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M/027/007

November 13, 1997

VIA FEDERAL EXPRESS

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DIV. OF OIL, GAS & MINING

Mr. Bruce Hill
Field Solicitor
Office of the Solicitor
6201 Federal Building
125 S. State Street
Salt Lake City, UT 84138-1180

0013-0023

Re: Western States Minerals Corporation - Drum Mine Site

Dear Bruce:

As I discussed with you and the BLM representatives in our meeting on Monday and subsequently with you in our telephone conversation on Wednesday, I am enclosing a copy of Western States' characterization sampling program for heap leach pads and waste rock dumps located at the Drum Mine in Millard County, Utah. By copy of this letter I am also enclosing separate copies of the program for Ms. McParland at BLM and Mr. Carter at DOGM. Please let me know if an additional copy should be sent to the Division of Water Quality, and if so, to whom.

Based upon the results of our meeting on Monday, my understanding is that BLM, as lead agency, will coordinate with DOGM to review the proposed sampling program and provide comments and feedback concerning the proposal. Please feel free to have BLM contact Mr. Gerick directly if they have any questions, comments or concerns about the proposal. He may be reached in Western's Reno office at (702) 856-3339.

I am currently drafting a proposed settlement and reclamation agreement to implement your suggestion that the best way of resolving the ongoing adjudicatory proceedings and issues between Western, the BLM and the state agencies is to

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specify Western's obligations in such a formal agreement. Hopefully I will be able to fax to you a first cut of such a document on Friday. In any event, it will be no later than early next week.

Very truly yours,

Craig R. Carver

CRC/my
Enclosures

cc with enclosures:
Ms. McParland (via FedX)
Mr. James Carter (via FedX)

cc without enclosures:
Mr. E.M. (Buzz) Gerick (via mail)
Mr. John F. Carmody (via mail)

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