State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 7, 1994

TO: Minerals File

FROM: Holland Shepherd, Senior Reclamation Specialist HCS

RE: Kennecott Permits, M/035/002, M/035/011, M/035/015, Bingham Pit, Copperton Concentrator, North Perimeter Expansion, Kennecott Copper Corporation, Salt Lake County, Utah

Meeting Date: January 7, 1994
Meeting Time: 10:00 a.m. - 11:00 a.m.
Participants: Don Deines, Pat Lorello, Kennecott; Wayne Hedberg, Travis Jones, Tony Gallegos, Holland Shepherd, DOGM

This meeting was organized to discuss and summarize Kennecott Copper's current and proposed permits. New boundaries and future permitting proposals were discussed.

North Perimeter

We agreed to consolidate all mine file information into one permit number M/035/015, from what is now Saltair, M/035/005 and North Perimeter, M/035/015. The Division will place all file materials under one file number. The old file number M/035/005, will be removed.

The Division will send a draft review letter to Kennecott, addressing Kennecott's original proposal for the North Perimeter. The operator will use this information for incorporation into their upcoming revision of the North Perimeter Plan. The revision will be submitted to DOGM in 2 to 3 months.

DOGM plans a site inspection of the new tailings expansion site next week on January 13, 1994, at 1:30 p.m.

Copperton Concentrator and Bingham Pit

As a means of making the Bingham Pit permit and the Copperton Concentrator permit less confusing, we decided to rearrange the boundaries defining these separate permits. The permits are M/035/002, Bingham Pit, and M/035/011, Copperton Concentrator.

Currently the UCD Modernization Project and Bingham Pit are both under one permit number M/035/002. The 4th Line and Copperton Concentrator is under permit number M/035/011. Because the UCD Modernization Project and 4th Line-Copperton Concentrator are more recently permitted areas and carry a different type of surety than the Bingham Pit, we have elected to place these area under the permit number M/035/011. This permit will be called the Copperton Concentrator to prevent any misinterpretation with other Kennecott Modernization Projects. The Bingham Pit permit, M/035/002, will remain the same minus the UCD Modernization portion. It will however, contain the crusher and conveyor line associated with the Bingham Pit itself.

The 4th Line Expansion and the UCD Modernization Project include sureties for $8,263,900 (ILOC) and $5,300,000 (surety bond) respectively. These sureties will be placed under permit number M/035/011. The Bingham Pit surety, permit number M/035/002, will remain under the original 1977 Board Contract agreement.

We discussed the proposed boundary changes using the 1992 Annual Report map, provided by Kennecott. The boundary change would closely match those shown on this map.

One concern, was what to do with the crusher, situated in the Bingham Pit and permitted under the Copperton permit. We agreed that it would become part of the Bingham Pit permit and we would sort out the bonding details later. A corridor was permitted into the Bingham Pit, under the UCD Modernization project, that includes the crusher and associated belt line.

The Division agreed to put together a draft approval letter addressing the boundary changes, and fax it to Kennecott for concurrence. The letter would then be formalized. The operator would then develop a set of new maps for the Division which would include an overall permit boundary map and all the associated permits within this boundary. Each permit would be color coded.

East Side Collection System and Associated Projects

The Division and Kennecott agreed to schedule another meeting to discuss the current, EPA related, reclamation and mitigation projects taking place at the eastern

and southern extents of the mine. The operator proposed to have this meeting after new maps could be developed for the property and after the 1993 Annual Report could be generated and made available to the Division. We established a date of March 31, 1994, to have the annual report in. The operator will petition the Division formally to have the annual report deadline extended.

The meeting concerning the East Side activities would be held to determine what areas should come under Division requirements; what would be considered mining and what would be considered only clean-up.

jb
cc: Don Deines, Kennecott
Minerals Team, DOGM
Kennperm.mem