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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

March 6, 1995

Roy Benson
Mine Manager
Geneva Steel Company
P.O. Box 2500
Provo, Utah 84603

Re: Response Review, Geneva Steel Company, Iron Mountain Mines, M/021/008, Iron County, Utah

Dear Mr. Benson:

The Division has completed a review of the information provided by Geneva in response to the Division's November 30, 1994 letter. This information was received by the Division January 23, 1995. The information included: a revised version of the permit text with strikeout and redline text, a copy of the Division's November 30, 1994, letter with comments in the margins, several revised drawings, and a new drawing showing the Comstock loadout facilities area. Thank you and Mr. Lance Hale for meeting with Division staff on December 13, 1994, to discuss the permitting issues remaining to be resolved.

At this time we believe there are several issues which still remain to be resolved before tentative approval for the consolidated plan can be granted. A majority of these issues require clarification only; however, a few issues of more substance remain to be resolved. It is our hope that these issues can be resolved satisfactorily in a brief and final response from Geneva, in order to present the final form and amount of reclamation surety to the Board for their consideration at the March 22, 1995 Board Hearing. Our comments are listed below; first, following the order of topics in our November 30, 1994 letter, and secondly, as the relevant topics occurred in the text of the plan. Please format your response in a similar fashion.

COMMENTS ON RESPONSE TO DOGM NOVEMBER 30, 1994 LETTER

R647-4-109 - Impact Assessment

109.5 Actions to mitigate any impacts

Geneva has agreed to reclaim a "mitigation area" which is twice the size of the disturbed area associated with the Tip Top and Excellsior/Chesapeake mining areas. During our December meeting it was believed this figure would be close to ten acres. Geneva's latest response includes a mitigation area of five acres, but no explanation of how this figure was arrived at.

The Reclamation Summary Table lists the disturbances for the Tip Top and Excellsior/Chesapeake areas as follows: Tip Top dump top 0.87 acres, dump slope 1.21 acres, pit 0.96 acres, Road Post-Act disturbed 3.02 acres; Excellsior/Chesapeake pit and road 3.02 acres, dump slope 1.15 acres, level area 1.36 acres, Road Post-Act disturbed 2.33 acres. Omitting the haul road areas, the total disturbance for these two mine areas amounts to 5.55 acres. Doubling this figure gives approximately 11 acres. The Division will require Geneva to reclaim a mitigation area of 11 acres. This acreage figure will need to be adjusted in the reclamation surety estimate. (AAG)

R647-4-111 - Reclamation Practices

111.8 All roads & pads reclaimed

Geneva has indicated the upper section of FAA road (from the turnoff to the FAA tower to the Tac Tec tower) is no longer under Geneva's control according to an easement agreement. Geneva has performed some road maintenance/modification as requested by the FAA. As a result of this, Geneva will not be performing additional reclamation on this upper section of FAA road. Also, Geneva considers the lower section of this 40 foot wide haul road, and runaway truck lanes to now be serving a post-mine use. Previously, it was agreed that this road would be ripped/reclaimed back down to one road width when Geneva completed mining in the area. Accordingly, reclamation of a portion of the entire haul road was included in the reclamation estimate.

The Division will not require additional reclamation of the road surface owned and controlled by the FAA. The Division will require Geneva to hydroseed the outslopes and road cuts associated with this road. Please revise the reclamation estimate to reflect this reclamation treatment for the road area. Geneva's estimate of the reclamation area for the Tip Top/Excelsior road area is one-half the total road area. This assumption is acceptable to the Division as representing the area to now be hydroseeded. (AAG)

R647-4-112 - Variance

During the meeting at Division offices, the justification for the post-mine use of the road to the Blackhawk Lean Ore Pile was discussed. Geneva indicated they wish this road to remain open to have access to the Lean Ore Pile as part of ongoing operations. No mention of this was included in Geneva's latest written submission. Page 33 of the text indicates this road is needed for ranching access. Please clarify these different versions of post-mine use. (AAG)

The post-mine use justification for the road located south of the Comstock Dump which provides access for Crystal Springs was also discussed at the meeting. This road has also been referred to by Geneva as the "Forest Service Road." For clarification, this road is not a USFS road. The Division will grant a variance from the reclamation requirements for this road based upon the post-mine use of public access to the springs and private lands. Please highlight and label both the Iron Mountain Haul Road and Crystal Springs Access Road on the appropriate drawings as features which have been granted variances. (AAG)

Appendix G Letters of Responsibility

A letter from Gilbert Development Corporation to Geneva Steel dated January 10, 1995, was included in this section, although no mention of it was included in the revised text. The letter indicates Gilbert would be *interested* in the Comstock loadout facilities within the *next five years* if Geneva were to cease operations. The Division cannot accept this letter of interest as a reasonable *long-term* post-mining land use for the Comstock Loadout Facilities. It is doubtful that Geneva's iron mining operations will cease within the next five years. Before the Division can accept the post-mine land use proposed for this area, evidence of a formal signed contractual agreement is necessary confirming that a continued post-mine land use will occur.

