State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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May 2, 2001

HAND DELIVERED

Mr. Dale Snyder
Absolute Mining and Minerals Inc.
145 South 1350 East
Lehi, Utah 84043

Re: Adjustment of Permit Boundary and Identification of Areas to be Reclaimed as Resolution of Noncompliance, Absolute Mining and Minerals, Inc. (AMMI), Dolores River Placer Operation, S/019/035 (UTU-72488), Grand County, Utah

Dear Mr. Snyder:

Thank you for your participation and assistance in establishing a new permit boundary and identifying reclamation areas during the site visit of March 20, 2001. The Division has prepared a revised surface map using the new GPS data and previous GPS measurements taken at the site. The purpose of this letter is to document the proposals discussed during the site inspection using the new surface map as a reference, and discuss the next tasks to be completed as described under Task Three of the Division's February 20, 2001 letter.

NEW PERMIT BOUNDARY

The revised surface map prepared by the Division uses seven posts to identify key corner points of the new permit boundary as proposed by AMMI. Six of these posts are metal stakes driven into the ground as semi-permanent markers. GPS coordinates for these metal posts were recorded to allow relocation of their positions if they become disturbed. The new permit boundary is marked by these posts and the regions discussed during the March 20, 2001, site inspection. The new permit boundary includes the pipeline access corridor from the building to the pump on the bank of the Dolores River.

This new permit boundary encompasses approximately 4.15 acres. The access road from the new permit boundary to the locked gate was measured separately and encompasses approximately 0.83 acres of disturbance. The total acreage for the revised permit boundary including the road is approximately 4.98 acres. This will be considered the total amount of disturbance for this small mine operation until the reclamation responsibility for the access road changes.

AREAS TO BE RECLAIMED

PAD AREA - The pad area south and east of the new permit boundary shown on the map between Post #3 and Post #4 was excluded from the new permit boundary and will need to be reclaimed. Reclamation of the pad area would consist of removal of all structures, equipment and debris, followed by ripping the compacted pad area with a dozer, and then broadcast seeding the affected area immediately after ripping. The preferred time for seeding, and therefore, the preferred time for completing the earthwork is late fall. This pad area as shown on the new map encompasses approximately 0.92 acres.

HILL AREA – The hill area disturbance outside of the new permit boundary, and located to the south and east of Post #4 on the map, will need to be reclaimed. Reclamation of this area would consist of regrading the material from around the perimeter and from piles, back over the disturbed area, and broadcast seeding the affected area immediately after regarding. Again, the preferred time for seeding is in the fall and while the soils are still loose from any earthwork. The hill area as shown on the new map encompasses approximately 0.71acres.

RESPONSIBILITY FOR ACCESS ROAD – GATE TO MINE SITE

The Division recognizes that the reclamation responsibility for the section of access road from the gate to the mine site may be accepted by Grand County in the immediate future. At this time, the road disturbance and its reclamation are the responsibility of AMMI as described in the originally approved Plan of Operations. A separate Division letter is being sent to Dave Warner of the Grand County Road Department to address this road issue.

Task Three of the Division's February 20, 2001 letter, required completion of any site reclamation within 90 days of February 8, 2001, i.e. by May 11, 2001. **Given that the Division and BLM are in agreement that the preferred time for reclamation at this site is the fall, the Division will not require AMMI to complete site reclamation by May 11, 2001, provided AMMI agrees in writing, to:**

(1) Accept the new boundary as described by the enclosed map as the permit boundary for active mining operations at the Dolores River Placer Mine,

(2) Complete reclamation of the Pad Area and Hill Area as described above during the fall of 2001, and

(3) Limit active mine operations (other than the above described reclamation) to within the new permit boundary as described by the revised surface map.

