PERMIT CHRONOLOGY

for

Absolute Mining and Minerals, LLC (AMMI)
S/019/035 (UTU-72488)

(Last update November I, 2000)

NOTE: A small mine notice was not directly submitted to the Division. On December 16, 1994 the Division received a collection of documents from the BLM covering the period of July 14, 1994 through December 1, 1994. Under the Memorandum Of Understanding between the Division and the BLM these documents comprise a small mine operation notice of intention. Dates and information from this collection of documents are shown in *italicized* print. The remaining dates in this chronology are the dates these items were received by the Division unless otherwise noted.

July 14, 1994 — *AMMI's letter by Don Dallape to the BLM regarding the rewriting of the mining plan for their Del-OR claims. The submission included pages 2, 3 & 5 of the Division's MR-EXP form and 3 maps. The cover letter states AMMI intends to follow all rules and regulations regarding reclamation pertaining to Section IV Operation and Reclamation Practices (Rules R647-2-107, 108, and 109 of the DOGM application). AMMI intends to bring equipment onto the property the week of July 24th and take any equipment not directly related to the mining project (junked truck and scrap cars located near the Mill Site, Map C) off site. The black rail car tank on site is necessary to store water. No chemicals will be used to retrieve minerals (just water and gravity).*

July 27, 1994 — *BLM certified letter to AMMI requesting additional information for the tailings reclamation plan of operations. Cleanup of the junk vehicles, trash and other material not needed for mining is to proceed without delay. Additional information needed : correct claimant information, a topographic map showing locations of proposed tailings reclamation and access roads, estimate of quantities of material needed for access route purposes, an estimate of the total acreage to be disturbed/redisturbed for use in calculating a reclamation estimate for this proposed mining (not exploration) plan. The letter requests a specific discussion of: the surface facilities to be utilized, surface facilities to be removed when operations completed, an estimate of the volume of tailings to be processed, an estimate of the amount of water required for operations, the number of people involved, the amount and type of equipment, the vehicles involved in the project dust suppression measures, measures to minimize erosion, and sanitary facilities. The letter also requests details of the reclamation process to be employed.*

Sept. 14, 1994 — *Handwritten note and typed undated response letter to BLM from Don Dallape of AMMI presenting more information concerning the tailings reclamation plan. A copy of the quad map is included with locations of the tailings pond, building, wash plant, ore pit, main camp, access routes and reclamation areas. The wash plant included a trommel, grizzly, feed bin and belt, magnetic separator, and discharge belt. Waste material will be de-watered and discharged. Water retention from the de-watering unit will be recycled minimizing the need for a*

waste water pond. All waste material will be replaced in the reclamation area. Water requirement for the equipment is approximately 15,000 g.p.m. Ground surface area will not exceed two acres during 1994 or five acres in 1995. The main camp will consist of mobile travel trailers. Access route is the existing county road. Reclamation area will be reclaimed by AMMI. Waste material will be placed in the disturbed areas, contoured to conform to existing terrain as much as possible. Top soil removed from newly disturbed areas will be placed in reclaimed areas and reseeded.

July 22, 1994 — *(This document was believed to have been included in AMMI's response letter.) Division of Water Rights letter to AMMI granting approval of Temporary Application number 05-2475 (T67925) to divert and use water; it does not grant easements through public or private lands in order to gain access to the source nor to convey water to the place of use. This application will expire July 22, 1995 and no diversion of use of the water will be done after that unless another proposal has been made and approved.*

October 7, 1994 — *BLM certified letter to AMMI acknowledging receipt of the additional information and requesting more information. The operation would occur along a section of the Dolores River that has been under study for possible inclusion into the Wild and Scenic River System which necessitates the degree of detailed information requested. The five page letter requests additional information under the main headings of General Information, Water Usage, Access, Fuel Requirements, and Mining and Reclamation Operation.*

The proposed mining operation involves an area which has an existing approved Plan of Operations. Development and surface disturbance has occurred under this plan which has not been reclaimed. The area currently contains structures, equipment and facilities, trash, stockpiled topsoils and gravels, tailings ponds and pit mine areas. The proposed Plan of Operation must address all previous surface disturbance which will be involved in this operation, and whether AMMI is accepting responsibility for reclaiming those areas, dismantling structures, and removing trash and abandoned equipment. When additional information is received, the BLM will begin processing the Environmental Assessment (EA) for this proposal and developing and mitigation requirements. Bond coverage will be required prior to BLM approval of any surface disturbing activities.

