

MK029PR
SANDSTONE
MINE

5 photos @ Sandstone

#1

Site Name UNC Ambrosia Lake

Date 10/22/98

#1

Location Sandstone Mine

Grid 3 19°

Transect Description 50' every 1'

Investigators Holland shepherd, Rob Pine, Ed Monales

1	B	2	B	3	B	4	B	5	B
6	B	7	B	8	CWG	9	B	10	B
11	B	12	B	13	B	14	B	15	sds
16	B 6 gram sds	17	L	18	B	19	B	20	B 6 gram
21	B	22	wwG	23	wwG	24	sds	25	L
26	L	27	sds	28	B	29	B	30	L
31	B	32	CWG	33	CWG	34	wwG	35	CWG
36	K	37	L	38	L	39	L	40	L
41	B	42	L	43	B	44	B	45	B
46	sds	47	sds	48	L	49	B	50	L

Total Rock % _____

Total Bare Ground % 48

Total Grass % 28 Total Perennial % 28 Total Annual % 0

Total Forb % _____

Total Litter % 24

CWG 4
 WWG 3
 B gm 2
 sds 5

#2

Site Name UNC Ambrosia Lake

Date 10/22/98

Location Sandstone Mine

Grid 38 90

Transect Description 50' every 1'

Investigators Holland Shepherd, Rob Pine, Ed Morales

1 B Gram	2 B	3 B	4 B	5 B
6 L	7 L	8 wwb	9 B	10 B
11 B	1 B	13 B	14 L	15 B
16 B	17 B	18 sds	19 sds	20 L
21 B Gram	22 L	23 B	24 B	25 B
26 L	27 B	28 wwb	29 wwb	30 B
31 B	32 B	33 L	34 B	35 L
36 cwb	37 L	38 B	39 L	40 L
41 B	42 B	43 B	44 L	45 L
46 B	47 B	48 B	49 B	50 B

Total Rock % _____
 Total Bare Ground % 58
 Total Grass % 16 Total Perennial % 16 Total Annual % 0
 Total Forb % _____
 Total Litter % 26

cwb 1
 wwb 3
 Bgm 2
 sds 2

#3

Site Name UNC Ambrosia Lake

Date 10/22/98

Location Sandstone

Grid 59 184°

Transect Description 50' every 1'

Investigators _____

1	B	2	sds	3	sds	4	L	5	L
6	L	7	L	8	B	9	B	10	L
11	cwg	1	L	13	B	14	L	15	B
16	B	17	B	18	B	19	B	20	L
21	L	22	B	23	B	24	L	25	L
26	L	27	L	28	L	29	B	30	L
31	L	32	B	33	B	34	B	35	B
36	B	37	B	38	wwg	39	cwg	40	L
41	wwg	42	wwg	43	cwg	44	B	45	L
46	wwg	47	L	48	wwg	49	B	50	B

Total Rock % _____

Total Bare Ground % 42

Total Grass % 20 Total Perennial % 20 Total Annual % 0

Total Forb % _____

Total Litter % 38

cwg 3
 wwg 5
 bgm 0
 sds 2

Site Name UNIC Ambrosia Lake

Date 10/22/98

#4

Location Sandstone

Grid 63 256°

Transect Description 50' every 1'

Investigators _____

1	B	2	B	3	B	4	B	5	B
6	B	7	B Gram	8	B	9	L	10	B
11	B	1	L	13	B Gram	14	L	15	B Gram
16	B Gram	17	B Gram	18	B Gram	19	B Gram	20	Shr weed
21	Shr weed	22	Shr weed	23	B	24	B Gram	25	L
26	L	27	sds	28	L	29	B	30	sds
31	sds	32	L	33	L	34	B	35	sds
36	sds	37	L	38	L	39	B	40	B Gram
41	L	42	L	43	L	44	B	45	B
46	B	47	B	48	sds	49	L	50	B

Total Rock % _____

Total Bare Ground % 36

Total Grass % 30 Total Perennial % 36 Total Annual % 0

Total Forb % _____

Total Litter % 28

cwg 0
 wwG 0
 bgm 9
 sds 6

63 was just outside so moved 100' east to 64

#5

Site Name UNC Ambrosia Lake

Date 10/22/98

Location Sandstone Mine

Grid 33 153°

Transect Description 50' every 1'

Investigators _____

1 B	2 L	3 L	4 CWG	5 B
6 WWG	7 CWG	8 L	9 B	10 B
11 CWG	12 B	13 B	14 B Gm	15 L
16 B	17 B	18 B	19 B	20 B
21 CWG	22 B	23 B	24 B	25 B
26 L	27 L	28 CWG	29 B	30 B
31 L	32 L	33 CWG	34 L	35 B
36 B	37 B	38 B	39 B	40 B
41 B	42 L	43 CWG	44 B	45 L
46 B	47 L	48 SDS	49 B	50 B

Total Rock % _____

Total Bare Ground % 56

Total Grass % 20 Total Perennial % 20 Total Annual % 0

Total Forb % _____

Total Litter % 24

CWG 7
 WWG 1
 B gm 1
 SDS 1

Site Name UNC Ambrosia Lake

Date 10/22/98

#6

Location Sandstone Mine

Grid 22 183°

Transect Description 50' every 1'

Investigators Holland shephard, Rob Pine, Ed Morales

1 L	2 wwg	3 B	4 B	5 YSC
6 CWG	7 B	8 L	9 B	10 sds
11 B	12 B	13 B	14 L	15 YSC
16 B	17 L	18 L	19 SPOT	20 L
21 L	22 B	23 B	24 B	25 L
26 sds	27 L	28 YSC	29 B	30 B
31 B	32 L	33 L	34 L	35 L
36 L	37 B	38 B	39 B	40 sds
41 B	42 L	43 L	44 sds	45 sds
46 B	47 sds	48 B	49 L	50 L

Total Rock %

Total Bare Ground % 40

Total Grass % 18 Total Perennial % 18 Total Annual % 6

Total Forb %

Total Litter % 36

CWG 1
 wwg 1
 b gm 0
 sds 7

Site Name UNC Ambrosia

Date 10/22/98

#7

Location Sandstone Mine

Grid 10 304°

Transect Description _____

Investigators Holland shepherd

1	L	2	L	3	cwg	4	cwg	5	B
6	B	7	cwg	8	L	9	L	10	B
11	B	1	B	13	L	14	L	15	L
16	wwg	17	B	18	B	19	L	20	cwg
21	L	22	B	23	cwg	24	L	25	B
26	L	27	B	28	L	29	B	30	L
31	L	32	L	33	L	34	B	35	L
36	B	37	cwg	38	B	39	B	40	L
41	B	42	L	43	Purple aster	44	L	45	cwg
46	B	47	L	48	L	49	L	50	B

Total Rock % _____

Total Bare Ground % 36

Total Grass % 16 Total Perennial % 18 Total Annual % 0

Total Forb % _____

Total Litter % 46

cwg 7

wwg 1

Asters

occasional 4 wsb

#8

Site Name UNC Ambrosia Lake

Date 10/22/98

Location Sandstone Mine

Grid 17 296°

Transect Description 50' every 1'

Investigators _____

1 B	2 L	3 B	4 CWG	5 B
6 B	7 B	8 L	9 CWG	10 B
11 B gram	1 B gram	13 CWG	14 B	15 L
16 B	17 B	18 B gram	19 B	20 CWG
21 B	22 B	23 B	24 CWG	25 CWG
26 CWG	27 B	28 L	29 L	30 B
31 B	32 B	33 B	34 B	35 B
36 B	37 B	38 B	39 L	40 B gram
41 B	42 B	43 L	44 B gram	45 B
46 CWG	47 B	48 B	49 CWG	50 L

Total Rock % _____
 Total Bare Ground % 56
 Total Grass % 28 Total Perennial % 28 Total Annual % 0
 Total Forb % _____
 Total Litter % 16

CWG 9
 CWG
 B gm 5
 sd5

moved 2 grids back east because 17 seemed on the edge of the site



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Bill Brancard
Director
Mining and Minerals Division

August 22, 2007

Larry Bush
United Nuclear Corporation
UNC Holdings 2
P.O. Box 3077
Gallup, NM 87305

**RE: Response to United Nuclear Corporation Letter Dated July 10, 2007, Concerning ,
Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, MK027PR,
MK028PR, and MK029PR**

Dear Mr. Bush:

Thank you for your, July 10, 2007 letter, responding to the Mining and Minerals Division's (MMD) letter, dated June 15, 2007. Your letter addressed the prior reclamation status of the three mines identified above.

Your letter indicates that the Sandstone Mine was already released by MMD. You attached a letter dated May 25, 1999, indicating that MMD did identify the Sandstone Mine, as eligible for prior reclamation release. MMD agrees with this finding and appreciates your review of our files to locate this document.

We would like to follow-up on your invitation to inspect the John Bill and Anne-Lee mine sites to determine their condition and status. MMD will be contacting you directly to set up inspection dates for these two sites.

MMD will refrain from filing its dismissal motion, before the Mining Commission, pending the opportunity to inspect the two sites for compliance under the New Mexico Mining Act.

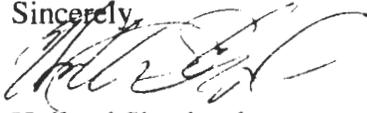
RE: Response to United Nuclear Corporation Letter Dated July 10, 2007, Concerning , Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, MK027PR, MK028PR, and MK029PR

August 22, 2007

Page 2

Please feel free to call me at 505-476-3437, if you wish to discuss this matter further.

Sincerely,



Holland Shepherd
Program Manager
Mining Act Reclamation program

Attachments

cc: Karen Garcia, Chief, Mine Reclamation Bureau
Roy Blickwedel, Remedial Project Manager, General Electric
Prior Reclamation Site Files Nos: MK026PR, MK027PR, and MK028PR
Bill Olson, GWQB/NMED



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

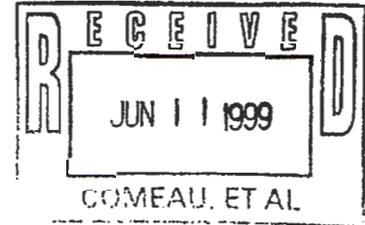
MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Douglas M. Bland
DIVISION DIRECTOR

May 25, 1999

Larry Bush
United Nuclear Corporation
P.O.Box 3077
Gallup, NM 87305



RE: Determination of Release of Prior Reclamation Sites, Ann Lee, John Bill, and Sandstone

Dear Mr. Bush

In accordance with New Mexico Mining Act (NMMA) § 69-36-7-U, and § 510.A of the NMMA Rules (Rules) the Mining and Minerals Division has made a decision regarding release of the above sites from further requirements of the NM Mining Act.

In order for a site to be released from further requirements of the NMMA under prior reclamation, the standards set in the NMMA Rules § 510.A must be met. The Rule states, "The director shall release the owner or operator from further requirements of the Act and of this part if, after an inspection of the reclaimed areas, he determines that the reclamation measures satisfy the requirements of the Act and the substantive requirements for reclamation pursuant to this part." The substantive requirements for reclamation in Part 5 of the Rules in part can be found in § 506.J.3. which states, "the work to be done will reclaim disturbed areas within the permit area to a condition that allows for re-establishment of a self-sustaining ecosystem on the permit area following closure, appropriate for the life zone of the surrounding area."

The above mentioned sites were inspected in the summer of 1995, after they had been seeded in 1994. It was clear at that time that they could not meet the release criteria after just one growing season. United Nuclear applied for a variance in order to allow more time to realize results of the reclamation efforts. A variance was granted through the end of 1998 with the condition that MMD would re-inspect the sites at the end of the growing season in 1998. All three sites were inspected with vegetative sampling conducted in October 1998 (see attached Inspection Report). A representative from UNC was present for all inspections.

The vegetative sampling conducted during these inspections were carried out in accordance with accepted sampling methodologies. In the event there are no nearby reference areas in which to compare sampling results, technical standards are often used as a benchmark by which to judge whether a site will allow for a self-sustaining

ecosystem as described in the Rules. The standard used by the Division is the NRCS Range Site Description (RSD) for the particular area in question. It is generally accepted that 75% of the average percent cover values given in the RSD is a reasonable value in which to expect that the site will allow for a self-sustaining ecosystem if those levels are reached. The attached RSD used for all three UNC sites is WP-2, Sandy. As you can see, 75% of the average percent cover value for grasses and forbs would be 13.5%. When this value was compared to the 1998 sampling results, there were two sites that appear to meet or exceed that amount, Ann Lee and Sandstone. However, as discussed in the October 98 sampling report, Ann Lee was is not recommended for release because approximately 40% of the site was occupied by a large mound which was not vegetated at all. The Sandstone site did exhibit more positive results in that not only did it exceed the RSD average percent cover value with 22% cover, but also sustained a community of 4 different grass species and 2 perennial forbs, with at least one half-shrub species. Therefore, Sandstone is hereby released from further requirements of the NMMA. The other two sites, Ann Lee and John Bill will need to be permitted by MMD and meet all requirements of the NMMA § 69-36-7-U and § 510.A of the NMMA Rules.

Your interest in meeting Prior Reclamation requirements is appreciated. If you have any questions, feel free to call Kerrie Neet, Chief, Regulatory Programs Bureau at (505) 827-5988.

Sincerely,



Fob

Douglas M Bland
Division Director

cc: Kerrie E. Neet, Chief
Regulatory Programs Bureau

Fernando R Martinez, Program Manager
Mining Act Reclamation Program



Mk 029PA

Roy Blickwedel
Remedial Project Manager
Corporate Environmental Programs

GE
640 Freedom Business Center
King of Prussia, PA 19406

T 610 992 7935
F 610 992 7898
roy.blickwedel@corporate.ge.com

RECEIVED
MARP

JUL 10 2007

MINING & MINERALS DIVISION

Holland Shepherd
Program Manager
Mining Act Reclamation Program
Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

July 10, 2007

Dear Holland:

We are responding to your June 15, 2007 letter that seeks permission to inspect three former UNC mines in the Ambrosia Lake District. As of September 1997 United Nuclear Corporation (UNC) became a wholly-owned, indirect subsidiary of the General Electric Company. GE Corporate Environmental Programs has been retained through a separate administrative services agreement to assist United Nuclear both technically and administratively with environmental issues at its New Mexico mine sites.

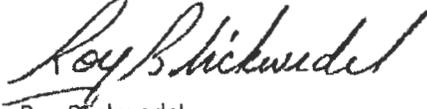
We have recently undertaken a file review of MMD's files to complete the history of activities at the three mines that you summarized in your June 15, 2007 letter. Based upon our review, UNC believes that the Sandstone Mine was already released from the conditions that you specified in your letter (see attached letter from MMD dated May 25, 1999). The May 25, 1999 correspondence was not presented in your letter. We therefore expect that only Ann Lee and John Bill mines are the relevant subjects of your request for inspection. While we have not fully completed our review of the MMD's files, we have not yet uncovered any documentation that a final inspection was performed following UNC's second effort to re-establish vegetation at Ann Lee and John Bill. We agree that a return inspection of Ann Lee and John Bill should be performed.

With respect to the Ann Lee Mine, your June 15, 2007 letter does not indicate that the majority of the Ann Lee Mine was reclaimed by the Department of Energy (DOE) as a vicinity property when it completed the UMTRCA Title 1 closure of the Philips Mill. The only remaining parcel, apparently in question as to the acceptability of prior reclamation, is the approximately one-half acre, fenced parcel that contains the mine pad. UNC expects that it is this fenced-in parcel that MMD considers to be in need of an inspection.

UNC agrees to grant MMD a right of entry to each of the two mines for the purpose of conducting an inspection, and further agrees to cooperate with any specific information requests that MMD may have, provided that the information exists. It is my understanding that UNC owns all of the property that contains the John Bill mine, and that all of the Anne Lee mine (except for a small, UNC-owned, fenced-in area immediately surrounding the shaft) was reclaimed as part of the vicinity closure of the Philips Mill by the Department of Energy. It is also our understanding that the only remaining requirements at Anne Lee and John Bill are to re-inspect the revegetation work that had been carried out following the initial seeding which did not attain the required plant density due to the drought conditions in existence at the time.

We respectfully request that MMD refrain from filing the motion to dismiss UNC's appeal pending the opportunity to inspect the two remaining mines. Please call Larry Bush or me at your convenience to schedule the inspections, and to provide other information that MMD needs to complete the releases for Ann Lee and John Bill.

Sincerely,

A handwritten signature in cursive script that reads "Roy Blickwedel". The signature is written in black ink and is positioned above the typed name.

Roy Blickwedel
Remedial Project Manager
Corporate Environmental Programs

cc Larry Bush
Kirk Macfarlane
Jon Indall



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Bill Brancard

Director

Mining and Minerals Division

7001 1940 0004 7920 3678

June 15, 2007

Larry Bush
United Nuclear Corporation
UNC Holdings 2
P.O. Box 3077
Gallup, NM 87305

RE: United Nuclear Corporation, Prior Reclamation Sites, Anne-Lee Mine, John-Bill Mine, and Sandstone Mine, Prior Reclamation Mine Site Nos, Respectively: MK027PR, MK028PR, and MK029PR

Dear Mr. Bush:

As part of its administration of the New Mexico Mining Act (Act), NMSA 1978, Sections 69-36-1 to 69-36-20, the Mining and Minerals Division (MMD) is conducting a review of previously active uranium mine sites in New Mexico. That review identified various sites operated by United Nuclear Corporation (UNC), including the Anne Lee, John Bill, and Sandstone mines, which qualify as existing mines under NMSA 1978, Section 69-36-3 (E), but for which no Mining Act permits were ever issued.

The Mining Act and Mining Act Rules, specifically, NMSA 1978, Section 69-36-5 (E), and §19.10.5.511 NMAC, allow an operator or owner of an existing mine where reclamation has previously occurred, to apply to MMD for a determination that the prior reclamation is sufficient to release the mine from the Act's requirements. UNC applied in 1994 for such releases from the Act at the three mines identified above.

Following receipt of UNC's release requests, and after inspecting the mine sites, MMD notified UNC through a letter dated September 29, 1995, that the releases could not be granted and that UNC would be required to complete the permit process for the sites as "existing mines." UNC, however, did not proceed with the permitting process, but chose to appeal MMD's Order regarding the Anne Lee, Sandstone and John Bill Mines to the New Mexico Mining Commission.

The appeal remained on the Commission's docket for a substantial period of time and the Commission, in a *sua sponte* order dated April 29, 1997, ordered the dismissal of UNC's appeal without prejudice for lack of prosecution, unless UNC submitted reasons why the appeal should not be dismissed within thirty days of the Commission's Order.

June 15, 2007

Page 2

In a letter dated May 29, 1997, received by the Commission on June 2, 1997, counsel for UNC advised it would seek a variance from MMD and urged the Commission not dismiss its appeal as such dismissal "would prejudice United Nuclear's right to seek review of the Director's Order in this matter." In that same letter, UNC assured that if the variance was granted, it was confident the matter could be resolved quickly and UNC would voluntarily dismiss its petition.

