State of Utah
DEPARTMENT OF NATURAL RESOURCES
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Michael O. Leavitt
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Ted Stewart
Executive Director
James W. Carter
Division Director

August 1, 1996

CERTIFIED RETURN RECEIPT
P 074 978 993

E. B. King, President
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Re: Suspension of Operations, Jumbo Mining Company, Drum Mine, M/027/007, Millard County, Utah

Dear Mr. King:

This letter is sent to advise you of the Division's intention to initiate enforcement provisions as provided for under the Utah Mined Land Reclamation Act, Title 40-8-21(3) and more specifically Rule R647-4-117.4, (Notification of Suspension or Termination of Operations). These regulatory provisions authorize the Division to require reclamation of a large mining operation after five (5) years of continued suspension. It is our intent to file a Notice of Agency Action before the Board of Oil, Gas and Mining against Jumbo Mining Company ("JMC") and Western States Minerals Corporation ("WSMC") in an effort to bring about timely reclamation of the surface disturbances associated with the indefinite suspension of gold mining operations at the Drum Mine.

Both the BLM and DOGM inspection records reflect that mining and heap leaching activities were suspended at the Drum Mine in October of 1990. Since that time, the mine site has remained inactive and the overall site conditions have continued to deteriorate. Finalization of the formal permit transfer process of WSMC's complete mining and reclamation permit to JMC remains incomplete. Ongoing litigation between JMC and WSMC over disputed reclamation and surety bonding responsibilities remains unresolved.

We will suspend formalizing our enforcement action until August 8, 1996 to allow you sufficient time to inform us of any extenuating circumstances or supplemental information that might convince us to alter our position in this matter. Please feel free to contact me, or Tom Mitchell (DOGM legal counsel) if you have questions regarding the content of this letter.

Sincerely,

Lowell P. Braxton
Deputy Director

jb
cc: Terry McParland, BLM, State Office
Don Ostler, DWQ
Rex Rowley, BLM
Tom Mitchell, AAG

bc: James Carter, DOGM