United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Color Country District
Henry Mountains Field Station
P.O. Box 99
380 South 100 West
Hanksville, Utah 84734
Telephone (435) 542-3461
Fax (435) 542-3016
http://www.blm.gov/ut/st/en/fo/richfield.html

CC: Way NG
S/017/0052

RECEIVED
SEP 01 2016
DIV. OF OIL, GAS & MINING

In Reply Refer To:
3609
(LLUTC021)
UTU-88732

August 25, 2016

CERTIFIED MAIL NO. 7015 0640 0006 3587 9562
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Kim Wilson, Manager
Pandora Mineral Resources, LLC
PO Box 142
Hanksville, UT 84734

Dear Mr. Wilson:

During routine inspection conducted on 8/4/2016 of your Pandora Placer, Phase II mining operations, S1/2SE1/4NW1/4, Sec. 29, T31S, R11E, we noted that mineral materials apparently originating from your operation were being spread on the Crescent Creek road. Your authorization states:

Site access would be via existing county maintained roads with the exception of one new road described as 80 feet long and 10 feet wide to allow ingress and egress to the operations site.

Mining law carries the implied right to use materials from your claim in support of mining operations on or off the claim so long as the use is reasonably incident to mining *30 USC 612(c)*. This does not, however, relieve you of the obligation to contact Garfield County regarding jurisdictions over which they have responsibility, namely the Crescent Creek county maintained road. Information provided by Garfield County indicates that you do not currently have an encroachment agreement with the County. Enclosed is a copy of the County's Encroachment Permit form. Please coordinate directly with Garfield County regarding this issue and prior to conducting further road maintenance. It was also noted during the inspection that the road was being widened at a couple of locations. All maintenance of existing roads should occur within the existing footprint or disturbance of the road.

Although mining law allows use of materials from your claim, Bureau of Land Management (BLM) considers the material you are using for road maintenance to be mining waste. While mining waste is exempt from regulation under RCRA as hazardous waste [43 CFR 3809.420(b)(6)] it is still subject to regulation under state and Federal mining and reclamation requirements:

> **H-3809-1-Surface Management, 5.3.6 Solid Waste:**
>
> Mining waste (waste from the extraction and beneficiation of ore) is exempt from regulation under RCRA (Resource Conservation and Recovery Act) as a hazardous waste (Bevill-exempt); although, it is still subject to regulation under the state and Federal mining and reclamation requirements. There are also some wastes that are not exempt from RCRA regulation that do occur at mining operations. These include laboratory wastes, wastes from water treatment plants, or certain smelter wastes. To classify a particular waste stream for purposes of evaluating the Plan or Notice, the BLM requires that the operator follow the testing procedures and legal determinations found in 40 CFR 264.

In order to classify the materials originating from your claim as being appropriate for offsite road maintenance you are required to demonstrate that the material is not hazardous or otherwise deleterious to the environment. Please conduct analysis as appropriate to characterize the materials originating from your mining operations as acceptable for offsite use. Guidance regarding analysis program design can be found in BLM Handbook H-3041-1, *Solid Minerals Reclamation Handbook.* At a minimum, mine waste materials should be analyzed for: 1) Acid generation potential, 2) Reactivity, 3) Inorganic and organic pollutants, 4) Oils, greases and solvents. Prior to conducting such analysis forward a copy of your analysis plan to BLM for review and concurrence. Materials from your mining site should not be utilized for road maintenance until the initial analysis results have been received and reviewed.

If you have questions regarding the road maintenance and material analysis requirements, please contact John Reay, Geologist at 435-542-3461.

Sincerely,

Myron Jeffs

Myron Jeffs
Acting Assistant Field Manager
Henry Mountains Field Station

Enclosure:
Garfield County Encroachment Form

cc: Brian Bremner, Garfield County
Mr. Milton A. Turner
Wayne Western

JREAY:mj:8.25.16

GARFIELD COUNTY

ENCROACHMENT PERMIT INSTRUCTIONS

1. Application for this permit should be made by whoever will actually do the work, whether it be the owner or a contractor.

2. Mailing address of applicant.

3. State fully and completely the type of installation, type of construction, width, thickness, drainage data, etc., where applicable.
If a pole line or buried cable, give the following information: type of service, size and length of line, depth of trench, kind of pipe (sewer, gas, oil, water supply, etc.) or conduit. All transverse underground utilities must be place under the pavement by boring. All fluid lines require encasement shall be satisfactory to Garfield County.

4. Give the distance from some geographical point such as intersecting highways, city or corporate limits. Give city, county, and state U.S. route number.

5. Attach 2 copies of a plan and/or map showing the proposed locations of structures with reference to pavement and right of way lines. If installation crosses the highway, show a cross section of the present roadway and proposed installation. Identify the location of other utilities that may conflict.

6. Give anticipated dates for beginning and for completion of proposed installations. These will be used in determining the inspection fee.

Note: A fee of $20.00 will be charged for all Right of Way Encroachment Permits unless waived by the Garfield County Engineer. This permit fee shall be submitted with the application. An inspection fee will also be required as outlined in the "Regulations for the Control and Protection of Garfield County Rights of Way."

Please return completed application to:

Garfield County Engineer
P.O. Box 77 // 55 South Main
Panguitch, Utah 84759
Telephone # (435) 676-1101
Fax # (435) 676-1180

GARFIELD COUNTY
APPLICATION FOR RIGHT OF WAY ENCROACHMENT PERMIT

Date: _____

1. Application is hereby made by: _____

2. Address:_____ Telephone #:_____

3. For Permission to do the following:

_____

4. Location: _____

Township:_____ Range:_____ Section:_____

Road:_____ Milepost:_____

In accordance with the attached plan.

5. Provide Plan and/or Map for project.

6. Construction will begin on or about: _____

And will be completed on or before: _____

Proposed Traffic Control:_____

New underground utility installation crossing paved highways should be place by boring. If boring is impossible, provide the following information:

a. Type of Pavement: _____

b. Excavation: Length_____ Width _____ Depth _____

If this permit is granted, we agree to comply with all conditions, restrictions, and regulations contained in the "Regulations for the Control and Protection of Garfield County Rights of Way" and Special Limitations required by the County Engineer of his duty authorized representative.

$_____ Permit Fee Received. _____

$_____ Inspection Fee Received. Signature

$_____ Bon Amount _____

Form: _____ Title

*** See Application Instructions on attached sheet***

****

This section is to be completed by Garfield County Engineer:

Permit is ☐ Granted ☐ Denied

Special Limitations:

_____

_____

_____