Atlas Minerals

ACT/037/023

STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

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January 6, 1987

Mr. Richard E. Blubaugh
Regulatory Affairs Manager
Atlas Minerals
743 Horizon Drive, St. 150
Grand Junction, Colorado 81506

Dear Mr. Blubaugh:

Re: 1986 Annual Reports, Mine Inspections, and Continued Suspension of Operations.

The Division has waived the 1986 Annual Report requirements for the following permitted Atlas operations:

1. Probe Mine - ACT/015/011
2. Snow Mine - ACT/015/013
3. Four Corners Mine - ACT/015/014
4. Moab Uranium Mill - ACT/019/003
5. Cactus Rat Mine - ACT/019/009
6. Patti Ann Mine - ACT/037/003
7. Standard #1 Mine - ACT/037/005
8. Rim - Columbus Mine - ACT/037/006
9. Radium King Mine - ACT/037/007
10. Locust Spider Mine - ACT/037/008
* 11. Windfall Mine - ACT/037/010
12. Standard #2 Mine - ACT/037/011
* 13. Pandora Mine - ACT/037/012
14. Louise Mine - ACT/037/013
15. Dunn Mine - ACT/037/017
* 16. Far West Mine - ACT/037/019
* 17. Calliham & Sage Mine - ACT/037/023
18. Happy Jack Mine - ACT/037/024
19. Ivy Mine - ACT/037/034
* 20. Velvet Mine - ACT/037/040

All we require at this time is a letter from you stating what mining and reclamation activities (if any) occurred during 1986.

The permitting staff is planning a spring 1987 inspection of the five operations that have an asterisk next to them. We would like to have Atlas representatives accompany them if possible. Please contact Frank Filas of my staff as to the possibility of arranging a joint inspection.

It has also come to our attention that the temporary suspension of operations that were granted to Atlas's mine sites have elapsed. The Division cannot grant a continued suspension of operations to these mines in their present state. Consequently, we propose the following reclamation and interim stabilization measures for Atlas's nineteen permitted mine sites:

1. Reclamation according to the approved reclamation plan of those mines that Atlas believes are unlikely to be economically viable in the future.

2. Interim stabilization of the remaining mine sites. This stabilization will primarily consist of regrading and seeding of the waste piles and yard areas. The buildings, portals, shafts, and roads would not be reclaimed, but would be kept in a well maintained condition. Once interim stabilization is performed the mine site will be granted a continued suspension of operations.

We realize that mine reclamation is expensive and that these are not the best of economic times in the uranium industry. Therefore we propose that these measures be implemented gradually at a rate of four mines per year beginning in the fall of 1987. Atlas will choose the specific mine sites where work is to be performed. Each year after this work is performed the Division will prepare updated permit maps and reduce the reclamation bond accordingly.

Please let me know as to what course of action you wish to pursue. The amount and timing of the reclamation and stabilization work is negotiable. We will work with you in every way that we can. Thank you for your assistance in resolving this matter.

Sincerely,

Lowell Braxton

Lowell Braxton
Administrator
Mineral Resource Development
And Reclamation Program

re
cc: Frank Filas
Wayne Hedberg
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