State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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April 9, 2004

TO: Minerals File

FROM: Tom Munson, Senior Reclamation Hydrologist TM

SUBJECT: Joint Agency Meeting with H.E. Davis, Levan Henry 1 & 2, M/023/023, Juab County, Utah

Date of Meeting: March 29, 2004
Time of Meeting: 11:00 a.m.
Location of Meeting: Division of Oil, Gas and Mining Offices
Participants: Tony Christofferson, H.E. Davis; Joel Nowak & Tom Shore, USFS Sanpete Ranger District; Tom Lloyd, USFS, Price Ranger Dist; Wayne Hedberg, Doug Jensen, Paul Baker and Tom Munson, DOGM

Purpose of Meeting: To discuss permitting requirements of the Henry 1 & 2.

Mr. Christofferson discussed the fact that the company was no longer mining at the site and had moved all equipment off the site. Some reclamation has occurred on site. The reclaimed area has not been documented accurately on a map or inspected by the Division. In order to release this area, an inspection by the Division will need to occur.

The leaky fuel tank incident was discussed and it was determined that this situation would not be repeated since the fuel tank and all fuel equipment has been removed from the site.

The Division discussed the fact that the old H.E. Davis plan was not accurate and did not reflect current disturbance or site conditions. We requested that a new reclamation plan or permit application be prepared for the site, depending on the outcome of whether future mining will take place. Mr. Christofferson felt that this decision could take place fairly soon, with a decision made by April 15, 2004, on whether they would reclaim or continue to mine the remainder of the gypsum.

Mr. Christofferson stated that the sediment pond that is located on private land will not stay in place. After he acknowledged that it was full of

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
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sediment, we stressed the need to clean out the pond to restore the containment capacity as soon as practicable.

The next issue discussed was the need for accurate ortho-topographic maps (on 10 foot contours, with a scale of 1 inch = 100 feet) and show the following:

1. accurate current disturbance;
2. proposed reclamation treatments;
3. appropriate cross-sections of the property;
4. current and post reclamation contours;
5. features identified – pit floor, highwall, reclaimed area;
6. property boundaries; and
7. stream relocation (location, extent, and design details).
8. The map needs to show mining claim boundaries, section lines, and property ownership as well.

We suggested that the mine area be flown and an aerial survey performed of this mine area and the Chicken Creek mine properties as well. Accurate maps could then be prepared to show the required features.
Mr. Christofferson said he would discuss this requirement with management and an aerial surveying company and get back to us with a projected timeframe to complete this task.

Other issues discussed:

1. Reclamation plan is lacking in its description related to details that match the current mining and highwall configuration. It was discussed that parts of the existing plan were probably acceptable and could be used to supplement any modification to the permit.

2. Is the current reclamation bond adequate? Does the Forest Service know whose name it is currently listed under? Has it been transferred to H.E. Davis Construction, Inc? Has the interest on the bond accumulated and has the bond amount increased?
The Forest Service stated that as a rule, they don't accept interest, but they would check bond status..

3. A schedule is needed to get the reclamation work done, assuming no further mining will occur.
Mr. Christofferson will notify us by April 15th regarding the corporate decision.

4. It was decided that on May 12, 2004 at 10:00 a.m., a joint inspection including the operator, USFS and DOGM would be performed.

5. The Division stated that by August 1, 2004, the mine plan and/or reclamation plan deficiencies would need to be rectified.

Attached to this memo is a GPS map the Forest Service sent to the Division following the meeting showing 9.65 acres of current surface disturbance.

TM:jb
Attachment: USFS GPS map
cc: Tony Christofferson – H.E. Davis Construction cc:
Tom Shore – USFS (Sanpete Ranger District)
Tom Lloyd – USFS (Price Ranger District)
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