To Tom T.

Please prepare appropriate response for my signature Thx.

Atlas Minerals
Division of Atlas Corporation
P.O. Box 1207 Moab, Utah 84532
(801)259-5131

File ACT/037/023

September 26, 1983

RECEIVED
SEP 30 1983
DIVISION OF
OIL, GAS & MINING

Mr. James W. Smith, Jr.
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, UT 84114

RE: Contract Final Approval Conditions

JIM
SEP 29 1983

Dear Mr. Smith:

This letter serves to transmit the information required as conditions for final approval of Atlas Minerals' Mined Land Reclamation Contract as requested in your letters dated January 28, 1983 and September 13, 1983. The following are responses to your requests by number:

1. A specific set of plans entitled "Atlas Minerals' Procedures for Sealing Boreholes, Shafts and Portals" is enclosed.

2. The Roosevelt Mine was reclaimed last winter and information detailing the work performed there is enclosed under the title "Atlas Minerals' Roosevelt Mine Reclamation Information".

3. This information was submitted in my letter dated March 30, 1983 and approved as an amendment to the Wood Mine's MRP in a letter from Mr. Tetting dated June 10, 1983.

4. A topographic map of the area around the Happy Jack Mine is enclosed.

5. An updated topographic map of the Cane Creek Mine showing the entire access road is enclosed.

6. An updated map showing the Calliham Mines' boreholes is enclosed.

7. Atlas' confirmation of the bond amount to be covered by the contract was submitted by Richard Blubaugh in his letter dated March 17, 1983.

The information contained herein should meet the conditions placed on the final approval of Atlas Mineral's Mined Land Reclamation Contract. We trust this satisfies the Division's concerns and we await the issuance of final approval for all of Atlas' outstanding Mining and Reclamation Plans.

Respectfully,

Ricky J. Broschat
Environmental Specialist

RJB/jl
cc: R. Blubaugh

ATLAS MINERALS PROCEDURES FOR SEALING BOREHOLES, SHAFTS, AND PORTALS

Prepared for the DOGM

By: Patrick R. Lorello

Envrionmental Technician

Atlas Minerals

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I. PROCEDURE FOR BOREHOLE SEALING

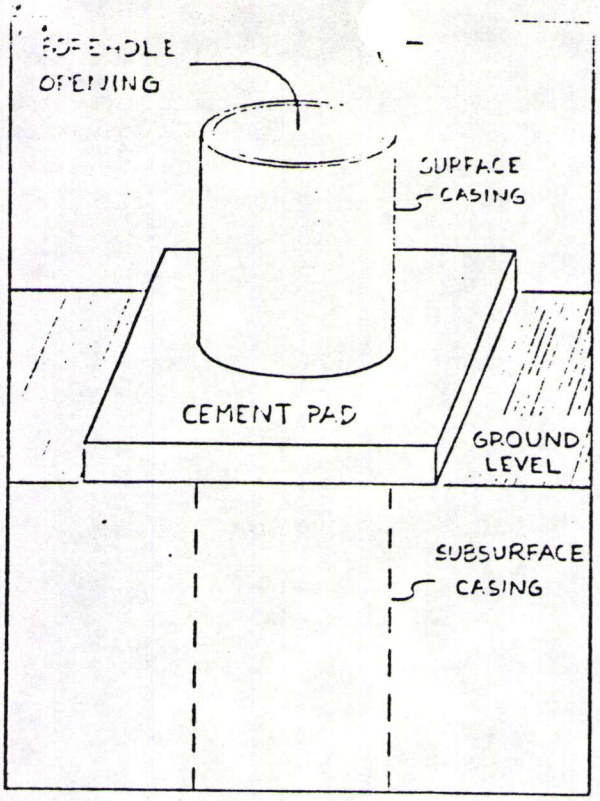
Boreholes used by Atlas Minerals for the ventilation of underground workings vary in diameter from 8 inches to 60 inches. Boreholes are either steel cased the entire length of the borehole or the casing extends approximately 20 to 30 feet beneath the surface. Whether a borehole is cased entirely or only cased near the surface depends on the nature of the subsurface material. If the subsurface material is determined to be stable (i.e. sloughing of hole will not occur, and no water bearing strata was encountered) then casing will only be placed near the surface, if the subsurface material is unstable the borehole will be cased its entire length. Any water bearing strata encountered is expected to be sealed by the borehole casing, no water bearing strata are encountered in boreholes which have been determined to be stable. The following description and diagrams list the recommended procedures to be followed for borehole sealing.