MMD granted UNC a variance in 1998 to extend the time for compliance with the Mining Act by two years. The records indicate that UNC took no further action in this matter when the variance expired in 2000.

Ten years have passed since the Commission issued its order and this matter should now be resolved. To do so, MMD is prepared to file a motion with the Commission requesting the Commission dismiss UNC's appeal for non-prosecution.

Alternatively, it has been twelve years since MMD completed its last inspections at the above mentioned mine sites. Environmental conditions may have changed at the sites to a degree that would warrant further discussion about the requirements for permitting the sites. If UNC were to allow MMD access to the Anne Lee, John Bill, and Sandstone mines so that MMD could determine whether, given the additional passage of time, any further reclamation is required at those sites that may resolve the matter, as well as the pending appeal.

MMD therefore requests UNC contact our office within no less than thirty days of the date of this letter and indicate whether it agrees MMD should proceed to file a dismissal motion or whether UNC is agreeable to providing MMD access to the sites for inspections. MMD anticipates that some or all of the mine sites may no longer be owned by UNC; UNC nevertheless remains obligated to comply with the Mining Act as the operator of existing mines at the sites.

For MMD to complete inspection of the sites, MMD requires a right of entry to each site, site characterization information that may not have been part of UNC's previous release applications, current land ownership information and any other information UNC believes will assist MMD in completing its inspections.

If we do not receive a response within 30 days, MMD will proceed with filing its dismissal motion before the Commission, and may consider enforcement action as appropriate.

Please feel free to call me at 505-476-3437, if you wish to discuss this matter or have questions.

Sincerely,



Holland Shepherd
Program Manager
Mining Act Reclamation program

June 15, 2007

Page 3

cc: Karen Garcia, Chief, Mine Reclamation Bureau
Roy Blickwedel, Remedial Project Manager, General Electric
Prior Reclamation Site Files Nos: MK026PR, MK027PR, and MK028PR
Bill Olson, GWQB/NMED

UNITED NUCLEAR CORPORATION

Jim



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809



February 19, 1998

Dr. Kathleen Garland, Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: *Application for a Variance from Prior Reclamation Inspection Date for Anne Lee, John Bill, and Sandstone Mines*

Dear Dr. Garland:

This letter is to inform you that United Nuclear Corporation has completed the public notice requirements for its requested variance from the September 30, 1995 date for a determination by the Director regarding prior reclamation activities for the three mines for which the variance was submitted on June 3, 1997. United Nuclear provided public notice pursuant to 19 NMAC 10.2 § 903 and submits the following documentation as verification of such;

1. Section 902 of the regulations describes the contents of the public notice.

A copy of the notice is attached. Also attached is a copy of the proposed notice which we submitted to MMD for its review. That copy contains MMD's hand-written proposed changes which were incorporated into the published notice.

2. Section 903 of the regulations sets forth the publication requirements. More specifically, subsection 903.A requires that the Director be provided proof that the owners of record within one-half mile of the mines, as shown in the most recent property tax schedule, were provided the notice by certified mail.

Attached is a copy of a map which shows the surface ownership around sections 28 and 34, T14N, R9W, the sections upon which the mines are located. The McKinley County Clerk's Office provided the information regarding surface ownership according to the most recent tax roles. From this map it was determined that the following persons or entities were to be contacted to fulfill this requirement;

- a. Quivira Mining Company
- b. The State of New Mexico
- c. Ms. Isabel Marquez

Attached are copies of letters and certified mail receipts received as a result of those mailings.

Dr. Kathleen Garland
February 19, 1998
Page 2

The County Clerk's Office further indicated that they have no record of ownership and therefore, no address for the property contained in Section 21, T14N, R9W, identified on the map as "Ambrosia Tract".

3. Section 903.B. of the regulations requires that the Director be provided proof that notice has been provided by certified mail to all municipalities and counties and tribal organizations within a 10 mile radius of the properties . . . on or before the newspaper publication date required by Section 903.C.

Attached are copies of letters sent to the McKinley and Cibola County Managers' offices together with copies of the certified mail receipts which fulfill this requirement. Note that these letters were sent on November 17, 1997. Note further, that the notice was published on December 1, 1997.

4. Section 903.C of the regulations requires that the Director be provided proof that the notice was published in accordance with the requirements as stated in this subsection.

Attached is a copy of the notice as it appeared in the December 1, 1997 Gallup Independent together with an affidavit of publication.

5. Section 903.D of the regulations requires that the Director be provided proof that the notice was posted in at least four publicly accessible and conspicuous places on or before the newspaper publication date.

Attached is a memorandum which identifies the locations at which the notice was posted. Note that the notice was not posted at the entrance to the mines because the entrances are neither conspicuous or publicly accessible.

6. Section 903.E of the regulations require that the Director be provided proof that the notice was mailed to the mineral lessor on or before the newspaper publication date.

Attached is a copy of a letter sent to Hecla Mining Company, the mineral lessor.

7. Section 903.F requires that the Director be provided proof that notice was mailed to all persons who have made a written request to the Director.

Attached are copies of letters sent to the list of persons requesting notification. The list was provided to United Nuclear by the MMD.

8. Section 903.G requires that the Director be provided proof the notification was mailed to the Environment Department, the State Engineer, the Department of Game and Fish, the Forestry

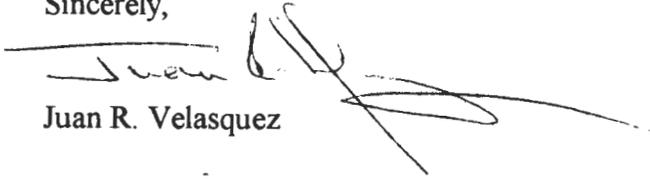
Dr. Kathleen Garland
February 19, 1998
Page 3

Division, and the State Historic Preservation Division.

Attached are copies of the letters sent to the respective agencies.

We trust that submittal of this information will allow you to approve our variance request. If you have any questions or require additional information, please feel free to contact us.

Sincerely,


Juan R. Velasquez

cc: Ed Morales

PHONE LOG

6/2/99

Called Larry Bush back after he left message for Fernando. He was somewhat confused about our letter because he had not received the sampling report with it. I told him I'd send the report out in today's mail and it would make more sense. He seemed willing to accept our decision, just wants to figure out what all needs to be done and wrap it up quickly.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Douglas M. Bland
DIVISION DIRECTOR

June 2, 1999

Larry Bush
United Nuclear Corporation
P.O. Box 3077
Gallup, NM 87305

Dear Mr. Bush:

Enclosed you'll find the Prior Reclamation Inspection Report of 1998. This should help clarify the issues you raised in our phone conversation today regarding release of United Nuclear Corporation's Prior Reclamation sites. Please excuse our inadvertent oversight in leaving it out of the last mailing to you.

Feel free to call me, at (505) 827-5982 after you receive this and we can discuss any remaining issues or questions you may have.

Sincerely,

Karen W. Garcia
Reclamation Specialist

Encl: 1998 Prior Reclamation Inspection Report

PRIOR RECLAMATION INSPECTION REPORT

FOR

UNITED NUCLEAR CORPORATION'S

ANN LEE

**JOHN BILL
and
SANDSTONE
MINES**

**Submitted in Partial Fulfillment of the New Mexico Mining Act
Section 69-36-7, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Program**

October 30, 1998

JOHN BILL

Table 2.A

COVER TYPE	% COVER					AVG	STD DEV
	TRNS 1	TRNS 2	TRNS 3	TRNS 4	TRNS 5		
GRASS and FORBS	2	14	2	8	0	5.2	5.8
PERENNIAL	2	14	2	8	0	5.2	5.8
ANNUAL	0	0	0	0	0	0.0	0.0
LITTER	64	12	70	54	84	56.8	27.3
BARE GROUND	34	62	28	36	16	35.2	16.9

Figure 2.A

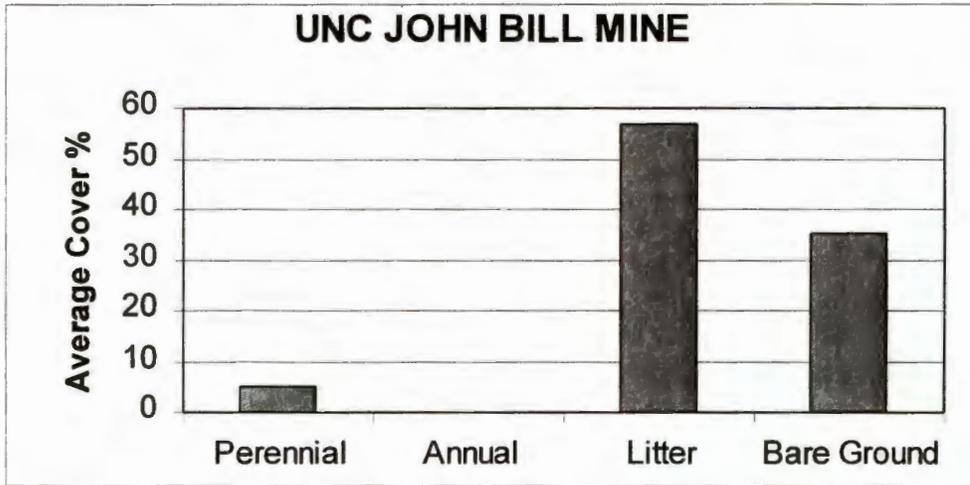
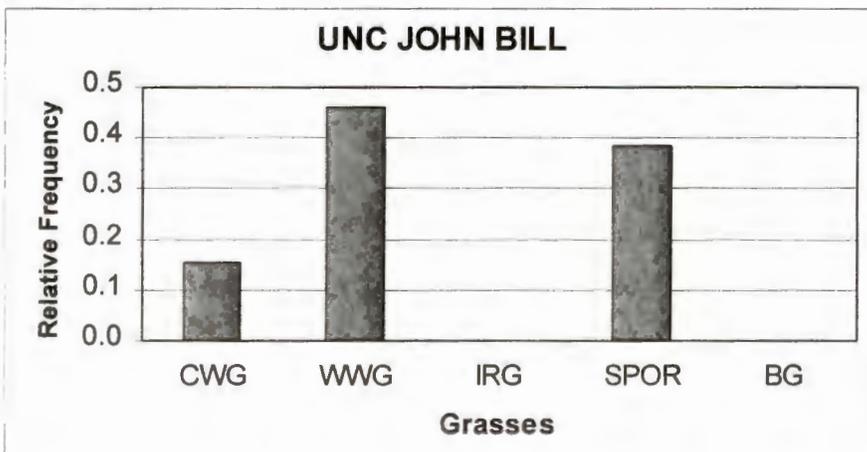


Figure 2.B



PRIOR RECLAMATION SITE SUMMARY

UNITED NUCLEAR CORP.

Contact: Juan Velasquez
1720 Louisiana NE
262-1800

The 3 UNC sites had a variance until the end of 1998. All that is said is that a determination will be made by MMD whether the release criteria are met.

*Variance
fill 9/98* **Anna Lee Mine (T14N R9W 28):** Total area addressed by Mining Act is 1/10 of an acre. Reseeded in fall, 1994. Inspected July 13, 1995. No perennials growing. Recommendations were to cover slab and reseed. Variance requested by UNC in June, 1997.

John Bill Mine and Sandstone Mine (T14N R9W 34): Total area is approximately 8 acres in two areas. Reseeded in fall, 1994. Inspected July 13, 1995. Vegetation was sparse. Steel scrap and buildings found at sites, presumably at request of leasee. Recommendations were to cover slab and submit a letter from leasee requesting that buildings and scrap be left on site. Variance requested by UNC in June, 1997.

HRI

Contact: Mark Pelizza
972-387-7777

Churchrock ISL SEC 17: Disturbed area is approximately 16 acres. HRI purchased property from UNC who did some reclamation work in 1990 or 1991 (removed head frames and most buildings, recontoured ore pads and covered shafts and vents). This is one of HRI's insitue leaching sites. Inspected on August 29, 1995. There were 5 ponds remaining up to this time. HRI agreed to reclaim these ponds in 1997.

NEWMONT GOLD (Santa Fe Pacific Gold)

Contact: Rick River
Idarado Mining Co.
P.O. Box 584
Ouray, CO 81427
(970) 325-4482
(970) 325-4853

Poison Canyon Mine (T13N R9W 19): The only SFPG prior rec site not released or that falls under the act. Site is 30 acres. MMD letter dated July 24, 1996 gives a 5 year variance from the 1995 date. The letter states that at the end of the 5 year variance "the Director will consider whether to extend this variance". Originally reclaimed in 1987 with additional work in 1993 and 1994. Not released due to lack of diversity and poor establishment of grasses and forbes. SFPG purchased by Newmont (303-837-5069). Fence surrounds site. Topsoil depth presumably 4 inches.

QUIVIRA

MMD letter dated April 21, 1997 approving the variance request indicated only that sites will be inspected in the summer of 1997 and that those sites not released would be reinspected during the summer of 1998. MMD letter dated October 31, 1997 says that they must apply for another variance. Quivira response states that this was discussed with Holland and that the existing variance is good until end of 1998. No other correspondence on the matter was found.

Section 17 (T14N R9W): 22 acres
Section 19 (T14N R9W) 19 acres
Section 22 (T14N R10W): 37 acres
Section 24 (T14N R10W): 26 acres
Section 30 (T14N R9W): 44 acres
Section 30W (T14N R9W): 26 acres
Section 33 (T14N R9W): 28 acres

Inspected by MMD in 1995, 1997 and 1998.

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.

The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is thirty (30) days from the date of this notice

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.

AVISO PUBLICO

United Nuclear Corporation (United Nuclear) ha sometido una SOLICITUD PARA UNA VARIACIÓN para sus Minas Anne Lee, John Bill, y Sandstone, localicadas en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas del Acto de Minería del estado de Nuevo México (NMAC 10.2 Subparte 10).

The mina Anne Lee está localicada en secciones 27 y 28, unidad primaria de gobierno local T14N, R9W, Meridiano Principal de Nuevo México. No más que 1/10 acre en sección 28 se fue disturbado durante la operación de la mina. Más terreno se fue disturbado por causa de actividades del Departamento de Energía de Los Estados Unidos que no fueron relatado ha la mina.

Las minas John Bill y Sandstone están localicadas en Seccion 34, unidad primaria de gobierno local, T14N, R9W, Meridiano Principal de Nuevo México. Aproximadamente cuatro (4) acres en sección 4 se fue disturbado causa de estas minas. United Nuclear aplico de aliviarse de las reglas del Acto de Minería por la rehabilitacion que se habido completido antes del pasaje de the reglas. El propósito de esta variación es para proveer de de que se pasen dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y Minerales (MMD), que las medidas de rehabilitación de United Nuclear estan de acuerdo con las reglas del Acto de Minería.

La dirección del suplicante es:

United Nuclear Corporation
1720 Louisiana Blvd N.E.
Suite 400
Albuquerque, New Mexico 87110

Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

La fecha final para someter propuestos o comentario es treinta (30) días de la fecha de este Aviso. Copias de la solicitud para una Variación están disponibles para inspección pública en al Biblioteca Pública y en la oficina del Secretario del Condado de Cibola, en Grants, Nuevo México, en la Biblioteca Pública, y en la oficina del Secretario del Condado de McKinley, en Gallup, Nuevo México, y en la oficina Departamento de Energía, Minerales, y Resources Naturales en Santa Fe, Nuevo México.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-6970

Jennifer A. Salisbury
CABINET SECRETARY

Kathleen A. Garland
DIVISION DIRECTOR

July 17, 1998

Mr. Juan Velasquez
United Nuclear Corporation
1720 Louisiana NE
Albuquerque, NM 87110

RE: Approval of Variance for Prior Reclamation Sites, Anna Lee, John Bill and Sandstone Mines

Dear Mr. Velasquez:

This approval addresses the request for variance submitted by United Nuclear Corporation (UNC) in a letter dated June 3, 1997. The variance requested applies to the September 30, 1995 date, described in Section 510.B of the New Mexico Mining Act Rules (heretofore "the Rules"), for a determination by the Director regarding prior reclamation activities at the Anna Lee, John Bill and Sandstone Mines. The variance requested that the determination date be extended to September, 1998. The Anna Lee Mine is located in Section 28 T14N R9W and the John Bill and Sandstone Mines are located in Section 34 T14N R9W, McKinley County.

It has been determined that UNC has fulfilled the public notice requirements of Section 1003 of the Rules and that the variance request meets the requirements of Section 1002 of the Rules. The prior reclamation sites to which this variance applies shall be inspected by the Mining and Minerals Division (MMD) staff in the month of September, 1998 and a determination shall be made by MMD whether these sites meet the release criteria.

If you have any questions regarding this letter, please contact me at 827-5974 or Rob Pine at 827-1172.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen Garland".

Kathleen Garland, Director
Mining and Minerals Division

cc: Fernando Martinez, Permitting Coordinator, MARP
File

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the mine meets the~~ ~~reclamation and revegetation requirements.~~ *United Nuclear's reclamation measures satisfy the requirements* of the New Mexico Mining Act. The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is ~~(30)~~ *30 days from the date of this notice.*

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and *the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.*

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NOTICE

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ures satisfy the require-
Mexico Mining Act.
ress is:
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d., N.E.

v Mexico 87110
wishing to submit writ-
a request for a public
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and Natural Resources

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AVISO PUBLICO

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y Sandstone están lo-
34, unidad primaria
14N, R9W, Meridiano
México An...

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02. Services

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concrete well houses, infiltrator
material, complete systems available
DAVID BACA JR. PRECAST CO.
505-722-4928 or 505-240-0153

Housecleaning, office cleaning,
ironing, run errands, ETC..
Call 505-488-6207

03. Lost and Found

LOST Red Australian Shepherd with
white markings, docked tail. Lost in col-
lege area Mon. 24th. Needs life preserv-
ing heart medicine. Reward offered.
505-863-1912, 505-863-4155,
505-863-6147

04. Help Wanted

Carpet Cleaner Helper
Carpet laying experience
helpful. Call 505-722-7373

Case Manager, BA in Psychology or re-
lated field; 2 years experience with SDMI
preferred. Send resume, 3 references to
Valencia Counseling Services, Inc.
Box 67, Grants, NM 87020
Attn: Darlene Hayes

PUBLIC NOTICE

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Albuquerque, New Mexico 87110

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04. Help Wanted

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1-800-449-1037 Ext. 688

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Apply in front office

TEXAS oil company urgently needs dependable person now in GALLUP area. Regardless of training, write L.C. Hopkins, Dept. S-87305, Box 711, Ft. Worth, TX 76101-0711.

