M/021/004

From: Wayne Hedberg
To: Minerals
Date: Fri, Jan 14, 2000 4:53 PM
Subject: Hecla Mining Company Mtg. - Escalante Silver Mine (M/021/004)

Meeting date: January 12, 2000 (2:00 - 2:45 PM)

Participants: Tom Mitchell, Mary Ann Wright, Lynn Kunzler and Wayne Hedberg

Purpose of Meeting: To discuss status of Hecla's request for a post-mining landuse change and the permitting chronology prepared by Lynn Kunzler.

Lynn Kunzler had prepared a permitting chronology of significant permitting events before the meeting. This document was intended to assist the participants in determining a proper course of action regarding Hecla's outstanding request for a land use change with Dixie Cable Company.

It became evident to all the participants after reviewing the chronology, that there may be some gaps in the permitting record regarding formal DOGM approval of certain revision/amendment proposals that have been filed by the operator since the original permit application was approved. Specifically, there was no reference in the chronology to a DOGM approval for a 20-acre parcel of the mine property that was sold to Reliant Testing Technologies back in the mid-late 1980's. Apparently, Hecla never filed a written request to change the post-mining land use with DOGM before selling off this parcel of the mine site. Since this 20-acre parcel was originally permitted and bonded under the approved mining and reclamation plan, a permit transfer or a change in post-mining land use must be approved before the operator can be released from their reclamation liability. Consequently, Hecla may still have the reclamation responsibility for this parcel, regardless of the conditions under the sales agreement with the now defunct Reliant Testing company.

Dixie Cable Company is now the owner of record of this 20-acre parcel of mine property. After Reliant Testing went bankrupt, Dixie Cable apparently purchased this parcel from the County during a Sheriff's sale. Tom Mitchell suggested that we go back through the file records and pull together all of the pertinent permitting documents that have been filed and approved since the original application. Assemble these into a complete package which we will use to determine what reclamation requirements are outstanding and which have been adequately addressed. Tom recommended that we then perform a complete onsite inspection of all the properties to determine exactly what remains to be reclaimed.

A sit down meeting with Hecla (BLM and Dixie Cable also?) may follow wherein we would discuss the outstanding reclamation requirements and determine who is legally responsible for resolving same.

CC: Mary Ann Wright, Tom Mitchell