Please provide a written response to this letter indicating AMMI's acceptance or rejection of these conditions within ten working days of you receipt of this letter. Thank you again for your cooperation during the site inspection, and for your interest in resolving these permitting concerns outside of a formal Board Hearing.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
Attachment: revised surface map
cc: Trace Barney, Wardley
Lyn Kimball, AMMI
Brent Northrup, BLM Moab FO
Mary Ann Wright, DOGM
Tony Gallegos, DOGM
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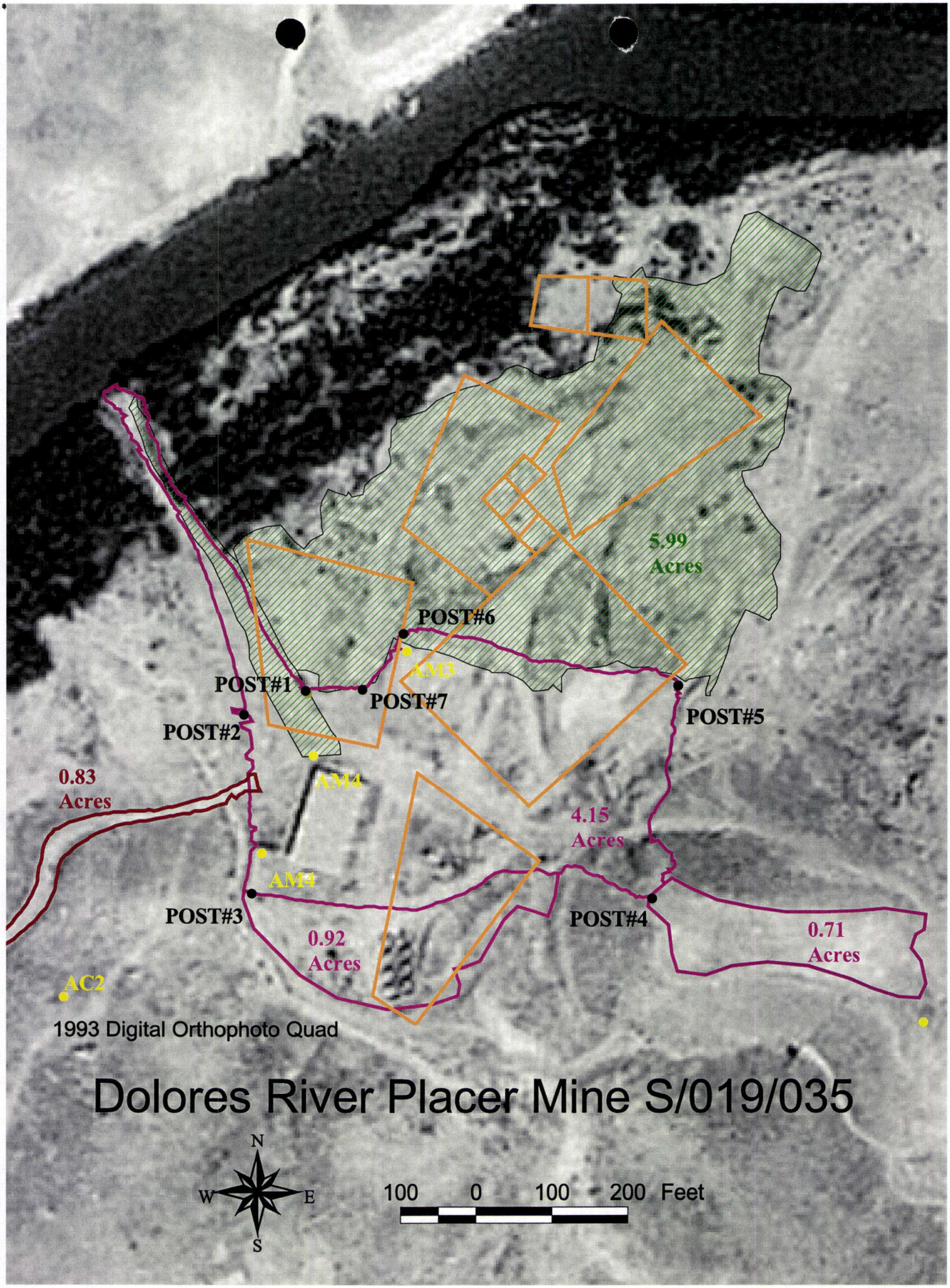
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