Do you need extra \$ MONEY for the Holidays? You can earn up to \$153 monthly by becoming a regular plasma donor. Help others who are in need of life saving medical products. We have computerized, high-tech automated machines that provide a safer and foster procedure during your plasma donation. REGULAR DONOR

31. House for Sale



Action Realty Of Gallup
204 East Artec
863-4417

INVESTORS OR FIRST TIME BUYERS
Home refurbished, downtown location, Carport, 1 1/2 bath, priced to sell in the mid 40's. Don't miss it! Call Kathy Schmitt 863-4417, after 7PM at 722-7349

Pacesetters Realty
107 W. AZTEC 722-7211

Affidavit of Publication

STATE OF NEW MEXICO) SS
COUNTY OF MCKINLEY

RANGEL, LYDIA being duly sworn upon oath, deposes and says:

As LEGAL CLERK of The Independent, a newspaper published in and having a general circulation in McKinley County, New Mexico and in the City of Gallup, New Mexico and having a general circulation in Cibola County, New Mexico and in the City of Grants, New Mexico and having a general circulation in Apache County, Arizona and in the City of St. Johns and in the City of Window Rock, Arizona therein: that this affiant makes this affidavit based upon personal knowledge of the facts herein sworn to. That the publication, a copy of which is hereto attached was published in said newspaper during the period and time of publication and said notice was published in the newspaper proper, and not in a supplement thereof,

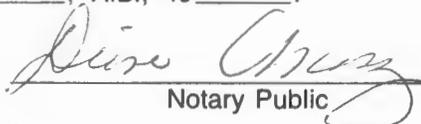
for one time, the first publication being on the 1st day of December, 19 97 the second publication being on the _____ day of _____, 19 _____ the third publication on the _____ day of _____, 19 _____.

and the last publication being on the _____ day of _____, 19 _____.

That such newspaper, in which such notice or advertisement was published, is now and has been at all times material hereto, duly qualified for such purpose, and to publish legal notices and advertisements within the meaning of Chapter 12, of the statutes of the State of New Mexico, 1941 compilation.


Affiant.

Sworn and subscribed to before me this 9th day of December, A.D., 19 97.


Notary Public

My commission expires June 22, 2001

LEGAL NOTICE Gallup McKinley County New Mexico

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an APPLICATION FOR A VARIANCE for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10). The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine. The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act. The applicant's address is: United Nuclear Corporation 1700 Louisiana Blvd., N.E. Suite 400 Albuquerque, New Mexico 87110 Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to: Director Mining and Minerals Division Energy, Minerals and Natural Resources Department State of New Mexico 2042 South Pacheco Street; Santa Fe, New Mexico 87505 The deadline for submittals is thirty (30) days from the date of this notice. Copies of the Applications for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, and the Energy, Minerals and Natural Resources Dept., Santa Fe, New Mexico.

AVISO PÚBLICO

United Nuclear Corporation (United Nuclear) ha sometido una SOLICITUD PARA UNA VARIACION para sus Minas Anne Lee, John Bill, y Sandstone, localizadas en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas de Acto de Minería del estado de Nuevo México (NMAC 10.2 Subparte 10). La mina Anne Lee está localizada en secciones 27 y 28, unidad primaria de gobierno local T14N, R9W, Meridiano Principal de Nuevo México. No más que 1/10 acre en sección 28 se fue disturbado durante la operación de la mina. Más terreno se fue disturbado por causa de actividades del Departamento de Energía de Los Estados Unidos que no fueron relatado ha la mina. Las minas John, Bill y Sandstone están localizadas en Sección 34, unidad primaria de gobierno local, T14N, R9W, Meridiano Principal de Nuevo México. Aproximadamente cuatro (4) acres en sección 4 se fue disturbado causa de estas minas. United Nuclear aplico de alivarse de las reglas de Acto de Minería por la rehabilitación que se habido completado antes de pasaje de las reglas. El propósito de esta variación es para proveer de que pasen dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y Inerales (MMD), que las medidas de rehabilitación de United Nuclear estan de acuerdo con las reglas de Acto de Minería. La dirección de suplicante es: United Nuclear Corporation 1720 Louisiana Blvd., N.E. Suite 400 Albuquerque, New Mexico 87110 Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a: Director Mining and Minerals Division Energy, Minerals and Natural Resources Department 2040 South Pacheco Street Santa Fe, New Mexico 87505 La fecha final para someter propuestos o comentario es treinta (30) días de la fecha de este Aviso. Copias de la solicitud para una Variación están disponibles para inspección pública en la Biblioteca Pública y en la oficina de Secretario del Condado de Cibola, en Grants, Nuevo México, en la Biblioteca Pública, y en la oficina de Secretario de Condado de McKinley, en Gallup, Nuevo México, y en la oficina Departamento de Energía, Minerales y Recursos Naturales en Santa Fe, Nuevo México. Legal #14632 Published in The Independent December 1, 1997.

UNITED NUCLEAR CORPORATION



P.O. Box 3077
Gallup, New Mexico 87305-3077

Telephone: (505) 722-6651
Fax: (505) 722-6654

TO: Juan Velasquez

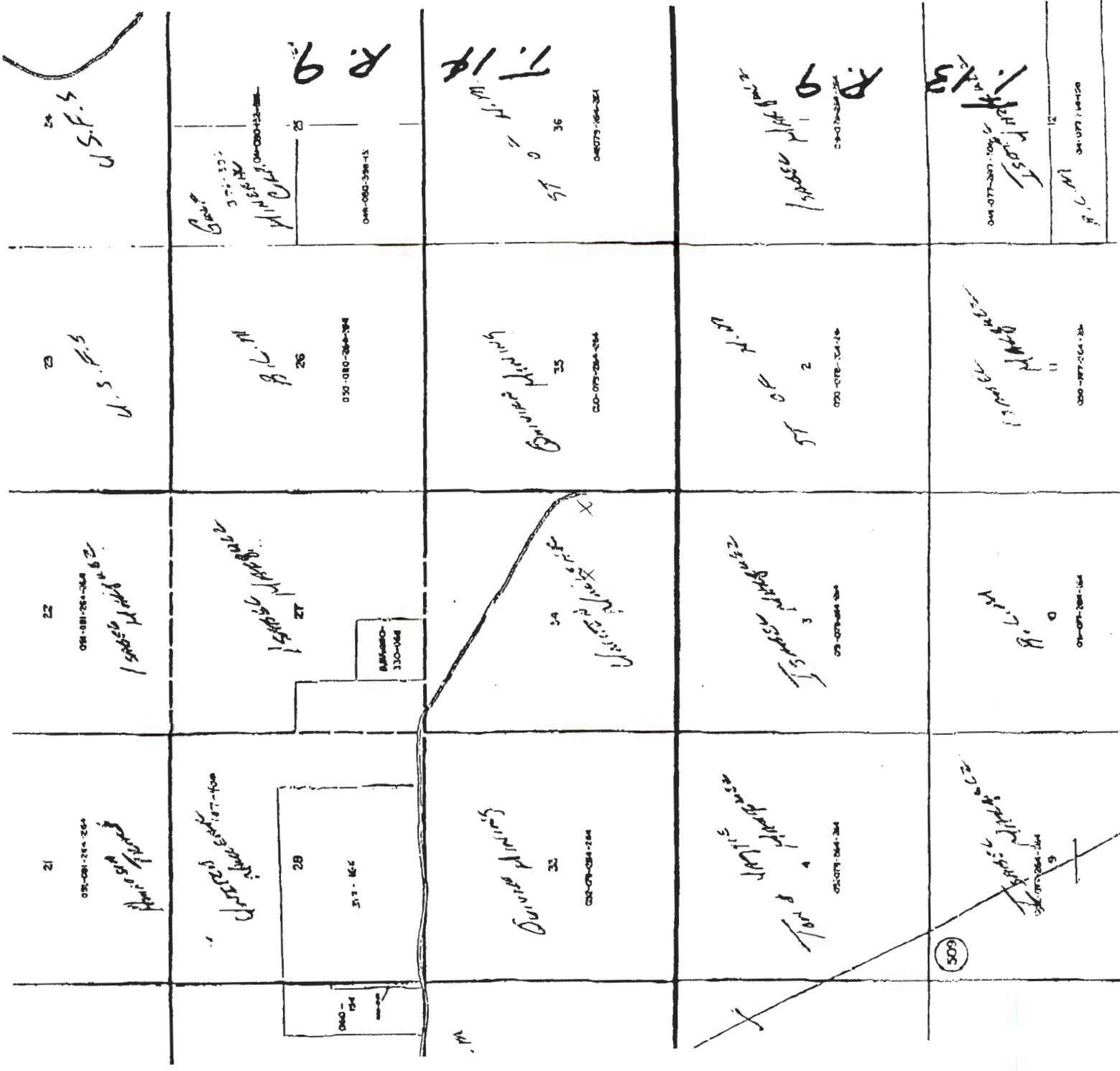
November 20, 1997

FROM: Edward M. Morales *E. Morales*

SUBJECT: Posting Notice For Variance on Mine Properties

<u>Places Posted</u>	<u>Date Posted</u>
Gallup Public Library (Lobby Bulletin Board)	11/19/97
Gallup McKinley County Clerk's Office (Notice Bulletin Board)	11/19/97
Grants Public Library Front Window	11/20/97
Grants Cibola County Clerks Office (Notice Hallway Bulletin Board)	11/20/97
Milan Post Office (Lobby Bulletin Board)	11/20/97

Each place received a copy of the application for variance except the Milan post office.



21

02-081-264-264

Handwritten notes in cell 21

22

08-081-264-264

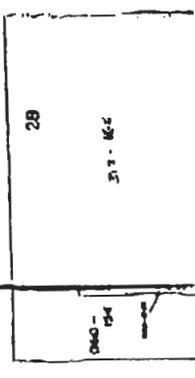
Handwritten notes in cell 22

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31-7-162



Handwritten notes in cell 28

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05-080-264-264

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04-071-264-264

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04-070-264-264

Handwritten notes in cell 43

509

State of New Mexico
Mining and Minerals Division
2040 South Pacheco St.
Santa Fe, NM 87505

Fax Cover Sheet

Date: 08/28/97

To: <u>Juan Velsquez</u>	From: <u>Robert Young</u>
Company: <u>United Nuclear Corp.</u>	Agency: Mining and Minerals Division
Telephone: <u>(505) 262-1800</u>	Telephone: (505) 827-5970
Fax #: <u>(505) 262-1809</u>	Fax #: (505) 827-7195
Number of Pages: <u>2</u> (including cover sheet)	
Message: <p><u>Juan:</u> <u>Attached is your proposed form of public notice with our suggested changes added.</u></p>	
Original will be sent by mail <input type="checkbox"/> yes <input checked="" type="checkbox"/> no <u>Unless Requested</u>	

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Act due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the site meets the~~ ~~criteria for release from additional revegetation requirements.~~

United Nuclear's reclamation measures satisfy the requirements of the New Mexico Mining Act.

The applicant's address is:

United Nuclear Corporation
1700 Louisiana Blvd. N.E.
Suite 400
Albuquerque, New Mexico 87110

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is ~~(to be)~~ *30 days from the date of this notice.*

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico, *and the Energy, Minerals, and Natural Resources Dept., Santa Fe, New Mexico.*

UNITED NUCLEAR CORPORATION



1720 Louisiana Blvd., NE
Suite 400
Albuquerque, NM 87110

FAX Transmittal Form

Facsimile Number: (505) 262-1809
Verification Number: (505) 262-1800

Date: August 27, 1997

To: Robert Young

Organization/Location: Mining & Minerals Division

Facsimile Number: (505) 827-7195

Verification Number: (505) 827-5970

From: Juan R Velasquez

Organization/Location: United Nuclear Corp

Comments:

I am faxing this to you per our telephone conversations in which you request reviewing our proposed notice prior to publication. Please provide any comments or suggestions.

Juan R Velasquez

No. of Pages Including This Page: 2 Time Sent (Mountain): _____
Sent By: _____ Verified By: _____ Time: _____

PUBLIC NOTICE

United Nuclear Corporation (United Nuclear) has submitted an **APPLICATION FOR A VARIANCE** for its Anne Lee, John Bill, and Sandstone mines located at Ambrosia Lake, McKinley County, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules (NMAC 10.2 Subpart 10).

The Anne Lee mine is located on Sections 27 and 28, Township 14 North, Range 9 West, New Mexico Principle Meridian. Only approximately 1/10 acre on Section 28 was disturbed during mining operations. Additional portions of Sections 27 and 28 were disturbed by activities conducted by the U.S. Department of Energy unrelated to the Anne Lee Mine.

The John Bill and Sandstone mines are located on Section 34, Township 14 North, Range 9 West, New Mexico Principle Meridian. Approximately 4 acres in Section 34 was disturbed due to these two mines. United Nuclear applied for a release from further requirements under the New Mexico mining Acts due to prior reclamation work, including revegetation, performed by United Nuclear. The purpose of this variance is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that ~~the site meets the~~ *United Nuclear* ~~criteria for release from additional revegetation requirements.~~

reclamation measures satisfy the requirements of the New Mexico Mining Act.

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Santa Fe, New Mexico 87505

The deadline for submittals is (date).

Copies of the Application for a Variance are available for public inspection at the Public Library and Cibola County Clerk's Office in Grants, New Mexico and at the Public Library and McKinley County Clerk's Office in Gallup, New Mexico.



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

MINING AND MINERALS DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-5970

Jennifer A. Salisbury
CABINET SECRETARY

Kathleen A. Garland
DIVISION DIRECTOR

July 18, 1997

Mr. Juan Velasquez
United Nuclear Corporation
1720 Louisiana N.E.
Albuquerque, NM 87110

Re: Request for Variance Regarding Anne Lee, John Bill and Sandstone Mines

Dear Mr. Velasquez:

MMD is in receipt of your letter dated June 3, 1997 requesting a variance from the requirements of Prior Reclamation for the mines identified above. Your application is complete.

Please proceed with the public notice requirements of 19 NMAC 10.2 Section 1003. We have provided you with a list of public members who have asked to be notified regarding these types of requests (see attached).

Please contact me directly with any further questions.

Sincerely,

Holland Shepherd
Bureau Chief
Mining Act Reclamation Bureau
Mining and Minerals Division

attachment

HWS

cc: Kathleen Garland, MMD Director
Jennifer McCumber, Counsel EMNRD

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

Dr. Kathleen Garland, Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED
JUN 4 1997
MINING & MINERALS DIV.

June 3, 1997

Re: *Application for a Variance from Prior Reclamation Inspection Date for Anne Lee, John Bill, and Sandstone Mines*

Dear Dr. Garland:

This letter constitutes an application by United Nuclear Corporation for a variance from the September 30, 1995 date for a determination by the Director regarding prior reclamation activities for three mines as discussed below. This application is made pursuant to 19 NMAC 1.2 § 1002 and the letter dated September 29, 1995. Please notify us upon a determination that this application is complete and United Nuclear will then provide public notice pursuant to 19 NMAC 10.2 § 903.

1. Applicant's name and address:

United Nuclear Corporation
1720 Louisiana N.E.
Suite 400
Albuquerque, New Mexico 87110

2. Application date:

June 3, 1997

3. Mining Operation:

Anne Lee Mine
John Bill Mine
Sandstone Mine

4. Location of Mine:

Anne Lee Mine - Portions of T14N, R9W, Section 28
McKinley County, New Mexico

John Bill Mine & Sandstone Mine - Portions of T14N, R9W, Section 34
McKinley County, New Mexico

Dr. Kathleen Garland

June 3, 1997

Page 2

5. Section From Which Variance Is Sought

19 NMAC 10.2 § 510

6. Extent of Variance

United Nuclear Corporation requests that the determination date be extended to September, 1998.

7. Evidence of Economic Burden on Applicant

In a letter dated September 29, 1995 MMD informed United Nuclear of its inspection findings that the reclamation measures taken at these mines did not satisfy the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the Mining Act Rules. MMD further informed United Nuclear that because United Nuclear has completed most reclamation measures the it could apply for a variance from the Rules.

Unless this application for variance is granted, the applicant could be required to apply for a permit and prepare and submit a closeout plan for reclamation of these mines. The applicant has no desire to permit these mines as the applicant has no intent to mine them in the future. Permitting these mines would result in an significant economic burden due to the cost of preparing and submitting the permit application, closeout plan, annual fees, and the cost of obtaining and maintaining financial assurance. These costs ar undue, since the reclamation of the surface areas of the mine have already been completed, largely to the satisfaction of MMD, except that for confirmation of successful revegetation of the reclaimed areas. The applicant expects that a simple inspection can satisfy MMD of successful revegetation and site stabilization such that the mines can be released from any further requirements of the Mining Act at minimal cost to the applicant and the agency. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

8. Granting a Variance Will Not Result in a Significant Threat to Human, Health, Safety, or the Environment.

As confirmed in MMD's inspection report for the three mines, the reclamation work at the mines was completed, except for very minor matters, such as covering concrete slabs with soil, before the inspection in July 1995. The inspection report identified no conditions that would pose a significant threat to human health or safety or the environment. Additional information is contained in MMD's inspection reports dated September 18, 1995 which are incorporated herein by reference.

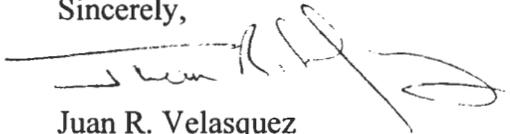
Dr. Kathleen Garland
June 3, 1997
Page 3

9. Fee For a Variance

Enclosed is check in the amount of \$500 for the variance pursuant to 19 NMAC 10.2 § 201.K. Because of the close proximity of the surface disturbance (within two miles on contiguous property) and common applicant an surface ownership, United Nuclear requests a single variance covering all three mines.

In submitting this variance application, United Nuclear maintains its reservations of rights and all defenses stated in its request for inspection for prior reclamation, its Notice of Appeal to the Mining Commission regarding MMD's prior reclamation determinations, and all other correspondence and communications with MMD. In particular, United Nuclear reiterates the special circumstances regarding the disturbances at the Anne Lee Mine resulting from the Department of Energy's activities. If you have any questions regarding this application, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", is written over a horizontal line. The signature is stylized and somewhat cursive.

Juan R. Velasquez

cc: Ed Morales
Paul X. McLain

Dr. Kathleen Garland

June 3, 1997

Page 4

bcc: Dalva Moellenberg - Gallagher & Kennedy
Steve Lauer - Comeau, Maldegan, Templeman & Indall

State of New Mexico
Mining and Minerals Division
2040 South Pacheco St.
Santa Fe, NM 87505

Fax Cover Sheet

Date: 06/03/97

To: Mr. Juan Velasquez

From: Robert Young

Company: United Nuclear

Agency: Mining and Minerals Division

Telephone:

Telephone: (505) 827-5970

Fax #: (505) 262-1809

Fax #: (505) 827-7195

Number of Pages: 7 (including cover sheet)

Message:

Here is a sample Application For
Variance. Please fax a copy of
your proposed form of public notice
to MMD before you publish it.

