of 1,342,953 tons of waste from production. This gives us a total estimate of waste from the Frank M mine including development and production of 1,658,000 tons.

We were asked to explain the method of disposal of the mine waste rock including any compaction measures and expected static safety factors during development and production both. The treatment, in this regard, of the waste rock whether it be while in development or production does not vary except during reclamation. Therefore, the answer will address both your questions numbered 1.d and 2.b. The waste rock will not be

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compacted except by the weight of the mobile trucks rolling over the top to dump beyond into the canyon. The waste material will be placed into the fill area by rubber tire mobile trucks. This equipment will back to the edge of the canyon rim and dump over the side. The material will fall to its natural angle of repose. Earth moving equipment will be used to control and contour the waste material.

The extent of the fill by the development rock (315,000T) was computed per our Waste Disposal Procedure drawing dated 6-25-79. A completely accurate fill area determination would require another survey. However, cross sections were surveyed, as shown on previously submitted material, and those figures were used and estimated.

It is estimated, therefore, that using the above referred to drawing and estimating the fill for each numbered area in succession, 315,000 tons would fill up through section four and part of section five.

During actual disposal of mine waste rock, the static slope stability safety factor is expected to be close to 1.

Before abandoning the mine waste rock disposal area, the exposed slope will be graded to achieve a more stable configuration. Assuming an angle of internal friction of 32°, a slope of 2.5:1 would be flat enough to achieve a static slope safety factor on the order of greater than 1.5.

Sincerely,

Pam Newman

Pam Newman
Administrative Assistant

PN
cc: Mr. R. B. Sewell
Mr. E. F. Jacobson

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July 26, 1979

Denise Dragoo
Special Assistant Attorney General
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Ms. Dragoo:

Enclosed please find 2 copies each of Mined Lands Reclamation contracts for the Company's Tony M/Lucky Strike mines and Frank M mine. Each contract has been executed on behalf of the Company by Mr. Blake O. Fisher, Vice President. Would you please have the appropriate person execute such contracts on behalf of the Board of Oil, Gas and Mining and return one copy of each of the contracts to me for the Company's records.

Thank you for your assistance in this matter.

Sincerely,

Roger T. Berg

Roger T. Berg
Finance Manager

RTB/jt
Enc.