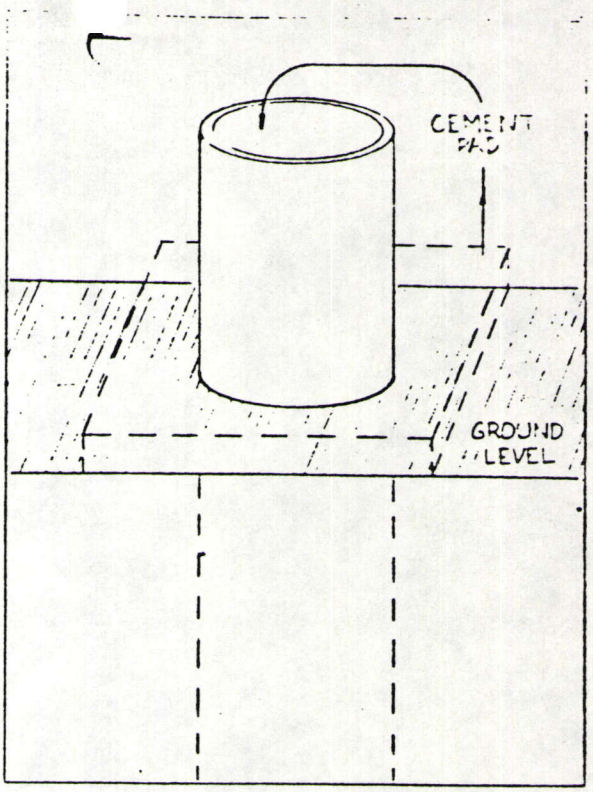
A. Where applicable the cement pad surrounding the borehole shall be broken up and placed into the borehole, as illustrated in diagram A.

B. If the surface surrounding the borehole is loose, the loose surface material shall be excavated to allow room for the casing to be cut approximately three feet beneath the ground surface (see diagram B). If the surface surrounding the borehole is solid rock, the casing shall be cut level with the exposed rock.

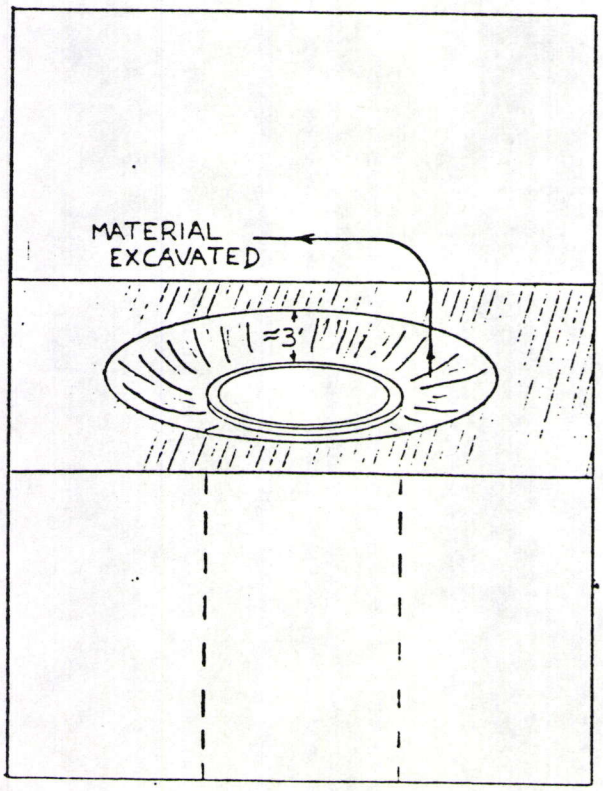
C. A steel plate shall be placed on top of the borehole and welded to the casing (see diagram C). The plate shall be of sufficient size and strength to protect the integrity of the surface contours.