Original will be sent by mail yes no

Unless Requested

HOMESTAKE MINING COMPANY

P.O. BOX 98
GRANTS, NEW MEXICO 87020
(505) 287-4456

March 29, 1996

CERTIFIED MAIL NO.: P 369 600 937

Ms. Kathleen A. Garland, Director
Mining and Minerals Division of
New Mexico Energy, Minerals and
Natural Resources Department
P.O. Box 6429
Santa Fe, New Mexico 87505-6429



Re: Application for Variance for Section 23 Mine, Homestake Mining Company

Dear Ms. Garland:

Enclosed is the *Application for Variance* for Section 23 Mine located in McKinley County, Township 14 North, Range 10 West. We have followed Subpart 9 - Public Participation for an application for a variance. As per Subpart 903.A the following adjacent land owners were given notice: Quivira Mining Company, Bureau of Land Management and Mr. Jerry Elkins. Subpart 903.B requires that McKinley County and Navajo Nation be given notice. Published notice in English and Spanish was done on March 29, 1996 in the Gallup independent and Cibola County Beacon as required by Subpart 903.C. Subpart 903.D required posting of notice in four locations, which were done at: McKinley County Clerk's office and McKinley Public Library in Gallup, New Mexico; and Public Library and Cibola County Clerk's office in Grants, New Mexico. Subpart 903.E required mailing notice to Cerrillos Land Company mineral lessor. Subpart 903.G required notice to be sent to Environmental Department, State Engineer, Department of Game and Fish, Forestry Division and State Historic Preservation Division. See attached letters for proof of notice. Copies of returned certified mail receipts and newspaper proof of publication will be forwarded to you under a separate cover letter.

I believe that the *Application for Variance* is complete and answers all concerns dealing with this variance. Enclosed is the \$522.50 fee for an application for variance. I'm looking forward to a timely response and should you or your staff have any questions please contact me at the Grants Project office.

Sincerely,

F. R. Craft
Resident Manager

FRC:jg

Enclosures

APPLICATION FOR VARIANCE
Pursuant to New Mexico Mining Act Rules Subpart 10
(19 NMAC 10.2 Subpart 10)

- 1002.A
1. The applicant is:
Homestake Mining Company of California
P.O. Box 98
Grants, New Mexico 87020
Contact person: Mr. Fred Craft
Telephone: 505 287-4456
Fax: 505 287-9289
 2. This application is submitted 29 March 1996
 3. A variance is sought for the Section 23 Mine at Ambrosia Lake.
 4. The mine is located in Township 14 North, Range 10 West, McKinley County.
 5. A variance is sought from Subpart 5, Section 510.B, which requires that a permit application be submitted within 6 months after the owner receives notice of the determination that prior reclamation measures do not satisfy the requirements for reclamation. Rather than submit a permit application, Homestake proposes the course of action described below.
 6. This section describes the extent to which, and why, Homestake wishes to vary from Subpart 5.
 6. a. **Background** As a result of an MMD inspection of the Section 23 Mine conducted on 29 June 1995, the Director determined in a letter dated 29 September 1995 (which was received by Homestake on 16 November 1995) that: "The Section 23 Mine was identified by staff as having insufficient cover to meet release." The Director went on to say: "However, since Homestake has completed most reclamation measures at the mine, Homestake may apply for a variance from the provisions of the NMMA Rules pursuant to Rule 10. Otherwise, Homestake must apply for a permit under the provisions of Rule 5.10.B." Subsequent communications between Holland Shepherd of MMD and Fred Craft of Homestake determined that all other reclamation measures, other than revegetation, have been satisfactorily completed at the Section 23 Mine.

6. b. Proposal Therefore, Homestake proposes the following course of action for the Section 23 Mine. In the fall of 1996, following summer rains but before the estimated end of the growing season, Homestake will conduct a statistically-valid vegetation survey of the site, including enough 30-meter line intercept transects to meet sample adequacy. The survey will measure vegetation cover by species, and photographs will be taken to document the condition of the vegetation. If the results of the 1996 survey demonstrate that release criteria are met, then Homestake will ask MMD to release the Mine from further liability for reclamation. If the 1996 survey results do not meet release criteria, Homestake will follow the same survey procedure in 1997. If the site does not meet release criteria at the end of the 1997 vegetation survey, Homestake will determine the appropriate course of action to take in order meet release criteria, and will then provide MMD with an opportunity to review and comment on the proposed course of action.

6. c. Justification The MMD report dated 26 September 1995 says that 5 species of plants that were seeded in 1992 are present on the site, in addition to 10 other species (or 12 if you include the two species listed in the first paragraph of the Section 23 narrative but not listed in the subsequent Table). According to the Prior Reclamation Report for the Section 23 Mine which Homestake submitted to MMD, dated 29 August 1994, only 5 species of plants were seeded at the site. Therefore, all species seeded have apparently germinated. Among the non-seeded species indicated to be present in 1995 are 3 valuable perennials, namely Scarlet globemallow, Winterfat, and Fourwing saltbush, that are commonly use in revegetation of mines in northwest New Mexico. The presence of at least 8 perennial species on the site, in spite of the fact that none of them showed up in the transect MMD measured, indicates that Section 23 is capable of supporting a diverse mix of the native perennial plant species that are desirable for the site. Moreover, there is no evidence from the MMD survey, or from any other source, that any soil contamination or other problems exist that would interfere with plant growth at the site.

Native vegetation such as that found at Ambrosia Lake is commonly described in the literature as "patchy" (see, for example, New Mexico Vegetation Past, Present, and Future, by W.A. Dick-Peddie, p. 123.). This fact, combined with the uneven distribution of precipitation that is characteristic of the area, means that it is not unusual to find native sites where the distribution of plant species is uneven and considerable bare ground is present after a disturbance. Likewise, it is not unusual to find revegetated areas where the seeded species are also patchy, especially given the fact that, without supplemental irrigation, native plants can take as many as 5 complete growing seasons (or more) to establish in northwest New Mexico. Note that only two complete growing

seasons (those of 1993 and 1994) elapsed between the June 1992 seeding of Section 23 and the June 1995 MMD inspection.

The MMD report of the June 1995 inspection, on page 9, notes: "Homestake may need to consider reseeding this site or wait to see if an adequate cover can be achieved in another season or two of growth" (emphasis added). In this variance application, Homestake proposes to take the latter course of action, i.e., to wait one or two more growing seasons to see if adequate cover can be achieved. This seems to be justified because of the presence on the site of at least 8 species of perennial vegetation, and the fact that only 2 complete growing seasons elapsed between seeding and the MMD inspection. It is also worth noting that total precipitation at Grants airport (the nearest National Weather Service station, located approximately 19 miles south of Ambrosia Lake) in 1994, the year before the MMD inspection, was 7.73 inches, which is only about 72% of the annual average. And, in the 2 months prior to the MMD inspection (May and June, 1995), only 0.74 inch of precipitation was recorded at the Homestake Grants mill site, which is located approximately 14 miles south of Ambrosia Lake. Therefore, if the growing season before the inspection had below-average precipitation, and the months immediately prior to the inspection had little precipitation, then it is reasonable to assume that the vegetative cover measured during the inspection may not reflect the amount of cover that might be present if the site is given two more growing seasons (1996 and 1997) with average precipitation.

7. If the requested variance is not granted, Homestake will be forced to apply for a permit pursuant to Subpart 5, and then wait 12 years following the issuance of the permit for the site to be released. The cost of compiling a complete permit application for the Section 23 Mine pursuant to Subpart 5 and the other applicable Subparts, is estimated to be approximately \$25,000. Fees associated with a permit are estimated according to the following calculations.

1. Permit application (Rule 201.A.1)	\$ 1,000.00	
(201.A.2.)	1,000.00	
(205.A)	90.00	
Total permit application fee:		\$ 2,090
2. Annual fee (202.A.1.)	\$ 1,000.00	
(202.A.2)	900.00	
(205.A)	85.50	
Annual fee:	\$ 1,985.50	
Total annual fee for 12 years:		
\$1,985.50 X 12 years =		\$ 23,826

The reclamation performance bond is estimated to be approximately \$150,000 (100 acres X \$1,500 per acre for revegetation only), resulting in an opportunity cost (the cost of having this amount of money, plus other costs associated with the permit, unavailable for investment, conservatively estimated on the basis of only 5% possible return on investment) of $\$200,916 \times 5\%$ per year for 12 years = \$120,552. In total, the cost of permitting the Section 23 Mine is estimated as follows:

Prepare permit application:	\$ 25,000
Permit application fee:	2,090
Annual fee for 12 years:	23,826
Performance bond:	150,000
Opportunity cost:	120,552
 Total estimated cost of permitting:	 \$321,468

It is not reasonable to require Homestake to spend approximately \$321,468, and wait 12 years to see if the vegetation becomes established, given what is known about the time required to establish vegetation in northwest New Mexico and the opportunity to resolve this issue in less time (see above in section 6.). By the end of the growing season of 1997, if the vegetation at the site does not meet release criteria, then Homestake will at that time determine the appropriate course of action to take in order meet release criteria. Before undertaking any action, Homestake will provide MMD with an opportunity to review and comment on the proposed course of action. Until then, there is no justification to require the expenditure of approximately \$321,468, especially given the fact that not one dollar of that money will result in expediting the establishment of vegetative cover at the Section 23 Mine.

8. As indicated above in section 6., all of the reclamation requirements at the site, other than revegetation, have been satisfactorily completed. The site does not now constitute in any way a threat to human health, safety, or the environment, according to the 26 September 1995 report of the MMD inspection of 29 June 1995. Granting this variance would not result in any change at the site that would modify that status. Therefore, granting this variance would not result in a significant threat to human health, safety or the environment.

9. Pursuant to Rules 201.K and 205.A, the fee for an application for a variance is \$522.50, which is enclosed.

PUBLIC NOTICE

Homestake Mining Company of California (HMC) has submitted an APPLICATION FOR A VARIANCE for its Section 23 Mine at Ambrosia Lake, in accordance with the provisions of Subpart 10 of the New Mexico Mining Act Rules of February 15, 1996 (19 NMAC 10.2 Subpart 10).

The Mine is located in McKinley County at Ambrosia Lake, in Township 14 North, Range 10 West, New Mexico Principal Meridian. The Mine covers 100 acres of land previously disturbed for uranium mining. All of the Mine site has been reclaimed according the requirements of applicable laws and regulations. The purpose of the variance is to provide for up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that the site meets the criteria for release from additional revegetation requirements.

The applicant's address is:
Homestake Mining Company of California
P.O. Box 98
Grants, New Mexico 87020

Interested persons wishing to submit written comments or a request for a public hearing on this matter may do so by writing to:

Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
State of New Mexico
2042 South Pacheco Street
Santa Fe, New Mexico 87505

The deadline for submittals is Monday, April 29, 1996.

Copies of the Application for a Variance is available for public inspection at the Public Library and Cibola County Clerk's office in Grants, New Mexico, at the Public Library and McKinley County Clerk's office in Gallup, New Mexico.

Friday, March 29, 1996.

AVISO PUBLICO

Homestake Mining Company of California (HMC) ha sometido una SOLICITUD PARA UNA VARIACION para su Mina de Sección 23 en Ambrosia Lake, de acuerdo con las provisiones de Subparte 10 de las Reglas del Acto de Minería del estado de Nuevo México, del 15 de febrero de 1996 (19 NMAC 10.2 Subpart 10).

La Mina de Sección 23 está situada en el Condado de McKinley, en Ambrosia Lake, en Township 14 Norte, Extensión 10 Oeste, New Mexico Principal Meridian. La Mina tiene una extensión de 100 acres de tierra anteriormente perturbado por la minería del uranio. Todo el sitio de la Mina ha sido rehabilitado conforme a los requisitos de las leyes y reglamentos aplicables. El propósito de la variación es proveer para que pase dos más estaciones de crecimiento antes de la determinación, a ser hecho por la División de Minería y Minerales (MMD), que el sitio cumple con los criterios para releva de las obligaciones de algún requisito adicional para la revegetación.

La dirección del suplicante es:
Homestake Mining Company of California
P.O 98
Grants, New Mexico 87020.

Personas interesadas que desean someter algún comentario escrito, o una súplica para una audiencia pública sobre esta materia, deben dirigir su solicitud escrito a:

Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505.

La fecha final para someter propuestas o comentarios es el lunes, día 29 de abril de 1996.

Copias de la solicitud para una variación están disponibles para inspección pública en la Biblioteca Pública y en la oficina del Secretario del Condado de Cibola, en Grants, New Mexico, y en la Biblioteca Pública y en la oficina del Secretario del Condado de McKinley, en Gallup, New Mexico.

Viernes, 29 de marzo, 1996.

Received

NOV 29 1995

GALLAGHER & KENNEDY

A PROFESSIONAL ASSOCIATION

New Mexico Mining Commission

2600 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA 85004-3020
(602) 530-8000
FAX: (602) 530-8101

DALVA L. MOELLENBERG
ENVIRONMENTAL AND NATURAL
RESOURCES LAW
DIRECT LINE
16021 530-8223

November 29, 1995

VIA FACSIMILE AND
OVERNIGHT DELIVERY

Mr. Doug Bland
Clerk for the Mining Commission
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Petition for Review--Prior Reclamation Status Anne Lee, Sandstone and
John Bill Mines, McKinley County, New Mexico

Dear Mr. Bland:

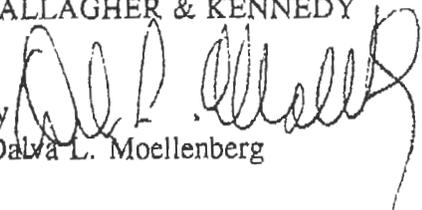
Enclosed please find for filing as of the date above, a Petition for Review of an Order of the Director of the Mining and Minerals Division dated September 29, 1995, denying the application of United Nuclear Corporation ("United") for a determination that its prior reclamation activities at the Anne Lee, Sandstone, and John Bill mines in McKinley County, New Mexico satisfy the requirements of the New Mexico Mining Act ("NMMA") and the substantive requirements for reclamation of pursuant to the NMMA rules.

This petition is filed via facsimile today, with an original and 12 copies to follow by overnight mail. Pursuant to our conversation of earlier today with Mr. William Brancard, United understands that the petition will be deemed properly filed today by facsimile. As you may be aware, the Director's September 29, 1995 Order was misaddressed and not received by United until November 16, 1995. An extra copy of the petition has been enclosed for you to conform and return in the enclosed self-addressed stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

GALLAGHER & KENNEDY

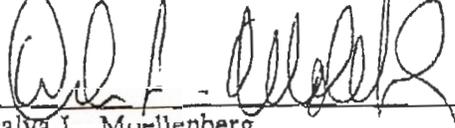
By 
Dalva L. Moellenberg

DLM/bjp
cc: Juan R. Velasquez, United Nuclear Corporation
335294

Sandstone, and/or John Bill mines satisfy the requirements of the NMMA and the substantive requirements for reclamation pursuant to the NMMA rules and (2) whether United must submit a permit application and closeout plan for the Anne Lee, Sandstone and/or John Bill mines.

RESPECTFULLY SUBMITTED this 29th day of November, 1995.

GALLAGHER & KENNEDY, P.A.



Dalva L. Moellenberg
2600 North Central Avenue
Phoenix, Arizona 85004
(602) 530-8100
(602) 530-8101 (fax)
Attorneys for United Nuclear
Corporation

A facsimile was sent and the original and 12 copies of the foregoing were sent via overnight mail for filing to Mr. Doug Bland, Clerk for the Mining Commission, 2040 South Pacheco, Santa Fe, New Mexico 87505, this 29th day of November, 1995.



Copy of the foregoing mailed this 29th day of November, 1995, to:

Dr. Kathleen Garland
Director
Mining and Minerals Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Carol Leach, Esq.
Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

William Brancard, Esq.
New Mexico Attorney General's Office
P.O. Box 1508
Santa Fe, New Mexico 87504-1508

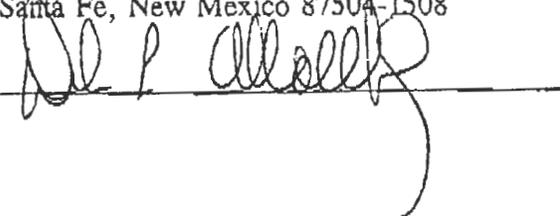


EXHIBIT 1

NOV-29 03 WED 12:41

GALLAGHER&KENNEDY
BELFORT ENGINEERING

FAX NO. 15052558016

P.03

NEW MEXICO ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT

September 29, 1995

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana
Albuquerque, NM 87110

RE: Prior Reclamation Status, Anne Lee, Sandstone and John Bill Mines, McKinley County, New Mexico

Dear Mr. Velasquez:

The Mining and Minerals Division (MMD) has completed the inspection of reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines.

Please find enclosed two copies of inspection reports. One report addresses the Anne Lee Mine and the other addresses the John Bill and Sandstone Mines.

Based on findings described in the enclosed inspection reports, reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. As United Nuclear has completed most reclamation measures, United Nuclear may apply for a variance from the provisions of the NMMA Rules pursuant to NMMA Rule 10. Otherwise, United Nuclear must submit a permit application and closeout plan for an existing mining operation within six months of receipt of this letter pursuant to NMMA Rule 5.10.B. The enclosed prior reclamation inspection reports detail the findings of the inspections but do not include the photos/slides contained in the MMD file copy.

If you have any questions please contact Holland Shepherd of the Mining Act Bureau. (505) 827-5971.

Sincerely,

Kathleen A. Garland, Director
Mining and Minerals Division

cc: Maxine Goad, New Mexico Environment Dept.

Enclosures

OFFICE OF THE SECRETARY - P.O. BOX 6429 - SANTA FE, NM 87501-6429 - (505) 827-1950
ADMINISTRATIVE SERVICES DIVISION - P.O. BOX 6429 - SANTA FE, NM 87501-6429 - (505) 827-5925
ENERGY CONSERVATION AND MANAGEMENT DIVISION - P.O. BOX 6429 - SANTA FE, NM 87501-6429 - (505) 827-1900
FORESTRY AND RESOURCES CONSERVATION DIVISION - P.O. BOX 1948 - SANTA FE, NM 87504-1948 - (505) 827-5830
MINING AND MINERALS DIVISION - P.O. BOX 6429 - SANTA FE, NM 87501-6429 - (505) 827-5970
OIL CONSERVATION DIVISION - P.O. BOX 6429 - SANTA FE, NM 87501-6429 - (505) 827-7131
PARK AND RECREATION DIVISION - P.O. BOX 1147 - SANTA FE, NM 87504-1147 - (505) 827-7465

September 29, 1995

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana
Albuquerque, NM 87110

RE: Prior Reclamation Status, Anne Lee, Sandstone and John Bill Mines, McKinley County, New Mexico

Dear Mr. Velasquez:

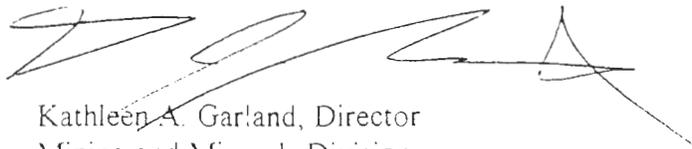
The Mining and Minerals Division (MMD) has completed the inspection of reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines.

Please find enclosed two copies of inspection reports. One report addresses the Anne Lee Mine and the other addresses the John Bill and Sandstone Mines.

