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

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May 12, 1993

Mr. Gary R. Gamble
Environmental Engineer
Hecla Mining Company
Box C-8000
6500 Mineral Drive
Coeur d'Alene, Idaho 83814-1931

Dear Mr. Gamble:

Re: Tentative Approval - Tailings Impoundment Reclamation Plan, Hecla Mining Company, Escalante Mine, M/021/004, Iron County, Utah

The Division has completed its review of Hecla Mining Company's (Hecla) March 17, 1993, technical deficiency response. Your latest letter satisfies the remaining concerns that were raised in our November 9, 1992 review document. We hereby grant our tentative approval of the reclamation plan for the Escalante Tailings Impoundment.

It is our understanding that the Administrative Consent Agreement between Hecla and the Division of Water Quality (DWQ) has been finalized. We have received a copy of this agreement. It does not appear to have an impact on our tentative approval of the final reclamation proposal. We have contacted Mr. Matt Lindon, Division of Water Rights (DWR), concerning their September 18, 1991, review comments. We were advised that Hecla's December 13, 1991, response is acceptable and satisfies their concerns and regulatory requirements.

We have forwarded a copy of your latest response to the BLM (Beaver River RA). After completing their evaluation, any comments/concerns will be forwarded directly to you. We suggest that you wait for their response before finalizing the revision document.

The Division has one objection to Hecla's latest plan revision. The revised reclamation schedule, which will effectively postpone reclamation until 1995, is not acceptable. Given the recurrent dust-related problems, the Division requests

that the reclamation schedule be revised to begin impoundment reclamation activities as soon as possible. Unless confirmed surface stability problems will prohibit the operator from achieving the required design/compaction specifications, impoundment reclamation should commence during the summer/fall of 1993.

Should achievement of engineering specifications prove to be a limiting factor during 1993, then reclamation must be performed as soon as onsite conditions prove favorable. The reclamation schedule should be revised accordingly.

We look forward to the receipt of the final revision of Hecla's tailings impoundment reclamation plan, which will include the latest approved changes. Please direct one copy of the final design plan to this office, one to the Division of Water Quality (DWQ), and one to the Bureau of Land Management (BLM).

We have adjusted the latest reclamation estimate to reflect a minor change in the bonding requirements for the borrow roads. The estimate has been upgraded to reflect 1993 base dollars. Applying the standard 5-year escalation factor brings the total surety amount to $651,000 in 1998 dollars (surety estimate attached).

Final Division approval will follow our receipt of the final revised plan, and acceptance of the amount and form of replacement surety by the Board of Oil, Gas & Mining (and the BLM). Thank you for your continued patience and cooperation in completing this permitting action. Please contact me if you have any questions or concerns in this regard.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Attachment
cc: Don Ostler, DWQ
Matt Lindon, DWR
Arthur L. Tait, BLM, Beaver River RA
Lowell Braxton, DOGM
M021004.ten

RECLAMATION ESTIMATE

Hecla Mining Company

Escalante Silver Mine - Mill Tailings Facility — Iron County

M/021/004 — last revision 05/12/93

Prepared by Utah State Division of Oil, Gas & Mining

Reclamation Details

-All structures and equipment to be removed from the site (1.5 acre EST)
-Tailings covered by: 6" clay, 14" subsoil, 4" topsoil (65 acres)
-Hay incorporated into tailings subsoil & topsoil caps (2-3,000 lb/acre)
-Road to tailings reduced via ripping & seeding(5,800' x 12'= 1.6 acre)
-Impoundment runoff ditch constructed around tailings cap (7,200')
-Borrow areas ripped, topsoiled & seeded (ESTIMATED 120 acres)
-Roads to borrow areas ripped, water barred & seeded (5 acre EST)
-Rip topsoil stockpile area & drill seed (9 acre ESTIMATE)
-Monitor groundwater wells for 4 years after reclamation (quarterly)
-Fence maintenance 3 years (7,900 + ~10,000 LF, quarterly)
-Areas revegetated via drill seeding unless impractical (=>hand seeding)
-Disturbed acreage = office+tailings+borrow+roads+stockpile= **202**

| Description | Amount | | $/Unit | Cost-$ |
|---|---|---|---|---|
| Structure demolition/removal | sum-ASSUMED | | 5,000 | 5,000 |
| Tailings clay cap * | 52,433 | CY | 2.92 | 153,104 |
| Tailings subsoil cap * | 122,344 | CY | 1.42 | 173,728 |
| Tailings topsoil cap * | 34,955 | CY | 1.93 | 67,463 |
| Disc hay into tailings soils * | 65 | acre | 250 | 16,250 |
| Ripping tailings road (0.40 mph) ** | 1.6 | acre | 603 | 965 |
| Runoff ditch construction ** | 7,200 | ft | 0.32 | 2,304 |
| Ripping borrow areas (0.60 mph) ** | 120 | acre | 407 | 48,840 |
| Ripping borrow roads(0.50 mph) ** | 1.2 | acre | 485 | 582 |
| Rip topsoil stockpile area** | 9.0 | acre | 407 | 3,663 |
| Reseed all disturbed areas | 202 | acre | 290 | 58,580 |
| Monitor groundwater (quarterly) | 4 | yr | 1,200 | 4,800 |
| Fencing-borrow areas(LF estimated) | 10,000 | LF | 1.00 | 10,000 |
| Mobilization | 5 | units | 1,000 | 5,000 |
| Fence maintenance (quarterly) | 3 | yr | 400 | 1,200 |
| | SUBTOTAL | | | 551,480 |
| | + 10% CONTINGENCY | | | 55,148 |
| | SUBTOTAL | | | 606,628 |
| | +5yr ESCAL (1.42%) | | | 44,311 |
| | TOTAL | | | 650,939 |
| | ROUNDED TOTAL IN 1998-$ | | | **$651,000** |

* Phase I Reduction

** Phase II Reduction

*Average cost per acre =* *3,223 $/acre*