D. Where applicable, material previously excavated will be placed back on top of the sealed borehole and regraded to natural contours, as shown in diagram D.

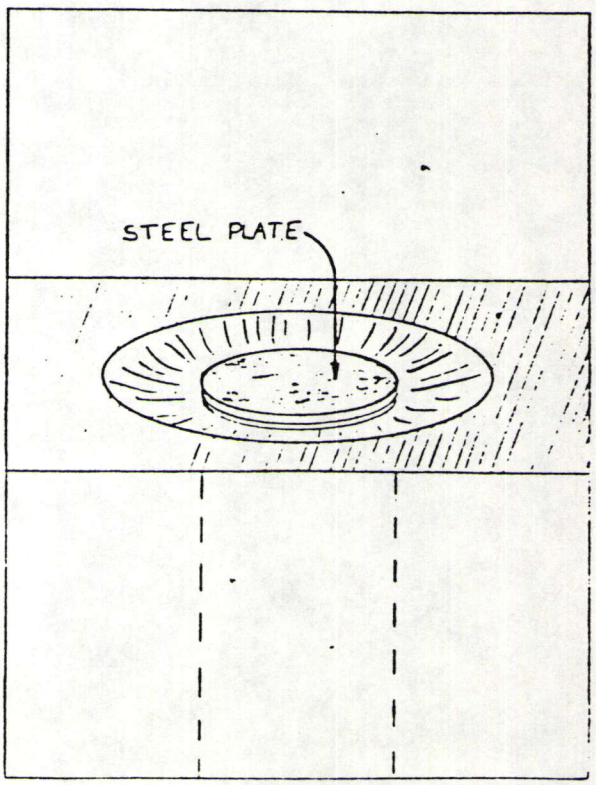




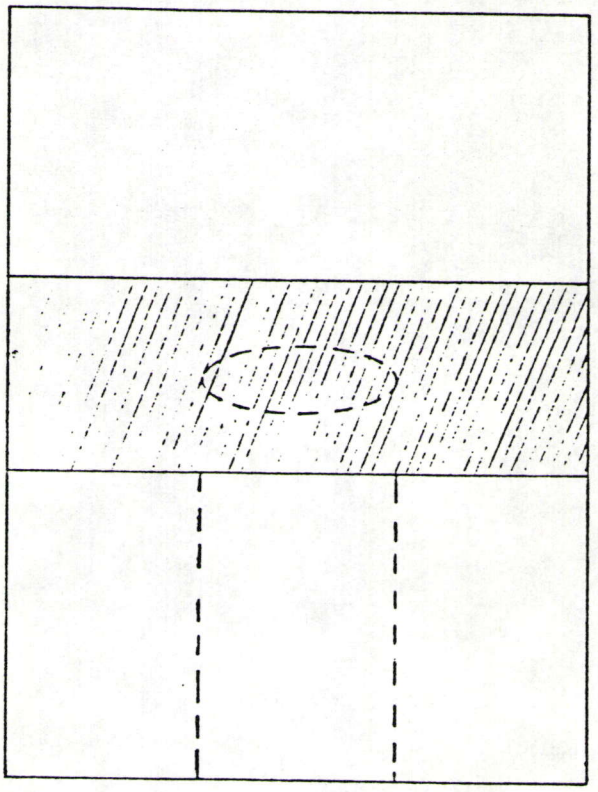
A. CEMENT PAD BROKEN UP AND REMOVED.



B. LOOSE MATERIAL REMOVED AND CASING CUT.



C. STEEL PLATE WELDED IN PLACE.



D. SURFACE REGRADED TO NATURAL CONTOURS.

II. PROCEDURE FOR PORTAL SEALING

Atlas Minerals uses portals as surface entrances to addits or declines to access underground workings. The average portal dimension is 9 feet X 12 feet. Sealing procedures for portals are discussed for two portal categories.