Based on findings described in the enclosed inspection reports, reclamation measures at United Nuclear's Anne Lee, Sandstone and John Bill Mines do not satisfy the requirements of the New Mexico Mining Act (NMMA) and the substantive requirements for reclamation pursuant to the NMMA Rules. As United Nuclear has completed most reclamation measures, United Nuclear may apply for a variance from the provisions of the NMMA Rules pursuant to NMMA Rule 10. Otherwise, United Nuclear must submit a permit application and closeout plan for an existing mining operation within six months of receipt of this letter pursuant to NMMA Rule 5.10.B. The enclosed prior reclamation inspection reports detail the findings of the inspections but do not include the photos/slides contained in the MMD file copy.

If you have any questions please contact Holland Shepherd of the Mining Act Bureau, (505) 827-5971.

Sincerely,



Kathleen A. Garland, Director
Mining and Minerals Division

cc: Maxine Goad, New Mexico Environment Dept.

Enclosures

**PRIOR RECLAMATION INSPECTION REPORT
AND
RECOMMENDATION FOR RELEASE OR PERMIT
REQUIREMENT**

United Nuclear Corporation - Anne Lee Mine

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

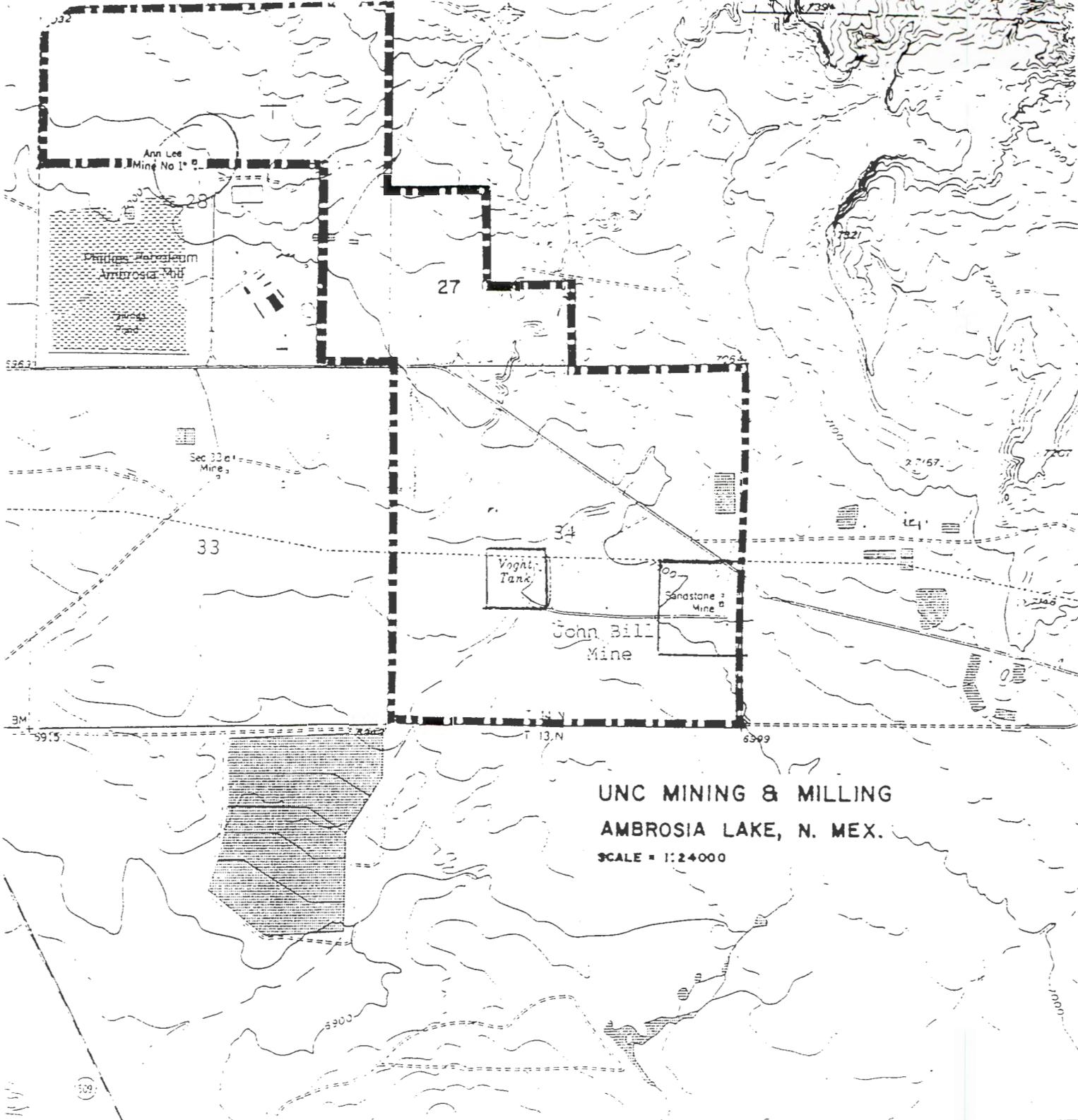
September 18, 1995

Introduction

The purpose of this study was to determine if reclamation measures at United Nuclear Corporation's Anne Lee Mine satisfy the requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules.

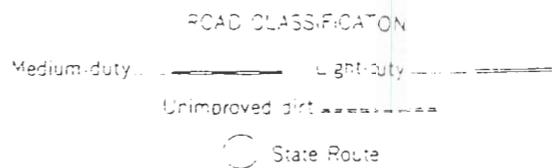
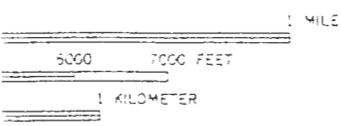
The Anne Lee Mine prior reclamation site is located approximately 22 miles northwest of the City of Grants, New Mexico. The total area, for which release is being requested by United Nuclear, consists of the outlined portions of Sections 27 and 28 of T14N, R9W as delineated in Figure 1 (Section 34 is also being requested for release but as the Sandstone and John Bill Mines). Of Sections 27 and 28, however, only a 75 foot by 60 foot (one tenth acre) area where the head frame of the Anne Lee Mine existed was inspected for prior reclamation. The rest of the subject area was cleaned of radioactive material and reclaimed by the U.S. Department of Energy (DOE) as part of the cleanup, stabilization and reclamation program. United Nuclear, however, has asked for release of the entire mine site from further requirements of the Act.

The Anne Lee Mine lies within a broad, regional valley eroded in the Mancos Shale. Figure 2 is a stratigraphic column depicting the sequence of the underlying formations. Commercial grade uranium was first discovered in the upper Westwater Canyon Sandstone Member by the Strategic Minerals Section of Phillips Petroleum Company in early 1956. Subsequently, nearly 300 exploration holes were drilled to an average depth of approximately 750 feet. The existence of an ore body of about one million tons was established and sinking of the Anne Lee Mine Shaft commenced in 1957. The shaft had two mining levels, a main level at a depth of 660 feet and a sub-level at 720 feet. Underground workings span the section in an east-west direction, and at their widest point, expose part of the Westwater Canyon Sandstone Member for nearly 1000 feet in a north-south direction. The Anne Lee ore deposit consisted of one large pod (the main ore body) and 20 to 30 smaller, parallel, or satellite pods. The main ore body extended from the west section line to a point within 500 feet of the west section line. At the time the main Anne Lee ore body was first opened by mine workings, the level of water saturation coincided with the top of the ore at a point a few hundred feet northwest of the shaft. West of that point, except for a few small bodies of perched water, the ore was dry (Kelly, 1963). There are no surface water features in the area. The area drains into an ephemeral tributary of the Arroyo del Puerto. Reclamation with respect to protection of ground water is addressed in a separate report.



UNC MINING & MILLING
AMBROSIA LAKE, N. MEX.
SCALE = 1:24000

46 47 30" 47 248000m E. ● INTERIOR GEOLOGICAL SURVEY RESTON VIRG NIA-1481



QUADRANGLE LOCATION

Figure 1
AMBROSIA LAKE, N. MEX.
 N3522.5-W10745/7.5

STANDARDS
 OR RESTON, VIRGINIA 22092

Revisions shown in purple compiled from aerial photographs

Inspection Procedures

Prior reclamation at the Anne Lee Mine was inspected July 13, 1995. Mr. Ed Morales, Operations Superintendent and Radiation Safety Officer represented United Nuclear Corporation and Mr. Joe DeAgüero, Reclamation Specialist, Mr. Robert Young, Environmental Engineer and Ms. Tacy Harling, Student represented the New Mexico Mining and Minerals Division. The inspection of the Anne Lee Mine consisted of inspection of the general condition of the reclaimed mine site, measurement of soil depth, discussion with the operator of mining and reclamation operations performed at site and photo documentation of vegetation.

Results and Discussion

The Anne Lee Mine is characterized by a quarter acre mound where the shaft was located.

The mine shaft was backfilled with nontoxic mine waste material and capped with a concrete slab approximately 20 foot square and 4 feet thick. The concrete cap was not covered with soil.

A barbed wire fence surrounded the site. All structures, trash or junk had been removed from the site. There were no piles or accumulations of toxic or waste material on the site. There were no apparent hazards that could affect public safety.

There were no erosion features. All out slopes were stable.

An average of three feet of topsoil had been removed from the area around the site. Redistributed topsoil depths onsite were approximately three feet.

The area had been seeded last fall but vegetation was very sparse. Essentially no perennial species, and only a few annuals such as Kochia and Russian Thistle, were growing on the site and, consequently, cover was not measured by transects. Photos documenting vegetation and general condition of the site are in Appendix A

Conclusions and Recommendations

The Mining and Minerals Division commends United Nuclear Corporation for their efforts to comply with the New Mexico Mining Act. However, vegetation on the Anne Lee prior reclamation inspection site is not adequate to stabilize the site from erosion. Further, the plant species that are growing are not self-sustaining. Additional reclamation measures are required at United Nuclear's Anne Lee Mine to satisfy the requirements of the New Mexico Mining Act including:

1. The concrete slab covering the shaft must be covered by a minimum of two feet of topsoil or suitable material.

2. The area must be reseeded with a mixture of native species appropriate for the area. MMD staff will be happy to advise United Nuclear regarding an appropriate seed mixture.

It is recommended, therefore, that the Anne Lee Mine prior reclamation site, operated by the United Nuclear Corporation, not be released from further requirements of the New Mexico Mining Act.

References

Kelly, Vincent C. 1963, Geology and Technology of the Grants Uranium Region, Memoir 15, New Mexico Bureau of Mines and Minerals Resources, Socorro, New Mexico.

Morales, E. M. (Ed) 1995, Operations Superintendent and Radiation Safety Officer, United Nuclear Corporation, Personnel Communication.

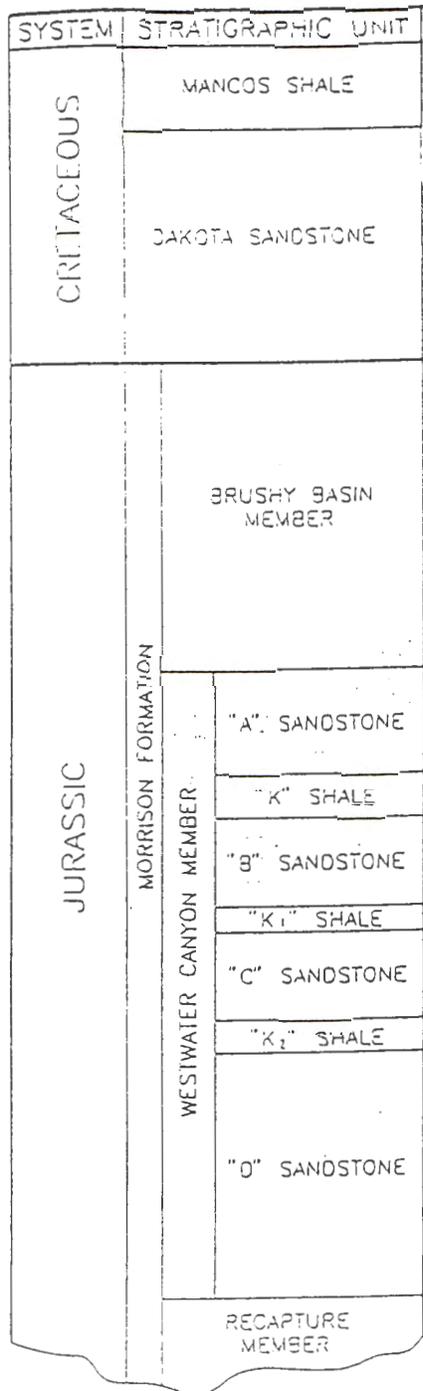


Figure 2. Stratigraphic column of underlying formations (from Kelly, 1963)

Appendix A

Photo Documentation



Photo 2. Site Mound from south, 20 yards from site



Photo 1. Site Mound from east, 20 yards from site



Figure 5&6. Side slope of site from east



Photos 3&4. Top of site with concrete cap from southeast

**PRIOR RECLAMATION INSPECTION REPORT
AND
RECOMMENDATION FOR RELEASE OR PERMIT
REQUIREMENT**

**United Nuclear Corporation
Sandstone and John-Bill Mines**

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation**

**New Mexico Energy, Minerals and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

September 18, 1995

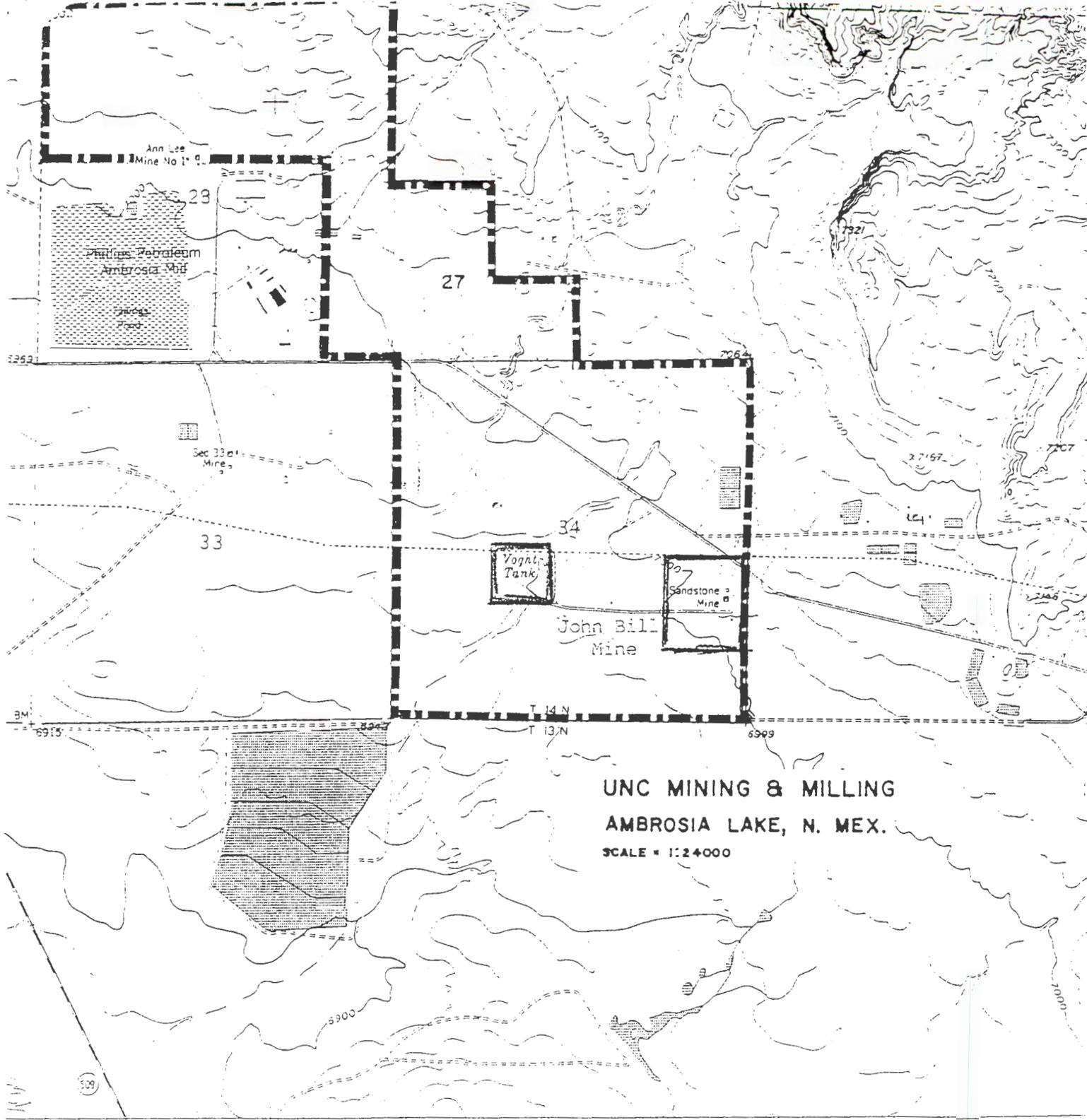
Introduction

The purpose of this study was to determine if reclamation measures at United Nuclear Corporation's Sandstone and John-Bill Mines satisfy requirements of the New Mexico Mining Act and the substantive requirements for reclamation pursuant to the New Mexico Mining Act Rules.

The Sandstone and John-Bill Mines prior reclamation site is located approximately 22 miles northwest of the city of Grants, New Mexico. The surface estate is owned by United Nuclear. Hecla Mining Company is the owner of the mineral estate. The surface rights are currently being leased to Ms. Nina Waldee. The site consists of all of Section 34, T14N, R9W as delineated in Figure 1 [the outlined portions of Sections 27 and 28 are being requested for prior reclamation as the Anna Lee Mine (Morales, 1995)]. Of Section 34, however, only two shaft sites (about 4 acres each) were actually disturbed during mining operations. The disturbed areas were not submitted by United Nuclear but are roughly delineated in red in Figure 1. Only areas disturbed during mining operations were inspected. A mine-shaft head frame existed on each site until 1981 when the mines shut down. The head frames have since been removed. Two buildings were left on one site as permanent structures at the request of the lessee, Nina Waldee. Three additional small buildings have since been added by the land owner. The disturbed areas were seeded last fall. The post mine land use is grazing (Morales, 1995).

The area lies within a broad, regional valley eroded in the Mancos Shale. Figure 2 is a stratigraphic column depicting the sequence of the underlying formations. Surface drilling in this section began in February 1956 and a major ore deposit was discovered in the Westwater formation. Additional drilling during 1957 and 1958 showed that the deposit consisted of separate ore bodies in a belt extending from the east to the west section lines. Subsequent drilling showed the ore to be continuous with the ore bodies of the adjoining east and west sections. Mining of uranium ore began in 1958 (Kelley, 1963).

Water was pumped from each mine. The water was piped into ponds and eventually drained into an unnamed ephemeral tributary of the Arroyo del Puerto which drains the area. Reclamation with respect to protection of surface and ground water is addressed in a separate report.



