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State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 30, 2015

CERTIFIED RETURN RECEIPT
70140150000011942838

John Spencer
Simplot Phosphates, LLC
9401 North Highway 191
Vernal, Utah 84078-7802

Subject: Division Directive to Update the Tailings Storage Facility Operation and Reclamation Plan, Simplot Phosphates LLC., Vernal Phosphate Operation, M/047/0007, Uintah County, Utah

Dear Mr. Spencer:

In the process of reviewing the expansion of the Vernal Phosphate mine to the east side of US Highway 191, the Division of Oil, Gas and Mining did a cursory review of the operation and reclamation plan for the tailings storage facility. While it does not appear that changes are needed for much of this plan, there are portions that need to be updated. The Division, therefore, issues the following directive:

> By May 23, 2015, please provide in the Notice of Intention to Commence Large Mining Operations (Notice) any required maps and narrative in the operational details and reclamation section related to the tailings storage facility. Please include changes to the reclamation cost estimate as needed.

The operation and reclamation plan for the tailings storage facility is currently in the form of a stand-alone document. While this is acceptable, it should be referenced as an appendix (or similar) in the main Notice.

This permitting action will be treated as an amendment not subject to a public comment period.

The following items were noted in the Division's brief review:

- Page 1. The text says, "The currently permitted tails disposal capacity is around 6 years." While this was correct in 2000, it is now confusing. The expansion being proposed at the time was to accommodate tailings for another 44 years. Is this still accurate?

- There is a statement that the first encroachment of tailings on public lands would be in 2009. Is this still correct? Please provide an updated timetable for how rapidly the elevation would increase, especially with regard to public lands.

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- Laboratory analyses of the tailings are from the 1990s. While the Division is not requiring additional testing, more recent data would be useful if it is available, especially if there have been changes in ore chemistry or processing methods.

- Please include a synopsis of water monitoring results. Have there been any quantified impacts to water quality?

- There is a statement on page 26 that Dam Safety is reviewing the engineering specifications, but this should be updated to note that the project was approved.

- The plan says on page27 that the reclamation plan will be reevaluated over the life of the project. Are there any updates that need to be made based on evaluations?

- The plan discusses a revegetation test plot program, including a general location and a list of treatments. Is there an as-built map showing the plots? Without a map or marked plots in the field, it becomes difficult or impossible to know what treatments were most effective. Is there any data from these plots? If so, it should be checked to see if changes should be made to the revegetation plan. If not, the plots should be evaluated to see which treatments were most effective.

The Division appreciates Simplot's cooperation on this and other issues. Please contact me at (801) 538-5261 or April Abate at (801) 538-5214 if you have questions or concerns regarding this letter.

Sincerely,

Paul B. Baker
Minerals Program Manager

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