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DIVISION OF OIL, GAS AND MINING

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June 3, 1999

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor

RE: Documentation of Division Meeting with Robert Steele, Nephi Gypsum Quarry, M/023/011, Juab County, Utah

Date of Meeting: May 19, 1999
Time of Meeting: 10:15 - 12:15PM
Meeting Location: DOGM Offices, Copper Conference Room
Participants: Robert Steele (Nephi Gypsum); Tom Munson and Wayne Hedberg (DOGM)

Purpose of Meeting: To go over updated disturbed area map(s) and to discuss minor changes needed to update the approved mining and reclamation plan.

A meeting was held on May 19, 1999 at the Division with Mr. Robert Steele, owner/permittee of the Nephi Gypsum Quarry to go over changes made to an updated disturbed area map and to discuss needed updates to the existing reclamation plan. On December 4, 1998, Mr. Steele had been sent copies of a large mine permit transfer form and a new reclamation contract form. We had asked that he and his partner Anthony Peck complete these new forms so we could finalize a transfer of the permit from Thomas J. Peck and Sons to Mr. Steele and Mr. Peck. We also had sent him a couple samples of more recently approved mining and reclamation plans that we had promised we'd send during our last telephone conversation in early May. We selected a couple representative plans that we felt would help him prepare his updated plan. He stated that no cover letter or note had been enclosed with the information and he thought it had been sent to him by mistake. He said he did keep the material although he had not reviewed it in depth. We asked him to please review the material and use it as a guide to prepare his own updated reclamation plan response.

The discussions started with Mr. Steele explaining that he had not yet completed our requested changes to the existing mining and reclamation plan because he has been very busy as Juab County commissioner on pressing Wilderness Study issues. He acknowledged that his original permit was quite vague regarding the level of detail in the proposed reclamation plan for the site. We explained the need to have sufficient detail built into the reclamation plan so an accurate reclamation cost estimate could be calculated. We also expressed the need to have more detail so that the State, the general public and the eventual reclamation contractor knew what was to be done, how it would be done, when and where. *Mr. Steele committed to put a third party reclamation cost estimate together and forward same to us.*

Mr. Steele gave us a brief historical overview of the quarry stating that it was originally opened and mined back in the late 1850's. It has been operated periodically off and on since that time. U.S. Gypsum Corporation apparently acquired the quarry and operated it for a time period before closing it back in the 1940's when they opened up some of their Sigurd, Utah gypsum properties. Mr. Steele purchased the Nephi gypsum properties in the late 1960's and has owned same ever since. He stated that the present operator, Nephi Sandstone, has the right to continue to mine the property for as long as they like, so long as they renew their 10 year lease agreement upon its expiration.

Mr. Steele stated that he believes there is plenty of gypsum ore left in the anticline plug at this site, but the easier, more economic gypsum is almost depleted (estimates 2-3 years inplace reserves left?). He believes that further development of the mine from the surface may be limited, but an underground mine could prove economic for a continued longer term operation. He also stated that as the deposit is presently being mined they are getting closer to the core of the gypsum deposit which has a higher percentage of anhydrite. This is causing grade problems for the operator and the cement manufacturer.

Mr. Steele stated that he has performed some broadcast seeding a couple of times over the past few years, and as recently as this spring. Areas associated with the cut and fill slopes of the access roads, lower pad(s) and upper highwall disturbances were mentioned. He said he used a seedmix that was recommended in the approved mine plan. He stated that the upper switchbacked sections of the access road to the top of the quarry highwall will probably no longer be used. He said that his partner Tony Peck told him this area could be reclaimed by using a track hoe excavator to pull some of the road fill back up into the road cut. Mr. Steele felt that some of the lower access road areas may only need to be scarified, waterbarred and reseeded.

Mr. Steele showed us the minor revision he had made to the disturbed area map we had copied and sent him (originally received from Bruce Evans of Nephi Sandstone). He had added an extension to one of the lower access roads along the eastern end of the mine site which is apparently used by Nephi City to access the "rock dam." A stream channel culvert and trash rack are apparently accessed by the city from this lower access road. *We asked Mr. Steele to please seek a letter from the county/city confirming the need to keep this road open and properly maintained following closure and reclamation of the quarry area disturbances. Mr. Steele said he would do this.*

We also asked Mr. Steele to provide us with an updated surface and mineral ownership map of the entire mine site area which also covers the properties immediately adjacent to the quarry. He told us that this information would be no problem for him to acquire and forward.

Mr. Steele also stated that he thought that they would need to bring in some topsoil material to spread over portions of the mine site disturbed area upon final reclamation. We indicated to him that if this is truly what is planned, then he would need to draft the appropriate language and include it in his reclamation plan update. He said the existing plan doesn't commit to this.

We gave Mr. Steele another set of the Large Mine Permit Transfer form and the Reclamation Contract form and guideline. He said that he had met with his partner Tony Peck on April 29, 1999 about the original set we sent him and Tony said he would take care of the paperwork which was apparently taken to Orem 1st Security Bank. We asked Mr. Steele to please contact Mr. Peck and the bank again to track down the status of the original documents. He stated he would do this and get this paperwork back to us as soon as possible.

We mutually established July 9, 1999 as the date to provide us with the other updated mine plan information as discussed above. We tentatively agreed to meet on this date and Mr. Steele said he would bring the remaining information with him at that time. We concluded our meeting at this point.

jb
cc: Robert Steele
Mary Ann Wright
Tom Munson
m023011.mtg