1 MILE

5000 7000 FEET

1 KILOMETER

NEW MEXICO

QUADRANGLE LOCATION

ROAD CLASSIFICATION

Medium-duty _____ Light-duty _____

Unimproved dirt _____

State Route ○

Figure 1
AMBROSIA LAKE, N. ME
N3522.5-W10745/7.5

STANDARDS
OR RESTON, VIRGINIA 22092

Revisions shown in purple compiled from aerial photographs

SYSTEM	STRATIGRAPHIC UNIT
CRETACEOUS	MANCOS SHALE
	DAKOTA SANDSTONE
JURASSIC	BRUSHY BASIN MEMBER
	MORRISON FORMATION
	WESTWATER CANYON MEMBER
	"A" SANDSTONE
	"K" SHALE
	"B" SANDSTONE
	"K ₁ " SHALE
	"C" SANDSTONE
	"K ₂ " SHALE
	"D" SANDSTONE
RECAPTURE MEMBER	

Figure 2. Stratigraphic column of underlying formations (from Kelly, 1963)

Inspection Procedures

Prior reclamation at the Sandstone and John-Bill Mines was inspected July 13, 1995. Mr. Ed Morales, Operations Superintendent and Radiation Safety represented United Nuclear Corporation and Mr. Joe DeAgüero, Mr. Robert Young and Ms. Tacy Harling represented the New Mexico Mining and Minerals Division.

Inspections of the mine sites consisted of a review of information submitted by the mine operator, subsequent discussion with the operator pertaining to mining and reclamation at each site, inspection of the condition of the reclaimed mine sites, line-intercept sampling for estimates of vegetative cover, compilation of plant species lists, measurement of reclaimed soil depths, and photo-documentation.

Each of the mine sites were visually inspected for erosion features and hydrologic stability. During a walkover of each site, all slopes, and areas of water concentration (ponds, diversions and areas where disturbed areas enter undisturbed lands) were visually inspected for stability. Topsoil placement and distribution also was evaluated at each site. Sampling for topsoil depth consisted of randomly digging a series of holes to identify the depth of topsoil and the presence or absence of potentially toxic wasterock at rooting depth. Grading of all wasterock piles and borrow areas was visually inspected. Placement and closure of portals and vent shafts were verified in the field.

Results and Discussion

A barbed wire fence surrounded the disturbed areas. There were no piles or accumulations of toxic or waste material on either area. There were no erosion features.

The mine shafts had been each been backfilled with nontoxic mine waste material and capped with concrete slabs approximately 20 foot square and 4 feet thick. The concrete caps were not covered with soil. Concrete slabs from several removed buildings were left uncovered (See Photographs in Appendix A).

The soil depth within the site was over two feet deep.

The area had been reseeded last fall, but vegetation was very sparse. Crested wheatgrass, asters and some weedy annuals were the only plant species identified. Vegetation cover appeared insufficient. Consequently, measurements of cover were not taken. There had been very little precipitation since last fall and surrounding vegetation showed signs of drought stress. Also, because of the relatively recent seeding, reseeded areas have probably not had enough time to germinate sufficiently. Photos documenting vegetation and general condition of the site are in Appendix A.

Pipe, steel scrap and miscellaneous mining and demolition related materials were left on the Sandstone Mine site according to a prior agreement with the lessee (Morales, 1995). Additional buildings and pipe had been brought onto the site by the lessee (Morales, 1995). The materials were not piled neatly but were strewn around (See Appendix A).

Conclusions and Recommendations

The Mining and Minerals Division commends United Nuclear Corporation for their efforts to comply with the New Mexico Mining Act. However, further reclamation measures are required at United Nuclear's Sandstone and John-Bill Mines to satisfy the requirements of the New Mexico Mining Act including:

1. Concrete slabs, including the shaft pads, must be covered by a minimum of two feet of top soil or suitable material and reseeded with a mixture of native species appropriate for the area. MMD staff will be happy to advise United Nuclear regarding an appropriate seed mixture.
2. Materials to be left on site must be removed or stacked neatly on site.
3. Buildings left on site might need to be removed. A letter from the lessee must be submitted to MMD requesting that the buildings not be dismantled and that she accepts all materials to be left on site.

It is recommended, therefore, that the Sandstone and John-Bill Mines prior reclamation site, operated by the United Nuclear Corporation, not be released from further requirements of the New Mexico Mining Act.

References

Kelly, Vincent C. 1963, Geology and Technology of the Grants Uranium Region, Memoir 15, New Mexico Bureau of Mines and Minerals Resources, Socorro, New Mexico.

Morales, E. M. (Ed) 1995, Operations Superintendent and Radiation Safety Officer, United Nuclear Corporation, Personal Communication.

Appendix A

Photo Documentation

**Prior Reclamation Study - Protection of Water Resources
Homestake Mining Co., United Nuclear Corp.
and Kerr-McGee Corp.**

**Submitted in Partial Fulfillment of New Mexico Mining Act
Section 69-36-7 U, Prior Reclamation
Protection of Water Resources**

**New Mexico Energy, Minerals, and Natural Resources Department
Mining and Minerals Division
Mining Act Reclamation Bureau**

Introduction

Purpose of Study

The purpose of this study is to determine if further measures are required to protect water resources from degradation following mining operations at Homestake Mining Company and United Nuclear Corporation Mines prior reclamation sites near Ambrosia Lake, New Mexico and Kerr-McGee Corporation sites near Church Rock, New Mexico. The sites are tabulated in Table I. These companies are applying for release from further obligations pursuant to Section 69-36-7 of the New Mexico Mining Act and Section 5.10 of the New Mexico Mining Act Rules.

According to Section 69-36-7 U of the New Mexico Mining Act and Section 5.10 of the New Mexico Mining Act Rules an operator may apply for release from further requirements of the Act if the director of the State of New Mexico Mining and Minerals Division determines that reclamation measures satisfy requirements of the Act and substantive requirements for reclamation pursuant to applicable regulatory standards. "Reclamation" is defined by the Act as "the employment during and after a mining operation of measures designed to mitigate disturbance of effected areas and permit areas and to the extent practicable, provide for the stabilization of a permit area following closure that will minimize future impacts to the environment from the mining operation and protect air and water resources."

Surface Water Resources

There are no perennial or intermittent streams in the area of Ambrosia Lake. All surface runoff drains to ephemeral water courses and eventually into the San Mateo Drainage (Homestake, 1994). While uranium mines were operating in the area the San Mateo Creek, a tributary of the Rio San Jose, gained flow as a response of mine discharge. This water seldom reached the Rio San Jose because of seepage into the alluvium. The San Mateo Creek is now directly recharged from ground water (Brod, 1979). Before uranium mining the Puerco River was also an ephemeral stream. During mining operations the Puerco River flowed at rates as high as 10 cu ft/sec. The Puerco River is now perennial principally because of municipal effluent discharge (Stone *et al.*, 1983). Water from mine dewatering operations contained elevated levels of radiochemicals and toxic metals. However, there are no lasting impacts on surface water resources because of mine water discharge (Kaufmann *et al.*, 1976). The shallow alluvium in the Ambrosia Lake Area is separated from underlying sandstone units by the impermeable Mancos Shale (Stone, 1983).

Protection of surface water resources with respect to erosion and sediment was accomplished by regrading the area to a stable configuration and reestablishment of permanent vegetation. Post mining topography and vegetation were inspected by Mining and Minerals Division personnel July 13-14, 1995 and will be addressed in a separate report. There were no waste piles of radioactive material left on the surface with the potential to contaminate surface water.

Groundwater Resources

Regional Aquifer's

Figure 1 (Stone *et al.*, 1983) shows the geologic section in the Raton Basin. The City of Gallup derives most of its drinking water from the Gallup Sandstone. The San Andres Limestone and Glorieta Sandstone combine to form a significant aquifer along the southern margin of the San Juan Basin between Grants and Gallup. The Cities of Grants and Milan obtain water from this Aquifer. The Village of San Mateo relies primarily on the Point Lookout Sandstone for its drinking water supply. The Morrison Formation, in which uranium mining took place, is the source of the public water supply for the Village of Crownpoint (Stone *et al.*, 1983).

Regional Groundwater Flow

The geology of the San Juan Basin is characterized by alternating strata of high and low hydraulic conductivities and, therefore, the major component of ground water flow in the San Juan Basin is through the higher conductivity units. The amount of vertical movement between aquifers is difficult to determine using available data. However, differences between vertically adjacent aquifers suggest that leakage rates through intervening shale beds are very low in most areas (Stone *et al.*, 1983). The geologic section in Figure 1 shows the probable direction of flow through confining beds. Note that the flow direction of leakage from the Morrison Formation is downward.

Generally, ground water flow within aquifers is from topographically high outcrop areas toward lower outcrop areas. Much of the recharge to aquifers in the basin occurs on the flanks of the Zuni, Chuska and Cebolleta Mountains. Also contributing to the regional flow systems is recharge from high areas along the northern and northeastern basin margins, including the San Juan Mountains in Colorado. The San Juan valley in the northwest part of the basin and tributaries of the Rio Grande such as the Rio Salado, Rio Puerco and Rio San Jose in the southeast parts of the basin are the main discharge areas for the basin. Less important in terms of volume of outflow is the Puerco River near Gallup. Ephemeral stream channels filled with alluvium are the principal sources of groundwater recharge at higher elevations and the principal locations of discharge at lower elevations. The alluvial cover usually conceals evidence of discharge. Occasionally, white salt or alkali deposits associated with small-yield springs reveal groundwater discharge. Most discharge to alluvial channels is lost by evapotranspiration. However, some also moves as subsurface flow (Stone *et al.*, 1983).

The stratigraphic units of the prior reclamation sites in the vicinity of Ambrosia Lake are shown in Figure 2 (Kelly, 1963). This figure shows the Cretaceous system of the Mancos Shale and Dakota Sandstone overlying the Jurassic System of the Morrison Formation. Uranium ore was found in the "A" through "D" units of the Westwater Canyon member of the Morrison Formation (Homestake, 1994). Figure 2 shows that the Gallup Sandstone and Point Lookout Sandstone Aquifers do not exist in the area of the Homestake and United Nuclear sites (except the northeast corner of United Nuclear's Section 28) and that the Mancos Shale Aquitard isolates the Morrison formation from overlying formations down dip.

Table I
Prior Reclamation Study Site

Operator	Site	Wet Mine
Homestake Mining Company	Section 13 Mine	Dry
"	Section 15 Mine	Wet
"	Section 23 Mine	Wet
"	Section 25 Mine	Wet (Solution Mined)
"	Section 32 Mine	Wet
United Nuclear Corporation	Anna Lee Mine	Mostly Dry
"	John Bill Mine	Wet
"	Sandstone Mine (Section 34 Mine)	Wet
Kerr-McGee	Church Rock 1 Mine	Wet
"	Church Rock 1 East Mine	Wet
"	Church Rock 2 Mine	Wet

ANN LEE

Table 1.A

COVER TYPE	% COVER					AVG	STD DEV
	TRNS 1	TRNS 2	TRNS 3	TRNS 4	TRNS 5		
GRASS and FORBS	14	18	18	30	20	20.0	6.0
PERENNIAL	20	18	18	30	30	23.2	6.3
ANNUAL	0	0	0	0	0	0.0	0.0
LITTER	44	50	38	50	58	48.0	7.5
BARE GROUND	36	32	44	20	12	28.8	12.8

Figure 1.A

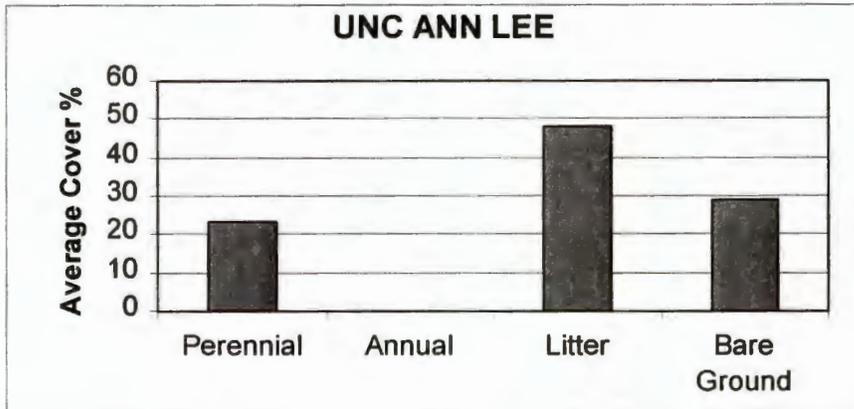
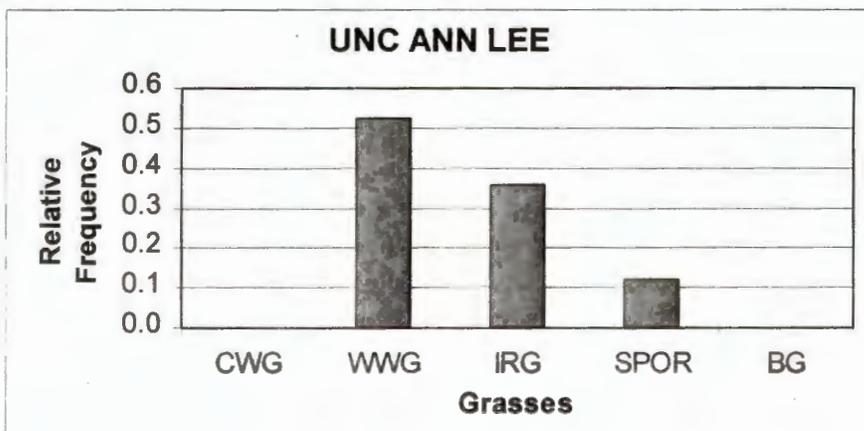


Figure 1.B



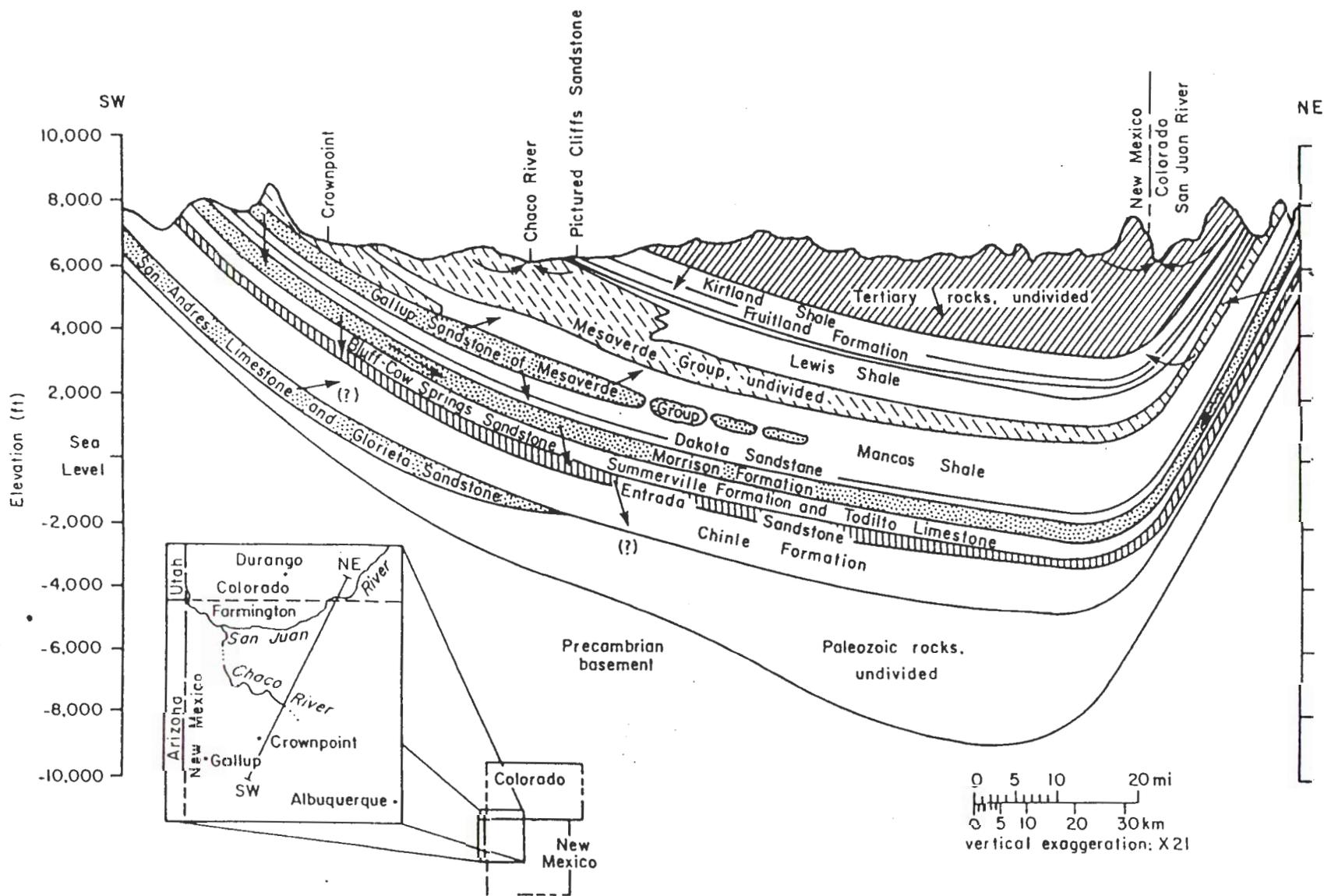


Figure 1 - Generalized Hydrologic Cross Section of San Juan Basin showing major aquifers (stippled), confining beds (blank), and directions of groundwater flow (arrows). From Stone et al., 1983

SYSTEM	STRATIGRAPHIC UNIT	
CRETACEOUS	MANCOS SHALE	
	DAKOTA SANDSTONE	
JURASSIC	MORRISON FORMATION	BRUSHY BASIN MEMBER
		"A" SANDSTONE
	WESTWATER CANYON MEMBER	"K" SHALE
		"B" SANDSTONE
		"K ₁ " SHALE
		"C" SANDSTONE
		"K ₂ " SHALE
		"D" SANDSTONE
	RECAPTURE MEMBER	

Figure 2 - Divisions of Morrison Formation in the vicinity of Homestake Mining Company prior reclamation sites. From Kelly, 1963

Figure 3 (Stone *et al.*, 1983) shows the potentiometric surface for the Westwater Canyon member of the Morrison Formation. The Morrison Formation is the formation in which mining for uranium took place. This figure shows that the Westwater is recharged from the Nacimiento Mountains to the northeast and the Zuni Mountains to the southwest. Figure 4 (Stone *et al.*, 1983) depicts transmissivity within the Morrison Formation. From Figures 3 and 4 it is intuitive that groundwater within the Morrison Formation in the area of Ambrosia Lake flows primarily to the Rio Puerco discharge area in the southeast, away from Crownpoint. Groundwater within the Morrison Formation in the Church Rock Area flows north, away from Crownpoint, where it discharges into the San Juan River.

Figure 5 (Stone *et al.*, 1983) delineates elevations of the top of the overlying Dakota Sandstone. Figures 3 and Figure 5, show that the potentiometric surface in the Ambrosia Lake and Church Rock areas is well below the top of the Dakota Sandstone. Potentially contaminated water from the Morrison Formation, therefore, lacks potential to migrate to aquifers above. Also, according to Bill Ganus (1995) water levels within the Morrison Formation appeared to be stabilizing at an elevation of approximately 6600 feet (below the top of the Dakota Sandstone) after the cessation of mining operations in the Church Rock Area. In addition, if one considers the thickness and impermeability of the Mancos Shale that overlies both the Morrison Formation and the Dakota Sandstone it becomes obvious that water within the Morrison Formation is confined to the Morrison Formation.