October 19, 1994 — *Response letter from AMMI (unsigned) to the BLM. The four page letter includes a schematic drawing of the proposed surface facilities. AMMI is aware of the Wild and Scenic River System and the Endangered Species which may be part of the habitat.*

The proposal is for year round operation. The mine plan calls for recycle water usage at 10,000 g.p.m. with make up water to be pumped from the river through a 1/4-inch screened inlet at 250 g.p.m. A lined storage pond and lined settling pond will be constructed. A waste discharge pond will lose some water to alluvial gravels. Fuel storage, fuel consumption sites, oil and grease usage areas will be lined and bermed for hazardous material control.

Reclamation of old mining areas will take place as new areas are disturbed. The mining of the new area will commence where the old mining area stopped. The pit will be enlarged. Mining and reclamation will proceed concurrently; i.e. for every ton of ore gravel removed, the like amount will immediately be replaced. AMMI has in the operating mine plan, full reclamation of old mining areas, dismantling structure at the appropriate time, and removing all trash and junk. AMMI will reseed areas of disturbance immediately upon completion of contouring, etc.

November 16, 1994 — *AMMI letter to BLM responding to information requested during a telephone conversation. Initial water to charge the system will be 18,700 gallons. Make up water from river in an average 10 hr shift is approximately 10,000 gallons (number may fluctuate until the river gravel stabilizes with fines in the recovery waste pond.). Gravels to be washed will be 400 tons per 10 hour shift.*

November 18, 1994 — *BLM letter to Water Quality with a copy of the Plan Of Operations enclosed for review by 12/12/94.*

November 18, 1994 — *BLM certified letter to AMMI stating they now have enough information to prepare the EA. The BLM will try to process the plan within 30 days.*

December 1, 1994 — *Division of Water Quality (DWQ) letter to AMMI stating they have reviewed the plan and need a detailed plan for treatment of the wash water prior to discharge to the Dolores River. After reviewing this information DWQ will advise AMMI whether they need ground water discharge and/or construction permits. The permits must be issued before construction of a process facility begins.*

NOTE: **This concludes the correspondence received in the December 16, 1994 package. Dates in regular type are the date the Division received the documents.**

December 22, 1994 — Division letter to BLM acknowledging receipt of documents on December 16, 1994. Division file number will be S/019/035. The Division will forward all comments regarding this project to the BLM according to the current MOU. Based on the information received it appears the project will disturb five acres or less. AMMI will need to satisfy Division notice requirements for a Small Mining Operation. The completed EA will most likely cover the information requirements for a small mine

operation. If the project does exceed five acres, AMMI will need to satisfy requirements for a large mining operation. The Division requests a copy of the completed EA.

January 26, 1995 — Received copy of DWQ letter to AMMI. A statement that "zero amount of wash water will return to the Dolores River" and "any water returning to the river will be within the guidelines of the State water quality standards" are contradictory. Please clarify.

March 2, 1995
(August 20, 1999)
BLM signed Decision Record and Finding Of No Significant Impact. Division received a copy of this document on August 20, 1999. The Decision stated this plan of operations is issued for a term of three years and will be extended if it continues to be used for the authorized purpose. Five stipulations are incorporated into this Decision. (1)All mitigation measures identified by AMMI are incorporated in these stipulations. (2)Topsoil and subsoil removed must be stockpiled separately for use in reclamation. (3)The described seedmix must be used following subsoil and topsoil spreading. (4)Water may not be pumped from the Dolores River between 8 PM and 9 AM during June through August and where feasible, pumps are to be located off-channel or in the main current rather than near shore. The intake inlet shall be screened with 1/8 inch mesh.(5) A reclamation bond of $8,200 must be posted and in place before the plan of operations can be approved. A mitigation measure not referenced in the stipulations included suspending mining activity during the main recreation season of May 15 to June 30 to avoid impacts to the semi-primitive float trips. In the section describing the possible visual impacts, the EA states the proposed mining activity would not remove the vegetative screening along the river corridor.

March 8, 1995
(August 20, 1999)
Letter from Dale Snyder and Don Johnson to BLM referencing a phone conversation of January 25, 1995. Division received a copy of this document on August 20, 1999. The letter states at the end of mining project AMMI will remove the gate to the property and reclaim the road from the gate to the mill building.

