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March 17, 2000

TO: Minerals File

FROM: Doug Jensen

RE: Site Inspection, North Lily Mining Company, Tintic Heap Leach, M/023/007, Juab County, Utah

Date of Inspection: March 15, 2000
Time of Inspection: 0830 AM
Conditions: Cool and windy
Participants: Doug Jensen, DOGM

Purpose of Inspection: To Assess Site Changes since February 14,2000 Inspection

I arrived at the site at 0830; it was cool and windy but the snow that covered the site at the time of the joint DWQ - DOGM inspection on February 14, 2000, had melted. The lack of snow allowed me to document any site maintenance activities that had taken place since DOGM's December 7, 1999 site inspection. There were no North Lily personnel at the site at the time of the visit.

The sprays were running on the heap and this was the first place that I inspected. Eight to ten new sprays had been added since the February 14 inspection. The new sprays were covering areas that had not been under spray for at least eight months. The placement of the new sprays in new areas will allow for reduction of solution inventory in the ponds by increasing the solution inventory in the heap. There was also two open lines running on top of the heap, the water from these lines is running to a holding area that had previously been constructed on the heap.

The pond area was the next area visited. The preg pond water level was approximately the same as it was during Feb. 14 inspection (approximately 90% full). The barren pond had risen approximately one foot and the overflow pond rose less than a foot since that inspection. The flow from the heap also appeared to be approximately the same as it had been during the last inspection.

No change was evident in the liner condition of the three ponds from what had been observed during the November 24, 1999 site inspection. The liner repair noted at that time was two secondary liner seam failures in the overflow pond and the spillway between the barren and overflow ponds. I was unable to find any additional repairs to any of the pond liners (primary or secondary). The

primary liner in the preg pond remains as it has been since DOGM's site inspection on August 18, 1999; no apparent attempt has been made to make any repairs in this area.

Several items contribute to the difficulty of ascertaining the condition of the secondary liners in the three ponds. The accumulation of trash, silt, liner material and water in the ponds, makes visual inspection extremely difficult. The only leak detection for the ponds is located between the primary and secondary liners; because of this design, use of leak detection as a tool to ascertain the competency of the secondary liner is not possible.

The ditch areas do reflect that some effort has been made to reestablish drainage through heap material that had been washed into the ditches. I did locate one patch in the ditch area that had been placed since my November inspection. There are still five to ten conspicuous holes in the ditch liner that have not been repaired. There is some evidence that two of the patches that had been placed over holes in the ditch several months ago are starting to fail. In the ditch on the West side of the heap there are two areas that have indications that solution is leaving the pad containment area. These indications are that the ground outside the pad containment system is saturated and solution salts are evident. A small berm had been constructed recently in one of these areas in an attempt to control the problem.

There is no evidence that any site clean-up has taken place at the site recently.

Photos were taken of the site conditions as I found them during my inspection..

I left the site for Salt Lake at 0930; at that time there were still no North Lily personnel onsite.

jb
cc: Gene Webb, North Lily Mining Company
Beth Wondimu, Division of Water Quality
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