Mining Impacts on Ground Water Quality

Regional impacts of uranium mining on groundwater were associated with mine discharge, tailings pond effluent, solution mining and collapse of underground workings. Water quality was altered near mining operations because oxidation at the mine face makes some radionuclides soluble. As water levels in the mines return to their original levels it is expected that oxidation of uranium will cease and that water quality will return to pre-mining levels. The mines in which mining occurred in zones of saturated ground are indicated in Table I. All prior reclamation site vertical shafts were backfilled and capped with concrete to prevent contamination of groundwater by surface drainage. The Gallup Sandstone was sealed from the shaft at the Kerr-McGee sites near Church Rock (Ganus, 1995).

Mine discharge from mine dewatering operations was sometimes injected underground as well as discharged in surface drainages. Water pumped from mines often contained elevated levels of radiochemicals and toxic metals (Kaufmann *et al.*, 1976). Although some water pumped from the mines was used for milling, much of the water was injected underground, used for other purposes, or discharged into arroyos. The quality of mine water discharged underground has been monitored by the U.S. Environmental Agency and the New Mexico Environment Department for impacts to groundwater resources since 1977. However, natural groundwater flowing into mine workings and which reenters the ground by gravity flow is exempt from WQCC discharge plan requirements.

Water discharged with mill tailings contained high levels of radioactive and other chemicals added or mobilized during the extraction process. The quality of discharged process water was monitored by the U.S. Environmental Protection Agency and the New Mexico Environment Department for adherence to National Pollutant Discharge Elimination System and the New Mexico Water Quality

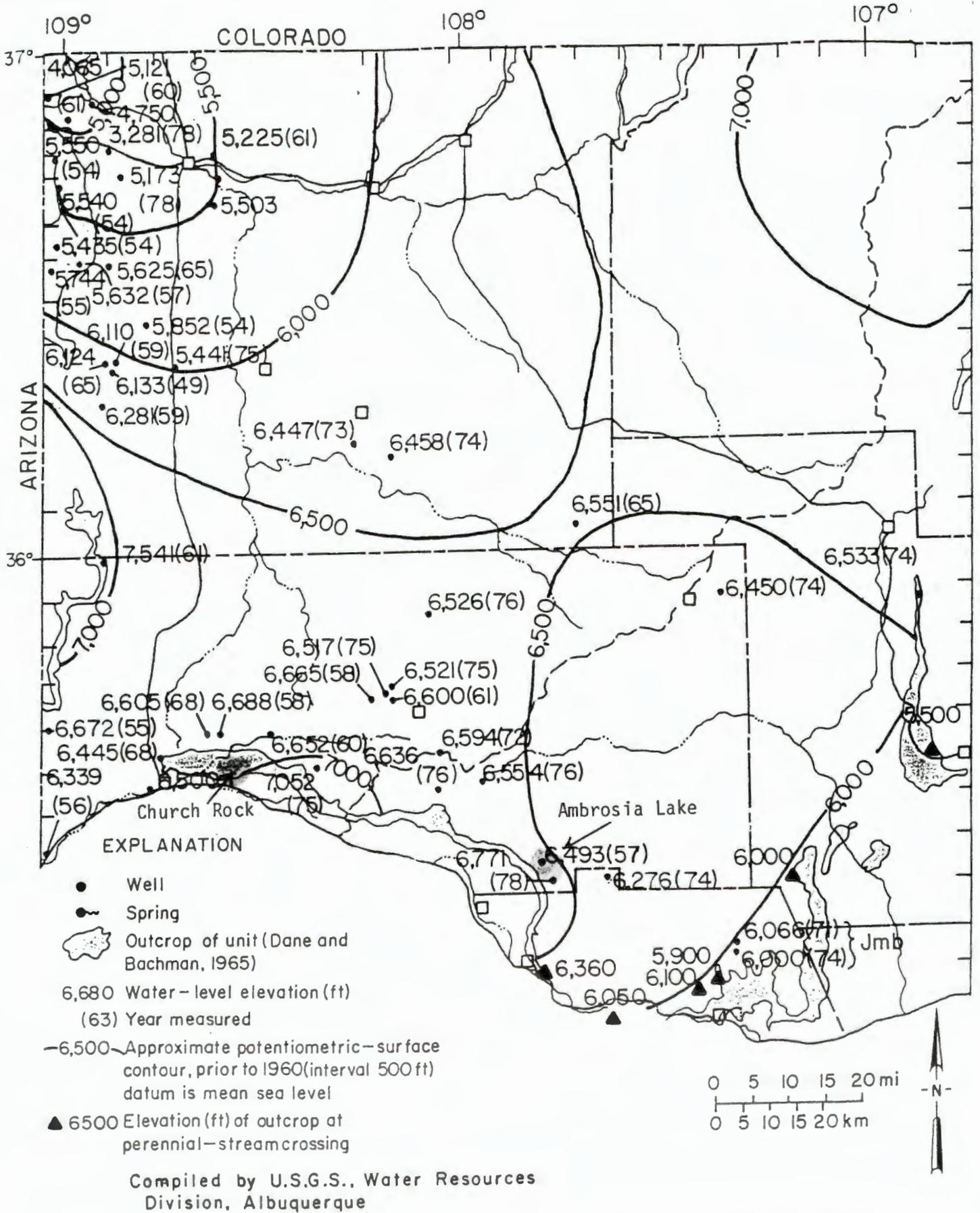


Figure 3 - Water level altitudes and potentiometric surface for Westwater Canyon Member of Morrison Formation. From Stone, et al., 1983

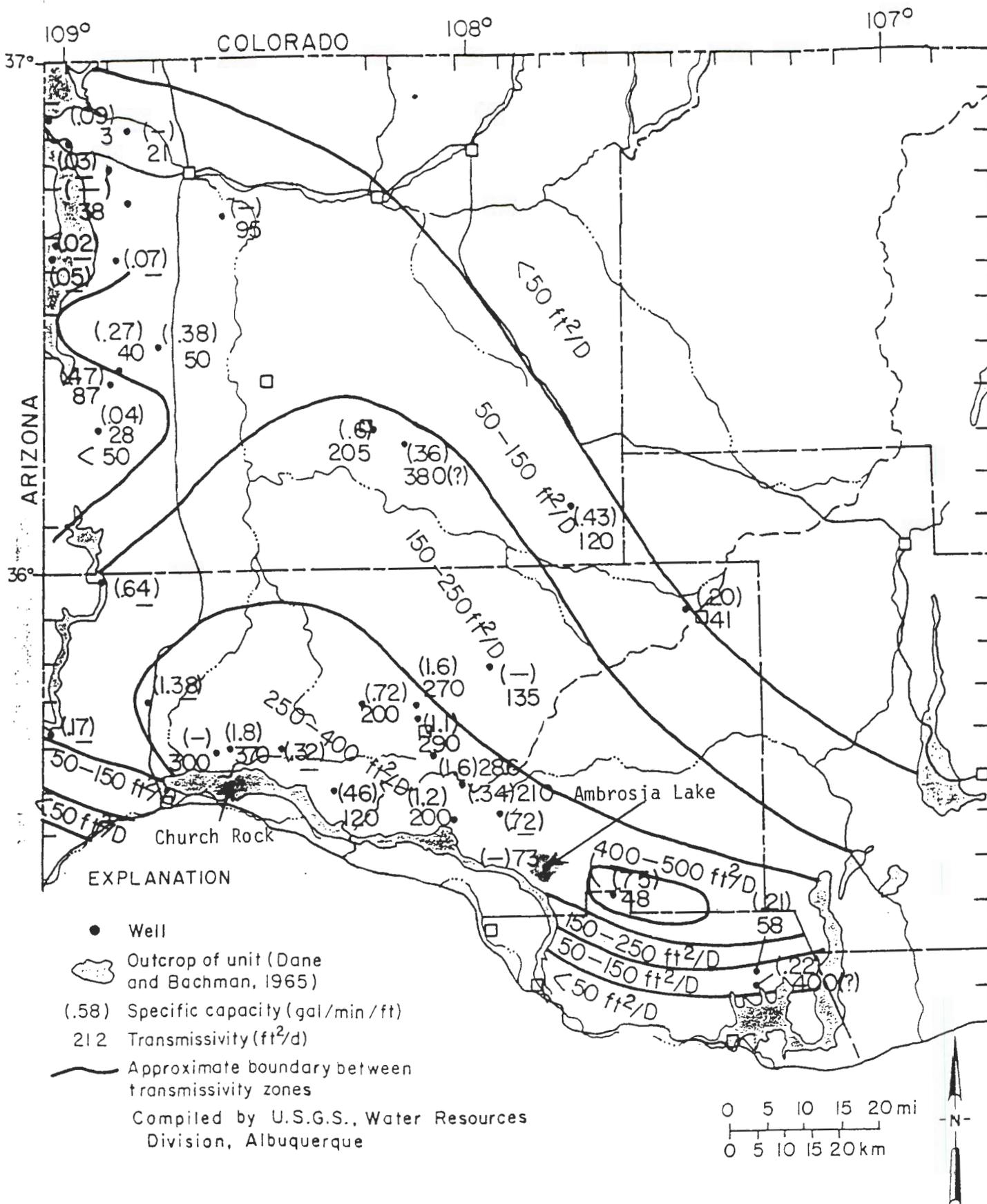


Figure 4 - Transmissivity and Specific Capacity of wells in Morrison Formation. Frone Stone, et al., 1983

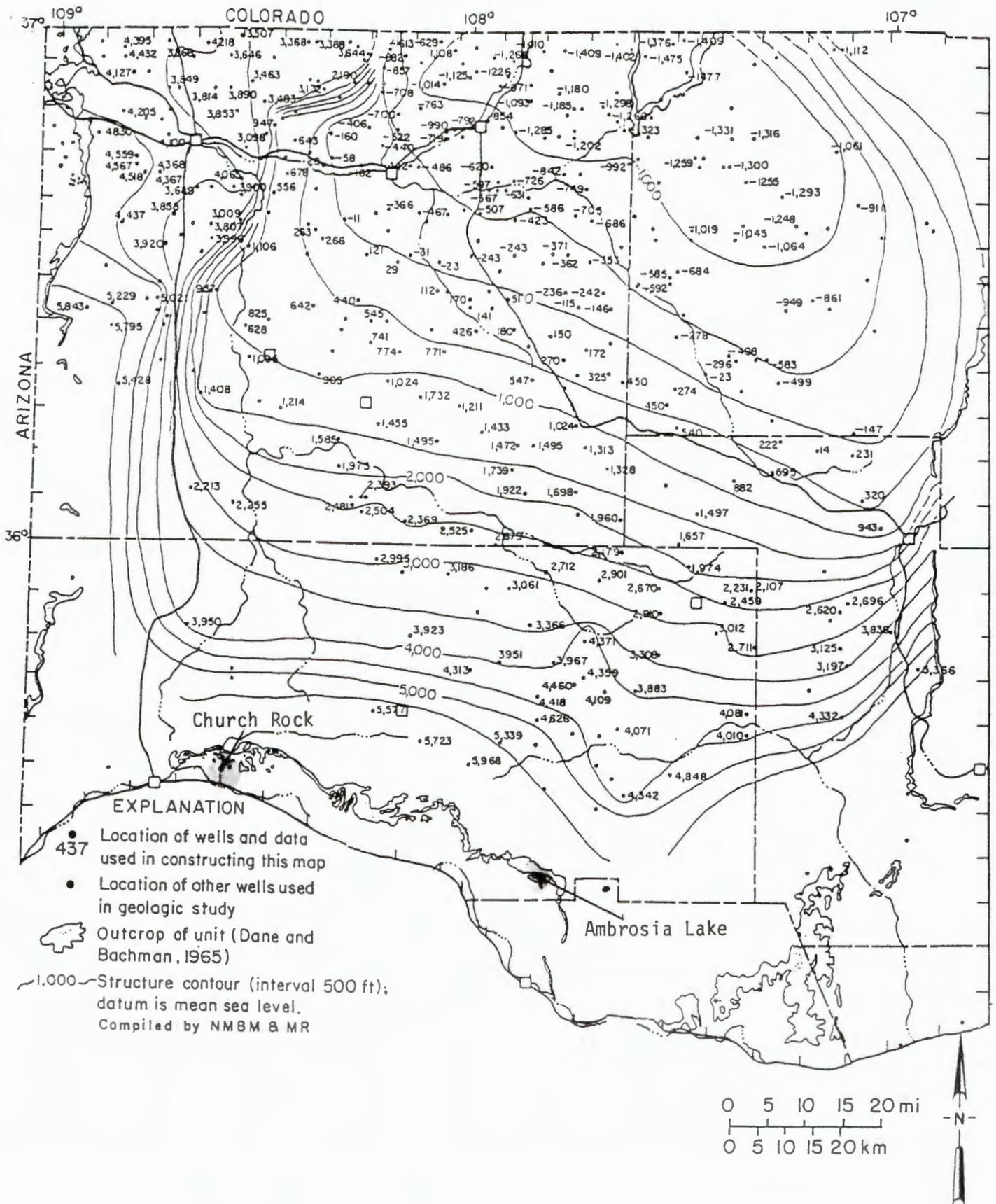


Figure 5 - Elevation of top of Dakota Sandstone structure. From Stone, From Stone, et al., 1983

Control Commission discharge regulations after 1977. Water used in the milling process and discharged with the mill tailings either evaporated or infiltrated to recharge shallow aquifers. Kaufman et al. (1976) said that about 30% of the tailings water in the Ambrosia Lake area infiltrated causing high levels of selenium in shallow groundwater near the tailings piles. Groundwater contamination associated with tailings dams is regulated by the Nuclear Regulatory Commission and is, therefore, beyond the scope of this study.

Collapse of underground workings has probably caused some deterioration of water quality in the Morrison Formation near Ambrosia Lake by providing a connection to the overlying Dakota Sandstone. In the Ambrosia Lake Area the Dakota Sandstone contains higher concentrations of dissolved solids than the Morrison (Cooper and John, 1968). There nothing mine operators can do to prevent further collapse of underground workings. However, sandstone has an especially high swell factor of 66 percent (Caterpillar, 1991). Consequently, it is unlikely that subsurface subsidence will extend to aquifers above the Dakota Sandstone.

At the Homestake Section 23 Mine uranium was extracted by in situ leaching. Although this method eliminated many water resource impacts associated with conventional mining, it caused some new ones, such as control of the leaching fluid and cleanup of the Morrison Aquifer after leaching ceased. Impacts on groundwater by solution mining are regulated via groundwater discharge plans by the New Mexico Environment Department.

Continental Oil Company personnel, after conducting a literature search on the mobility of radium in groundwater systems, concluded that dispersion, ion exchange, and radioactive decay prevents extensive migration of excessive radium concentrations that might persist in the immediate area of a mine (Jensen W.M., 1978). These geochemical processes, by which uranium minerals were deposited in the first place, probably limit migration of uranium as well as other toxic substances.

Mining Impacts to Ground Water Quantity

During mining operations a large quantity of freshwater was pumped to keep the mines dewatered. Much of the water needed for uranium mining and milling was provided by mine water discharge. In addition water for milling was produced from wells completed in the Glorieta Sandstone - San Andres Limestone near Grants and wells tapping the Morrison Formation north of Laguna. Dewatering caused large declines in water levels in the Morrison Formation (Lyford *et al.*, 1980). Pumpage of water for uranium exploration drilling also caused water-level declines in the Gallup Sandstone. It is expected, however, that water levels will return to premining levels with the cessation of mining operations.

Summary and Conclusions

Protection of surface water resources with respect to erosion and sediment was accomplished by regrading the area to a stable configuration and reestablishment of permanent vegetation. Post mining topography and vegetation were inspected by Mining and Minerals Division personnel July 13-14, 1995 and will be addressed in a separate report. There are no waste piles of radioactive material left on the surface with the potential to contaminate surface water.

Uranium mining took place within the Morrison Formation and the Morrison Formation is the source of the public water supply for the Village of Crownpoint. However, water within the Morrison potentially contaminated by mining operations would most likely be confined to the Morrison Formation. The flow of groundwater within the Morrison Formation in the area of Ambrosia Lake is to the southeast and in the area of Church Rock to the north, away from the community of Crownpoint.

The quality of water discharged into surface arroyos has been regulated by the U.S. Environmental Protection Agency and the New Mexico Environment Department for adherence to National Pollutant Discharge Elimination System and the New Mexico Water Quality Control Commission discharge regulations after 1977. The quality of water discharged underground has been regulated since 1977 by the New Mexico Environment Department according to respective groundwater discharge plans. Mine dewatering has caused large declines in water levels in the Morrison Formation and the Gallup Sandstone. It is expected, however, that water levels will return to premining levels with the cessation of mining operations.

It is expected that oxidation of uranium minerals will cease and water will return to premining quality as groundwater recovers to premining levels. Geochemical processes such as dispersion, ion exchange, and radioactive decay may prevent extensive migration of excessive radium concentrations that might persist and limit migration of other toxic substances.

No further reclamation measures, that fall within the regulatory authority of the New Mexico Mining Act, are required to protect water resources from degradation following uranium mining at Homestake Mining Company and United Nuclear Corporation Mines prior reclamation sites near Ambrosia Lake, New Mexico and Kerr-McGee Corporation sites near Church Rock, New Mexico.

References

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Sec. 34. Sandstone

Red w/ steel - w/ jr
Planted June 94

Cement Shagt - 4' thick -

Land Owned by United

Nuclear. 5 Buildings

Belong to leasee

Pipe, Steel & other materials

on site

Sealed w/ A-7 or

Air Vent Near Building

Does Belong to United

Nuclear. Other Buildings

do Belong to leasee -

Call at August 20th letter.



Grid	Dir
✓ 3	19
✓ 11	251
✓ 10	304
✓ 33	153
22	183
35	186
34	71
✓ 59	184
45	327
52	161
✓ 38	9
36	239
17	296
63	256

111200

$$S_{11} = \frac{S_{11}}{S_{11}} \cdot \text{cont}$$

111

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

JUN 26

June 21, 1995
UNC/ABQ-95-114M

Kathleen Garland
Director, Mining and Minerals Division
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Prior Reclamation Inspection Request
Fee Payment

Dear Ms. Garland:

Enclosed is a check in the amount of seven hundred fifty dollars (\$750.00) for payment of fees for requests for inspection of certain mine sites that are subject to the prior reclamation provisions of the Mining Act. United Nuclear submitted a request for such an inspection on August 26, 1994, copy attached, but was awaiting payment of the fee until a determination was made as to the amount that would be assessed, given that the mines are in such close proximity to each other. We have not received such a determination to date and recently noted that your presentation to the Mining Commission on June 16 did not include these mines in the information package.

We are submitting this payment to ensure that your inspection schedule includes visiting these sites. Should you require additional information please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez".