Geneva will need to revise the reclamation estimate to include demolition and cleanup costs for the Comstock Loadout Facilities. All features/items listed under the Surety section of the Division's November 30, 1994 letter, will need to be included as part of the demolition and cleanup. Drawing "IM-Loadout" provided by Geneva includes a majority of these features, but does not include the railroad spur. In addition, the cost for revegetation treatments of those demolished facility areas (areas where the facilities to be demolished are located) will need to be included in the reclamation estimate. Please revise the reclamation estimate and appropriate section of the mine plan text to reflect these requirements. (AAG/DWH)

R647-4-113 Surety

The escalation factor currently being used by the Division is 2.01%. Please use this factor and revise the surety escalation calculations accordingly. This information should have been included in the Division's last letter. We apologize for this oversight. (AAG)

COMMENTS ON PLAN TEXT - JANUARY 13, 1995 VERSION

Page 25-26 Revegetation Seed Mix:

Mountain Sagebrush (*Artemisia tridentata vaseyana*)is an important component of the grass/shrub community that Geneva has identified as their goal in reclamation. This species needs to be included in the seed mix at 0.1 pounds PLS per acre. Crested wheatgrasses can be quite competitive to the extent that establishment of some of the other species in the seed mix will be reduced significantly. The seed mix proposed contains two varieties of crested wheatgrass ('standard' or 'desert' and 'hycrest') at a combined seeding rate nearly equal to the seeding rate for establishing a pure stand of crested wheatgrass. Since 'hycrest' would be the preferred variety of the two, 'standard' crested wheatgrass (*Agropyron desertorum*) should be eliminated from the seed mix.

It needs to be indicated that the seed mix rates are in terms of Pure Live Seed (PLS). With these changes, the proposed seed mix and rates are acceptable. (LMK)

Reclamation Plan - Areas under application

Page 38 Fertilization Plan:

Ammonium sulphate fertilizer has been identified for use on reclaimed areas. This type of fertilizer will only add nitrogen. The correct fertilizer to add nitrogen, phosphorus and potassium would be an ammonium phosphate/potassium nitrate blend. With this change, the fertilization plan is acceptable. (LMK)

Requested Variances

Page 40 Revegetation Variance Request:

While a review of the permit sections which discuss soils, vegetation, and past reclamation efforts would indicate a variance is warranted for meeting the 70% revegetation standard, Geneva has not proposed any alternate standard. Therefore, the Division proposes a

standard of 50% of the cover for the grass/shrub community type (Geneva reports the pre-disturbed cover for this type at 40%) be used as an alternative standard for those areas for which Geneva has requested the variance from meeting the 70% cover standard.

With Geneva's acceptance of this alternative revegetation standard, the requested variance could be approved. (LMK)

Item 6.

This topsoil salvaging variance request is a new request (or clarification of a previous request) for the Excellsior/Chesapeake area. The import of substitute topsoil material from the Ant Hill area for reclamation of the Excellsior/Chesapeake area is acceptable to the Division. A variance from rule R647-4-107 (4) requiring topsoil salvaging for this area is granted. (AAG)

Page 42

There appears to be a typographical error in the first sentence which mistakenly refers to the bank instead of the surety. (AAG)

Appendix A Reclamation Surety Calculations

Page 2

There appears to be a typographical error under the heading of Mulch Cover, Monthly rental basis. The headings of Weekly rental and Monthly rental are listed while the actual rate of 158.20 is for $/day.

DOGM Reclamation Plan and Variance Summary

The Division will assume the Reclamation Plan and Variance attached to the November 30, 1994 letter, is acceptable to Geneva, with the exception of those items commented on in Geneva's January 20, 1995 letter. (AAG)

Geneva's response to this letter should include a letter of response, a final version of the complete plan text, and a complete collection of the final versions of the plan drawings. The Division will be able to issue tentative approval for the consolidated plan after we have

received these final documents with the required changes. In addition to the documents mentioned above, we will need the completed Reclamation Contract and Reclamation Surety forms for internal review prior to formal presentation to the Board at the March 22, 1995 hearing. We have enclosed a blank Reclamation Contract form with a guideline describing the information required. It is our understanding that Geneva wishes to pursue a self-bond as the chosen form of reclamation surety for this operation. We have enclosed the appropriate surety forms.

As per a recent telephone conversation with Mr. Lance Hale of your staff, we would like to provide Geneva with an opportunity to discuss the contents of this letter. We have arranged a tentative meeting for March 13th at 2:00 p.m. in our office. Please advise at your earliest convenience if this meeting is not necessary, or if another date is preferred. After a considerable amount of time and energy, this consolidated permit is nearly finalized. Thank you and your staff for your continued cooperation and efforts in accomplishing this permitting task.

Sincerely,

D. Wayne Hedberg

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
Enclosures: MR-RC form & guideline + self bonding sheet
cc: Lowell Braxton Self Bonding form sent faxed 3/7/95
M21-08.RVW