March 8, 1995
(August 20, 1999)
Letter from Kraig Johnson to BLM. Division received a copy of this document on August 20, 1999. The letter states the reclamation bond will be posted by AMMI at 145 South 1350 East, Lehi, UT 84043 with Dale Snyder as a contact.

March 9, 1995
(August 20, 1999)
BLM internal memo from the Area Manager to the Mining Claims Supervisor. Division received a copy of this document on August 20, 1999. The memo requests that a reclamation bond of $8,200 be secured by their office for AMMI as operator for Plan Of Operations UTU-72488.

March 10, 1995 *(August 20, 1999)*	Certified letter from BLM Mining Law Adjudication to AMMI. Division received a copy of this document on August 20, 1999. The letter requests a surety bond or personal bond in the amount of $8,200 within 60 days of receipt of this letter.
July 6, 1995	Division memo for site inspection performed June 27, 1995 with BLM staff. Photos and a copy of site map are attached. There were no signs of recent activity at the site. This site is currently under a Plan of Operations with the BLM because it is in a nominated Wild and Scenic waterway (Dolores River). The BLM has requested a bond based on 4.1 acres at $2,000 per acre. The operator has not posted the bond. The access road to the site is a county road until you reach the gate. The road beyond the gate is the responsibility of the operator.
August 3, 1995 *(August 20, 1999)*	Certified letter from BLM Mining Law Adjudication to AMMI formally accepting the guaranteed check of $8,200 to secure a bond for the plan of operations. Division received a copy of this document on August 20, 1999.
August 9, 1995	Copy of BLM letter to Don Johnson of AMMI approving Plan of Operations subject to the enclosed stipulations (six stipulations were included although the letter said five). (1)All 3809 regulations and UDOGM rules shall be observed. (2)All mining related operations including reclamation are limited to an area of approximately 4.1 acres. (3)All mitigation measures identified by AMMI are incorporated in these stipulations. (4)Topsoil and subsoil removed must be stockpiled separately for use in reclamation. (5)The described seedmix must be used following subsoil and topsoil spreading. (6)Water may not be pumped from the Dolores River between 8 PM and 9 AM during June through August and where feasible, pumps are to be located off-channel or in the main current rather than near shore. The intake inlet shall be screened with 1/8 inch mesh..
NOTE:	February 1994, the Division listed this operator on the "redline" list of operators with a note to waive annual report requests. This report waiver may have been due to this operation being listed under the status of "proposed," or "not approved" since the Division did not receive the BLM decision until March 1995. A copy of the EA was not received by the Division until August 1999.
December 15, 1995	Division letter to Don Dallape of AMMI requesting annual report for 1995.
NOTE:	Three year gap in correspondence between the Division and AMMI.
December 24, 1998	Division letter to AMMI requesting 1998 annual report.

May 14, 1999

Memo documenting April 30, 1999, site inspection by BLM and Division. There was a large variety of equipment on site. One piece of equipment included a centrifuge with spirals and three clarifying tanks. It is unknown if this was new equipment or some modifications since the last Division inspection.

Recent disturbance was located on the top of a small hill. It appears that the operator has been grading material down off the top of the hill through a narrow chute to feed material into a screening system. A road/pipeline route to the pump site on the river bank appears to have been recently graded.

A GPS unit was used to take an area measurement of the disturbed perimeter. The measurement is considered conservative since some isolated disturbances were not included in the measurement. A power failure in the GPS required pacing one side of the disturbed area polygon The area measurement will have to be reviewed if the data is intact. Photographs were taken to document the site status.

May 10, 1999

Received photocopy of aerial photo from BLM files.

May 1999

Map created by the Division using GPS file "ammi1" showing corrected UTM coordinates and a disturbed area polygon. The disturbed area is estimated as 6.149 acres after making corrections for the paced segment.

June 21, 1999

Division certified letter to AMMI stating the disturbance has exceeded the five acre limit for a small mine. AMMI needs to either 1) post interim $15,375 reclamation surety within 30 days based on $2500/acre for 6.15 acres of site disturbance; or 2) immediately reclaim to five or less acres. If they do not choose option #2, then within 60 days must submit a large mining operations (LMO) form and pay $350 permit application fee.