The first portal category involves portals that have their entrance locations adjacent to level ground. Sealing procedures shall utilize the surrounding waste rock to backfill the entrance, pushing as much waste rock into the opening as possible. The waste rock shall then be sloped to prevent surface drainage from entering the sealed portal.

The second portal category involves portals that have their entrance locations above level ground (e.g. portal entrances in cliffs), or portal entrance locations where it would not be feasible to backfill. Sealing procedures shall utilize explosive charges placed around the portal perimeter to seal the portal entrance.

III. PROCEDURE FOR SHAFT SEALING

Mine shafts used by Altas Minerals as vertical access to underground workings, will be sealed according to the following description.

A. Associated superstructure will be removed from the shaft opening, primarily the headframe, hoisting works, backleg structures, and the concrete pad.

B. The shaft will be backfilled using the surrounding waste rock until the waste rock reaches the ground surface.

C. Once the waste rock reaches ground level the surface will be graded to match existing surface contours, and prevent surface drainage from entering the sealed shaft.

ACT/037/051

MINED LANDS SURETY CONTRACT

THIS CONTRACT, made and entered into as of the 27th day of January, 1983, between Atlas Corporation, a Delaware corporation (hereinafter called the "Operator"), and the Board of Oil, Gas, and Mining, duly authorized and existing by virtue of the laws of the State of Utah (hereinafter called the "Board").

W I T N E S S E T H:

WHEREAS, the Operator is the owner or lessee and is in possession of certain mines and associated workings in the State of Utah (hereinafter called the "Mines"), which are more particularly described on Exhibit "A", attached hereto and by this reference made a part hereof; and

WHEREAS, the operator has filed Notices of Intention to Commence Mining Operations and Mining and Reclamation Plans for the Mines; and

WHEREAS, certain of the aforesaid Notices and Plans have been approved by the Board as shown on Exhibit "B" attached hereto and by this reference made a part hereof; and

WHEREAS, the Operator is able and willing to conduct reclamation operations at the Mines in accordance with the

requirements specified in the aforesaid Notices and Plans, the Mined Land Reclamation Act, and the rules and regulations adopted in connection therewith; and

WHEREAS, the Board has considered the factual information and recommendations provided by the staff of the Division of Oil, Gas, and Mining as to the magnitude, type and costs of the approved reclamation activities planned for the Mines; and

WHEREAS, the Board is cognizant of the nature, extent, duration of the operations at the mines, the Operator's financial status, and the Operator's ability to carry out the planned work.

NOW, THEREFORE, in consideration of the promises and covenants herein contained the Operator and the Board hereby agree as follows:

1. The Operator agrees to reclaim the land affected by mining activities at the Mines in accordance with the Operator's approved Mining and Reclamation Plans and any future amendments or additions thereto, the Mined Land Reclamation Act, and the Regulations adopted under said Act.

2. The Operator and the Board agree that, except as specifically provided herein, reclamation of the land affected by mining activities at the Mines shall be governed only by the Operator's approved Mining and Reclamation Plans and any future

amendments or additions thereto as approved by the Board or Division, along with applicable laws and regulations.

3. The Operator shall be an independent contractor and as such shall have no authorization to bind the State of Utah or the Board to any agreement except as herein set forth.

4. The Operator agrees to hold harmless the State of Utah, the Board, and the Division of Oil, Gas, and Mining from claims for personal injury or death, damages to personal property and liens of workmen and materialmen, howsoever caused, in performance of this contract.

5. In lieu of accepting a bond or cash surety, the Board agrees to accept the Operator's personal guarantee as set forth in this contract, to reclaim the land affected by the Mines in accordance with the Operator's Mining and Reclamation Plans listed in Exhibit "B" and any future amendments or additions thereto, as approved by the Board.

