5/045/0083
cc: Leslie

# United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Salt Lake Field Office
2370 South 2300 West
Salt Lake City, UT 84119
ph: (801) 977-4300; Fax: (801) 977-4397
www.ut.blm.gov/saltlake_fo

IN REPLY REFER TO:
3809 (UTW011)
U-89021

JUN 12 2012

Keith Price
Utah Minerals Recovery, LLC
1305 North 23rd Avenue
Beaumont, TX 77706

Dear Mr. Price:

On March 30, 2012, the Bureau of Land Management (BLM), Salt Lake Field Office received your document titled "Voluntary 3809 Plan of Operation – Knolls Facility" for proposed extraction of Magnesium Chloride brine located in T. 1 S., R. 13 W., sections 14 and 15 in northern Tooele County, Utah.

On May 24, 2012 BLM personnel, Mike Nelson, Stephen Allen, and Larry Garahana met with Jim Kohler at the site to discuss the Plan of Operations (Plan) and assess the current site conditions. At the time of the site visit we discussed the additional information that would be required for your Plan.

Consistent with the surface management regulations at 43 CFR 3809.411(a), the BLM has reviewed the Plan to determine if it meets the content requirements at 43 CFR 3809.401(b). Based on our review, the following information is required for the Plan to be complete:

1. Page 1, Section 2 (iii). The Plan states that water will be imported via tanker truck and stored in an above ground storage tank (AST). Please specify the size and capacity of the tanker trucks and provide information on the amount of water and number of haul trips anticipated. Also specify the size, capacity, and location of the AST.

2. Page 1, Section 2 (iv). The Plan states that imported gravel may be used for haul roads. Please specify the dimensions and location of access and haul roads that will be used and discuss your plan for upgrading, creating, and maintaining access routes and roads for your operation. Please specify the size, quantities, and locations of proposed gravel stockpiles.

3. Page 2, Section 2 (vii), General Schedule of Operations. Please provide a schedule of the proposed hours of operation for your activities.

4. Page 2, Section 3 (viii) states that diesel fuel will be used for a generator at the site. Please discuss your plans for transportation and storage of fuel at the site. This would include the size, capacity, and location of any onsite fuel storage.

RECEIVED
JUN 14 2012
DIV. OF OIL, GAS & MINING

5. Page 3, Section 5 (iii) states that storage tanks will be filled during the off peak operating season. Please specify what they will be filled with. Also, show the location of all storage tanks on your maps.

6. You need to provide a narrative description of how you will mine/extract the Magnesium Chloride. Please provide preliminary or conceptual designs and operating plans for your system as required by 43 CFR 3809.401(b)(2)(ii). Your plan references tanks, transfer lines, pumps, generators, a pump station, ditches, and trenches but it does not describe or illustrate (on any map or diagram) how these components will work together.

7. Attachments C-2 and C-3 of your Plan are two nearly identical maps titled "AFFECTED AREA – MGCL2 BRINE RECOVERY, KNOLLS, UTAH". They are drawn at a scale that makes them difficult to read. One map shows total project acres of 9.93 and the other shows total project acres of 9.89. The maps include tables listing the acreage of the various components of your operations. The tables are very small making them difficult to read. It would be helpful to have these tables in the body of your plan.

8. Your plan states that the entrance gate to the site is 1.5 miles away. The entire length of the access road will have to be included in your project area and will have to be added to the total project acreage.

9. Quality Assurance Plan, Page 3, Section 1 references raw materials and products that may be trucked to the site. Please specify what these will be.

10. Quality Assurance Plan, Page 4, Section 2.1.1 states that tanks, hoses and pumps will be rinsed with water. Section 2.1.3(4) states that equipment will be flushed with water. Please describe how you will handle and dispose of the rinsate.

11. During the site meeting on May 24, James Kohler mentioned 2 possible scenarios for collecting brines. One involved pumping brines into the existing storage pond and the other involved pumping brines into a storage tank near the proposed load out area. If you have not decided which collection method you will use, please describe both options in your Plan.

12. In order to comply with the BLM 43 CFR 3715 regulations pertaining to use and occupancy under the mining law, the following information must be included in your proposed Plan of Operations, if your proposed use or occupancy of public lands exceeds 14-days in a 90-day period:

    A written description of the proposed occupancy that describes in detail: (See 43 CFR 3715.3-2)

    (a) How the proposed occupancy is reasonably incident;
    (b) How the proposed occupancy meets the conditions specified in §3715.2 and §3715.2- 1;
    (c) Where you will place temporary or permanent structures for occupancy;
    (d) The location of and reason you need enclosures, fences, gates, and signs intended to exclude the general public;
    (e) The location of reasonable public passage or access routes through or around the area to adjacent public lands; and
    (f) The estimated period of use of the structures, enclosures, fences, gates and signs, as well as, the schedule for removal and reclamation when operations end.

You must provide BLM with a detailed map that identifies the site and the placement of the items specified in (c), (d), and (e) of this section.

13. As required by 43 CFR 3809.401(d), the BLM requests that you submit a reclamation cost estimate of the cost to fully reclaim your operations. The estimate should cover the equipment type, time, and rate needed for each component of your project. You should estimate costs assuming the BLM were to hire a third-party contractor and should include costs for contract administration and overhead costs. The cost estimate should also include appropriate costs for contactor profit and insurance.

Please submit the requested information within 90 days of receipt of this letter. Upon receipt of the required information, the BLM will determine whether or not the Plan of Operations is complete. If we do not receive the requested information from you in the allotted time, we will consider your Plan to be withdrawn.

Once the Plan is determined to be complete, the BLM will solicit public comment on the Plan under 43 CFR 3809.411(c), either separate from or as a part of the environmental review process required by the National Environmental Policy Act (NEPA). Soliciting public comment must occur before making decision on the Plan according to 43 CFR 3809.411(d).

In accordance with §3809.412, you are not authorized to engage in any of the activities described in your Plan until this office determines that it is complete, the appropriate level of environmental review under NEPA is completed, you provide the financial guarantee required under §3809.552, the financial guarantee is accepted and successfully adjudicated, and BLM notifies you that you may begin operations.

If you have any questions, or require additional information, please contact Stephen Allen of my staff at (801) 977-4360.

Sincerely,

Michael G. Nelson
Assistant Field Manager,
Nonrenewable Resources

Cc: James Kohler
1111 Sunburst Lane,
Midway, UT 84049

UDOGM
Leslie Heppler
1594 West No.Temple, Ste. 1210#
Box 145801
SLC, UT 84114-5801