Posting an interim surety will allow AMMI to continue operating within the existing permit area until the large mining permit is approved.

A stipulation included in the currently approved mine plan required advance written notification (an amendment) before any additional mine activities are conducted outside the originally identified areas of operations. To date, neither the BLM or Division have received such an amendment. Activity in the area south of the steel building should cease until an amendment has been approved ,or the LMO is approved.

If the interim surety or timely reclamation is not done, the Division may be forced to take more formal enforcement actions including: a Notice of Noncompliance, a Notice of Agency Action (requiring a formal public hearing), cessation of

operations, permit revocation, immediate reclamation, fines and/or other appropriate penalties as authorized by state mining laws.

August 9, 1999 — Division certified letter to AMMI issuing Notice of Noncompliance (NON). No response, written or verbal, has been received to the Division's June 21, 1999 letter. AMMI must post interim surety within 15 days of receipt of this Notice of Noncompliance and must submit a completed LMO application within 60 days of receipt of this Notice of Noncompliance.

Failure to do so may 1) require AMMI to appear at a formal hearing before the Board. After Notice and Hearing, the Board will issue an abatement or compliance order which may require suspension or termination of all mining operations, immediate reclamation, and/or other lawful requirements as authorized under the ACT; and 2) The Board may choose to bring suit against AMMI and assess penalties, not to exceed $10,000 per day for each willful and knowing violation of the ACT.

August 10, 1999 — AMMI received and signed for the Division 8/9/99 Notice of Noncompliance certified letter.

August 11, 1999 — Phone conversation between Division staff and Dale Snyder. Mr. Snyder is advised to send a letter of response to the Division soon.

August 16, 1999 — Letter from Dale Snyder of AMMI responding to 6/21/99 and 8/9/99 letter. AMMI believes this is part of an on-going attempt to shut down their operation on the Dolores River. During the slightly more than four years they have been working on the site, they have moved less than 1,000 tons of material. The area has been within the confines of the five acres near the steel building. Any work of any kind done outside this area has been to comply with BLM's office requirement to perform some reclamation work including cleaning up a trailer park site on top of the hill which necessitated the disturbance of ground in order to remove the buried pipes. That should not be included as part of the mining operation. They will take this matter before Judge Switzer if they have to, and will require that AMMI be permitted to review any information including any pictures or videos that relate to the condition of the property both before they obtained permits and began operations and subsequent to arrival on the site.

August 25, 1999 — Fifteen day deadline for AMMI to post interim surety expires.

September 22, 1999 — Permit fee received

October 6, 1999 — Division issues Notice of Agency Action - sent certified

October 8, 1999	Sixty day deadline for AMMI to submit LMO application will expire.
October 15, 1999	Received AMMI's appeal to NON.
October 21, 1999	Copy of AMMI's appeal faxed to BLM.
October 22, 1999	Division notifies AMMI of scheduled informal hearing set for 11/5/99 regarding their appeal.
October 29, 1999	Received message from Water Rights. No current water right issued to AMMI.
November 5, 1999	Informal hearing with Division Director and AMMI held at Division offices.
December 3, 1999	Division Order in response to informal hearing sent certified to AMMI.
December 20, 1999	Division letter regarding proposed on-site meeting sent certified to AMMI.
January 10, 2000	Division letter acknowledging failed 1/5/00 on-site meeting.
March 28, 2000	Division meets AMMI on-site for inspection.
May 25, 2000	Division sent certified letter requesting updated mining and reclamation plans based on one of two options (A or B) within 15 days.
June 20 2000	Call from Lynn Kimball. They will select option A (reclaim down to five acres).
June 23, 2000	Received AMMI letter accepting option A.
July 14, 2000	Division certified letter regarding guidance for option A and information needed within 30 days.
August 7, 2000	Division's 7/14/2000 certified letter returned unclaimed.
August 14, 2000	Division contacted Dale Snyder by phone and faxed copy of 7/14/00 letter to AMMI.
August 14, 2000	Division resent 7/14/00 certified letter to AMMI.
August 16, 2000	AMMI receives 7/14/00 certified letter.
August 30, 2000	Division sent second notice for delinquent year 2000 permit fees.
September 29, 2000	Division sent final notice for delinquent year 2000 permit fees.
October 3, 2000	Received year 2000 permit fees.