6. The reclamation obligation for which this contract is a personal guaranty shall be released by the Board as to each of the Mines upon the completion of reclamation as specified in the state statute, regulations, and approved Mining and Reclamation Plan applicable to such mine. Any determination by the Division that the Operator has not complied with an applicable statute, regulation or approved

Mining and Reclamation Plan requirement may be reviewed by the Board upon request of the Operator after notice and hearing.

7. This Contract shall fulfill the Operator's obligations under Section 40-8-14, Utah Code Annotated, and Rule M-5 of the Board's Regulations.

8. If the Operator does not comply with its obligations under this Contract as to any of the Mines, the Board shall give to the Operator a notice of noncompliance and shall initiate proceedings to revoke the approval of the Notice of Intention to Commence Mining Operations relating to the mine which is not in compliance with this Contract. Such proceedings shall be governed by applicable law.

9. If the Mined Land Reclamation Act, the regulations adopted thereunder, or any other statute or regulation, are amended to remove the legal requirement serving as the basis for any provision of this Contract, the Operator will no longer be required to comply with such provision of the Contract. Nothing herein, however, shall be deemed to relieve the Operator from compliance with applicable laws and regulations relating to reclamation of land affected by the operations of any of the mines notwithstanding any provisions of this Contract.

10. This contract shall apply to those mines listed on Exhibit "B" and will apply each of the other Mines as the

applicable Mining and Reclamation Plan for that mine is approved by the Board.

11. This Contract shall supersede all individual surety contracts currently in force between Atlas and the Board, unless Atlas requests and the Division or Board, as appropriate, approves the continuation in force of any such contract.

IN WITNESS WHEREOF, the parties hereto have respectively set their hands and seals this _____ day of _____, 19__.

ATTEST:

Cheryl J. Yura
Assistant Secretary

SEAL

ATLAS CORPORATION

Edward R. Fair, Jr.
President

BOARD OF OIL, GAS, AND MINING

C. B. Henderson

STATE OF UTAH)
: ss.
COUNTY OF)

On the ____ day of _____, 19__, personally appeared before me Edward R. Farley, Jr. who, being by me duly sworn, did say that he is the President of Atlas Corporation, a corporation, and that the foregoing instrument was signed on behalf of said corporation by authority of its Bylaws or a resolution of its Board of Directors, and said Edward R. Farley, Jr. acknowledged to me that said corporation executed the same.

NOTARY PUBLIC
Residing at: Princeton Jct. N.J.

My Commission Expires:
May 21, 1985

_____, acting as Secretary of the Board of Oil, Gas, and Mining of the State of Utah, hereby certifies that the foregoing Surety Agreement was approved by the Board on the 27th day of January, 1983, in Cause Nos. ACT/019/007, ACT/019/009, ACT/015/011, ACT/015/013, ACT/015/014, ACT/037/003, ACT/037/005, ACT/037/006, ACT/037/007, ACT/037/008, ACT/037/010, ACT/037/011, ACT/037/012, ACT/037/013, ACT/037/017, ACT/037/019, ACT/037/021, ACT/037/023, ACT/037/024, ACT/037/034, ACT/037/040.

_____

EXHIBIT A

1. Mines operated by Atlas:

Calliham/Sage

Dunn

Far West

Four Corners

Pandora

Patti Ann

Probe

Rim Columbus

Snow

Standard I

Velvet

Wood Lease

2. Mines owned or leased by Atlas but operated by someone other than Atlas:

Cactus Rat

Cane Creek

Happy Jack

Ivy

Locust Spider

Louise

Radium King

Standard II

Windfall

EXHIBIT B

Mines subject to approved notices of intent:

Dunn	11/7/77
Ivy	2/3/79
Locust Spider	4/20/77
Louise	9/28/78
Pandora	4/20/77
Patti Ann	9/24/76
Probe	4/13/77
Radium King	3/22/77
Rim Columbus	3/22/77
Standard II	10/27/78
Velvet	11/29/79
Windfall	4/20/77