Juan R. Velasquez

cc: Dal Moelenberg
Ed Morales

UNC MINING AND MILLING
 DIVISION OF UNITED NUCLEAR CORPORATION
 P.O. DRAWER QQ
 GALLUP, NM 87301

95-124
 1022
 95237Q-TCS-T

02083

DATE June 20, 1995

PAY TO THE ORDER OF State of N.M. Energy, Minerals & Natural Resources \$ 750.00

UNC MINING AND MILLING 750 DOLS 00 CTS

DOLLARS

VOID AFTER 90 DAYS

SUNWEST BANK OF GALLUP
 P.O. BOX 339 (505) 863-9533
 GALLUP, NEW MEXICO 87305

Marshall J. Fletcher



UNC MINING AND MILLING

PLEASE DETACH BEFORE DEPOSITING. BY ENDORSEMENT THE CHECK IS ACCEPTED IN FULL PAYMENT OF THE FOLLOWING:

PERIOD ENDING	HOURS		EARNINGS				DEDUCTIONS					NET PAY	
	REG.	O.T.	TOTAL	REGULAR	OVERTIME	OTHER	TOTAL	F.I.C.A.	WITHHOLD-ING TAX	STATE TAX	INS.		

INVOICE DATE	INVOICE NUMBER	DESCRIPTION	OUR NUMBER	AMOUNT OF INVOICE	DEDUCTIONS	AMOUNT PAID
6-20-95		7813		\$750.00		\$750.00

State of New Mexico
ENERGY MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

November 15, 1994

Mr. Juan Valasquez
United Nuclear Corporation
6501 America's Parkway N.E., Suite 1040
Albuquerque, NM 87110

Re: Status of United Nuclear Sites Discussed in October 19, 1994
letter

Dear Mr. Velasquez:

Thank you for your letter of October 19, 1994. I will try to address the issues raised in the same order as in your letter.

Inactive, Abandoned Sites

We do not believe your analysis is correct in stating that mines that were inactive prior to the enactment of the law, but within the time frame to be classified as an existing mine, are excluded from the Mining Act. If that analysis were correct then there would have been no need to include the section on prior reclamation.

Mac #1 and Section 31 Mines

As you indicated in your letter and a letter sent to us from Homestake Mining Company, dated October 24, 1994, the Mac 1 site is exempt from the Act. Apparently, it does not meet the definition of an "existing mining operation", because it did not produce a marketable product, for a period of two years within the given time frame. As you indicated in your letter, the Section 31 mine is covered by Santa Fe Pacific Gold with a request for prior reclamation. MMD will be evaluating this request to ensure that it covers the entire mining disturbance.

Anne Lee, John Bill and Sandstone Mines

Because United Nuclear, Inc. has addressed the Anne Lee, John Bill and the Sandstone mines under prior reclamation requests, these sites will be evaluated for prior reclamation. Since you have submitted a prior reclamation request, we will evaluate it on that basis and not, at this time, address your question concerning an exemption from the Act, based on the fact that a federal agency (DOE) is currently involved in reclamation of the site.

VILLAGRA BUILDING - 408 Gallateo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Old Church Rock Mine

HRI submitted a prior reclamation request for this site. MMD will be evaluating their request to ensure that it covers the entire mining disturbance.

Northeast Church Rock, Section 27, and St. Anthony

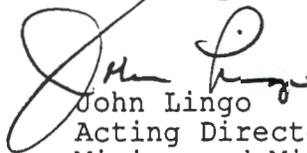
Before making any determination on the Northeast Church Rock site, we would like to know if Section 35 and Section 3, of the site, have been reclaimed along with Section 34. You mentioned that the surface is owned by the United States in trust for the Navajo Nation and that the mineral estate is owned by Santa Fe Pacific Gold Corporation. Since, the mineral estate is not controlled by the Navajos, it may be necessary for UNC to address this site via permitting and reclamation.

As I mentioned above we do not believe your analysis is correct in designating mine sites abandoned, that became inactive and are no longer intended to be used, during the time frame designated by the definition of an "existing mining operation." Therefore, the Section 27 Mine and the Anthony Mine must now be permitted. Prior reclamation would not be an option, at this time.

Because it is our interpretation that the Northeast Church Rock Mine, Section 27, and the Anthony Mines, fall under the requirements specified in the New Mexico Mining Act, you will be required to permit all three. The permit deadline is December 31, 1994.

Please contact me directly or Holland Shepherd of my staff, if you have further questions.

Sincerely,



John Lingo
Acting Director
Mining and Minerals Division

UNITED NUCLEAR CORPORATION



6501 America's Parkway N.E.
Suite 1040

Albuquerque, New Mexico 87110
Telephone 505/883-6901
FAX 883-0146

SANDSTONE MINE

October 19, 1994

Mr. John Lingo
Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Reply to August 25, & Various August 31, 1994 Letters

Dear Mr. Lingo:

This letter is in reply to your August 25, 1994 letter regarding United Nuclear Corporation's (United Nuclear) position concerning the extent of it's obligations, if any, under the New Mexico Mining Act with respect to several mines. This also responds to the several letters dated August 31, 1994 regarding your notification that certain mining operations may require a site assessment.

We appreciated the opportunity to meet with your staff, Messrs. Shepherd, Jager, and Martinez, on September 16, 1994 to discuss these issues and clarify the circumstances, locations, and history of several of the mines. The following summarizes United Nuclear's position with respect to the mining Act.

United Nuclear made a decision in 1984, several years before the Act was passed, to discontinue it's mining operations, and has been and remains in the process of liquidating the remaining assets of it's former mining operations. As such, United Nuclear believes that all of the mine properties it operated are "abandoned" mines as contemplated by the Mining Act. United Nuclear currently holds no ownership or leasehold interest in these mines, and does not currently operate any of the mines.

United Nuclear believes that it has no obligation to comply with the permitting and other regulatory requirements of the New Mexico Act for these mines. The New Mexico Mining Act was never intended to cover the reclamation of abandoned mines, except to the extent that Section 19 of the Act creates the "inactive or abandoned non-coal mine reclamation fund" which was established "to conduct reclamation activities on abandoned or inactive non-coal mining areas." § 69-36-19 NMSA. Although it is apparent that an "existing mining operation" is defined in a manner that could include an inactive mining operation, there is no provision in the Act which establishes that a person who has no current ownership interest and is not currently an operator of an inactive mine is required by law to undertake the obligations of the Act. The Act refers to "the owner or operator" in the present tense, and makes no reference to any liability for former owners or operators. Absent any clear statutory provision stating that the Mining Act applies retroactively to cover an owner or operator of an abandoned mine, New Mexico case law is clear that the law will not be construed to apply retroactively. *Psomas v Psomas*, 661 P.2d 884, 887 (N.M. 1987). Federal laws containing similar language imposing regulatory liability

October 19, 1994

Page 2

upon owners and operators have been construed to apply only to current, and not former, owners and operators. See *Coburn v. Sun Chemical Corporation*, 28 E.R.C. 1668 (E.D. Pa. 1988) (regulatory requirements of the federal hazardous waste management regulations apply only to current owners and operators, and past operators are not liable for current regulatory violations).

The definition of "existing mining operations" serves an important purpose other than arguably subjecting inactive mines to reclamation requirements under the Mining Act. It establishes a cutoff regarding how recently an inactive mine must have been operated and in production to qualify as an "existing mining operation," rather than a "new mining operation", if mining begins again. An inactive mine that does not meet the definition of "existing mining operation" does not qualify for the "grandfathered" authorization to operate before a permit is issued, and unless it was in operation when the Act was passed, would have to obtain a permit as a "new mining operation" before mining could be renewed. Therefore, this definition alone does not establish that persons who are not current "owners or operators" of inactive mining operations are subject to the regulatory requirements of the Mining Act and the rules.

In addition to the arguments presented above, parts or all of United Nuclear's former uranium mines may be exempt from the Mining Act and the rules pursuant to the definitions of "mineral" and "mining" in the Act. While this letter focuses on certain arguments and provisions of the Act, United Nuclear does not intend to waive any other legal arguments it may have with respect to the New Mexico Mining Act's application to United Nuclear with respect to these mines. For example, we understand that MMD is still considering its position with respect to the application of the Act upon Indian lands.

Our position notwithstanding, the following is a discussion of each of the mines for which MMD had requested information.

Mac #1 and Section 31 Mines

At the September 16 meeting, we discussed with your staff the August 31, 1994 notices received for the Mac#1 Mine and the Section 31 Mine (Section 31, T13N R9W). The Mac#1 Mine, to the best of United Nuclear's knowledge, is not an existing mining operation because it did not have at least two years of production after 1970. Furthermore, we understand that Homestake Mining Company, the successor to the UNHP Partnership, and to which Homestake is the successor in interest, has provided correspondence to MMD addressing this mine.

Regarding the Section 31 Mine, our information indicates that it was not operated by United Nuclear after 1970. Even so, at the meeting, MMD staff clarified that this mine is covered under an application submitted by Santa Fe Pacific Gold Corporation for inspection of the mine to evaluate prior reclamation.

October 19, 1994

Page 3

Anne Lee, John Bill and Sandstone Mines

As acknowledged during the meeting, United Nuclear has submitted applications dated August 26, 1994 for inspection of "prior reclamation" for three mines in the Ambrosia Lake District, the Anne Lee Mine (Section 28, T14N, R9W), John Bill Mine (Section 34, T14N, R9W), and Sandstone Mine (Section 34, T14N, R9W). These applications were submitted inasmuch as United Nuclear is the owner of the surface of these properties and the Mining Act is vague as to responsibility for such properties.

As discussed in the August 26 application and during the meeting, the Anne Lee Mine is located in the area determined to be a "Vicinity Property" by the U.S. Department of Energy (DOE). DOE is in the process of cleaning up and reclaiming this property, pursuant to Title I of the Uranium Mill Tailings Radiation Control Act ("UMTRCA") as part of the cleanup, stabilization, and reclamation program being undertaken by the DOE for the Ambrosia Lake uranium mill and tailings facility. While our application requests a prior reclamation inspection for the Anne Lee Mine, United Nuclear asserts that this property should be determined to be subject to the exemption in the Act for facilities subject to regulation by the Nuclear Regulatory Commission. This exemption would clearly apply to facilities subject to NRC regulation under UMTRCA, the only difference being the agency that is administering the cleanup.

Old Church Rock Mine

As acknowledged during the meeting, United Nuclear understands that the current operator, Hydro Resources, Inc. (HRI), has submitted a site assessment and prior reclamation application for the Old Church Rock Mine. This mine property is currently held by HRI, pursuant to a lease with Santa Fe Pacific Gold Corp. United Nuclear's only remaining interest in this property is a contractual royalty interest in any future production by HRI. United Nuclear understands that HRI is responsible to fulfill any and all obligations under the New Mexico Mining Act with respect to the Old Church Rock Mine.

Northeast Church Rock, Section 27, and St. Anthony Mines

United Nuclear leased the mineral estate for the Northeast Church Rock Mine (Section 35, T17N, R16W and Section 3, T16W, R16W) from what is now Santa Fe Pacific Gold Corporation, the current owner of the mineral estate. The surface of Sections 35 and 3 is owned by the United States in trust for the Navajo Tribe. United Nuclear owns a portion of the surface of Section 34, T17N, R16W, by virtue of patented claims. Section 34 contains a small portion of the total NECR mine workings. All of the surface disturbance on Section 34 has been reclaimed.

United Nuclear's lease, expired as of December 31, 1993. As discussed at the September 16 meeting, United Nuclear and Santa Fe Pacific Gold Corporation have not yet resolved all issues regarding United Nuclear's remaining obligations, if any, under the lease.

October 19, 1994

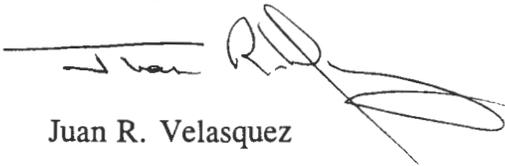
Page 4

United Nuclear leased the mineral estate for the Section 27 Mine (Section 27, T14N, R9W) from what is now Hecla Mining Company, which, to the best of our knowledge, is the current owner of the mineral estate. To the best of our knowledge, the Marquez family owns the surface. United Nuclear's mineral lease for this property was released in March 1988, and United Nuclear has had no interest in this mine since then.

United Nuclear leased the mineral estate for the St. Anthony Mine (portions of Sections 19, 20, 29 and 30, T11N, R4W and Sections 23, 24, 25 and 26, T11N, R5W) from the Cebolletta Land Grant, which was and is the owner of both the surface and mineral estates. United Nuclear released this lease in November 1988, and United Nuclear has had no interest in this mine since then.

Once again, thank you for the opportunity to meet with your staff and to clarify United Nuclear's position on these matters. If you have any additional questions or comments regarding this letter or United Nuclear's position, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", is written over a horizontal line. The signature is stylized with a large, looped "R" and a long, sweeping tail.

Juan R. Velasquez

September 28, 1994

To: Mining Act Reclamation Bureau File on United Nuclear Corporation

From: Holland Shepherd, Bureau Chief, Mining Act Reclamation Bureau *HLS*

Re: **Meeting with UNC Concerning Status of Mining Properties in New Mexico**

Date of Meeting: Sept. 16, 1994
Time of Meeting: 10:00 - 12:30
Participants: Juan Valesquez and Dalva Moellenberg of United Nuclear Corporation; Holland Shepherd, Alan Jager and Fernando Martinez, MMD

This memo addresses a meeting the Bureau had with representatives of the United Nuclear Corporation. The meeting was held to discuss the status of several sites currently operated or once operated by UNC.

Sites Resolved During Meeting

1. The Mac #1 Mine was a Homestake/UNC venture which lasted about two years. Homestake bought all interest in the property in the late 70's. This site apparently does not meet the definition of mining so will not be permitted. Homestake is to send the letter indicating exclusion.
2. The Section 31 T13N, R9W Mine, according to UNC is not subject to the Act. However, Santa Fe Pacific has claimed under prior reclamation. This will exclude UNC from further obligations for the site, if the site is released under prior reclamation.
3. The Old Church Rock Mine is in Section 17. This site includes the Church Rock 1 and 1E all now under the responsibility of Kerr McGee. The site is on Indian Lands, not Indian Trust Lands. Kerr McGee has claimed these sites under prior reclamation, the Church Rock 1, 1E and 2.

The NE Church Rock Mine is the same as the Section 35 Mine, and is the responsibility of UNC.

Another Old Church Rock was once owned by UNC, but now belongs to HRI, Sec. 17, T16N, R16W, which is claiming it as a prior reclamation site.

4. The John Bill and the Sandstone Mine sites have been reclaimed and the operator is claiming these for prior reclamation
5. The Ann Lee Mine is currently being reclaimed by the DOE, under the authority of Title 1 and UMT CRA. There may be a problem here because the Act exempts sites under the control of NRC. The state may have to permit a DOE site.

Sites Remaining Unresolved

Three sites remain unresolved: 1. the Section 27 Mine; the St. Anthony Mine; and the NE Church Rock Mine.

1. The Section 27 Mine was operated until 1982, then abandoned in 1988. UNC has indicated that the property is now the responsibility of the Marquez family.
2. The St. Anthony Mine was abandoned back to the land owner in 1988.
3. The NE Church Rock Mine or Section 35 Mine, was abandoned 1993. UNC is saying that Santa Fe Pacific Gold is now responsible for the site.

The overall argument that UNC is using, to disclaim responsibility, is that all three of these sites were abandoned before the Act went into effect. They argue that the Act was never meant to be retroactive, by forcing mine operators to reclaim abandoned sites, which fall under the existing mining operation definition. UNC argues that the definition of an "existing mine operation," should really be interpreted to mean only those operations, which intend to continue mining or in a standby state after the Act. For operations, which were abandoned prior to the Act, to make an operator reclaim these sites would be an undue burden, and was never the intent of the legislature.

We indicated that, if they wanted to push the issue, it would probably have to go before the Mining Commission.

UNITED NUCLEAR CORPORATION



1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809

August 26, 1994
UNC-ABQ-94-069M

Mr. John Lingo, Acting Director
Mining and Minerals Division
New Mexico Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

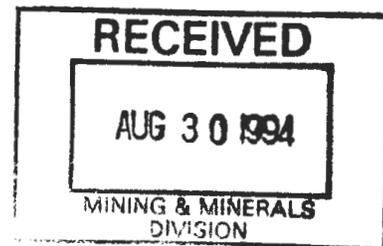


Re: Request For Inspection of Certain Reclaimed Existing Mining Operations

Dear Mr. Lingo:

United Nuclear Corporation hereby submits, pursuant to Section 5.E. of the New Mexico Mining Act and 5.10 of the recently promulgated Mining Act Rules, a request for inspection of the following reclaimed existing mining operations;

1. Anne Lee Mine
2. John Bill Mine
3. Sandstone Mine



All of these mines are located in the Ambrosia Lake District of the Grants Uranium Belt in McKinley County, New Mexico. The Anne Lee Mine is located in Section 28, T14N, R9W. The John Bill and Sandstone Mines are located in Section 34, T14N, R9W. Enclosed is a map depicting their location.

United Nuclear considers that all of these mines have been completely reclaimed in such a manner as to allow the Director to determine that the substantive requirements of the Mining Act have been met and that United Nuclear has no further obligations under the Act.

By way of a brief summary, all of the buildings and other improvements have been removed. All of the mine shafts and vent holes have been permanently sealed with a 4-foot thick reinforced concrete cap. All of the residual ore and waste material has been removed or buried. All of the disturbed areas have been covered with at least one foot of soil, seeded to promote revegetation, and mulched. The seed mixture used is as follows;

Blue-grama - Hatchita	1.0 lb. Pure Live Seed (PLS) per acre
Crested Wheat grass	5.0 " " " " " " "
Western Wheat grass	2.5 " " " " " " "
Indian Rice grass	1.0 " " " " " " "
Yellow Sweet Clover	2.0 " " " " " " "
Alkali Sacaton	0.5 " " " " " " "
Sand Dropseed	1.5 " " " " " " "

August 26, 1994
UNC/ABQ-94-069M
Page 2

The resulting total application of the seed mixture was 13.5 lbs PLS per acre. Now that mining activities have ceased the property will be returned to its post mining land use, i.e., grazing.

We would also like to note that the Anne Lee Mine location has been determined by the U.S. Department of Energy (DOE) to be a "Vicinity Property" which is in the process of being cleaned up and reclaimed pursuant to the Uranium Mill Tailings Radiation Control Act (UMTRCA) as part of the cleanup, stabilization, and reclamation program being undertaken for the Ambrosia Lake uranium mill and tailings facility. This activity is being conducted under Title I of UMTRCA.

The DOE has a great deal of information as to the manner in which reclamation of the Anne Lee Mine is being conducted that is available through the Albuquerque DOE UMTRCA office.

While the Mining Act does not specifically exempt DOE cleanup activities, United Nuclear believes that the site should be determined by the Director as meeting the requirements of the Act inasmuch as the Act specifically exempts U.S. Nuclear Regulatory Commission (NRC) regulated activities and NRC regulatory authority is embodied in UMTRCA, the same federal law that mandates the DOE cleanup activities being conducted at the Anne Lee Mine.

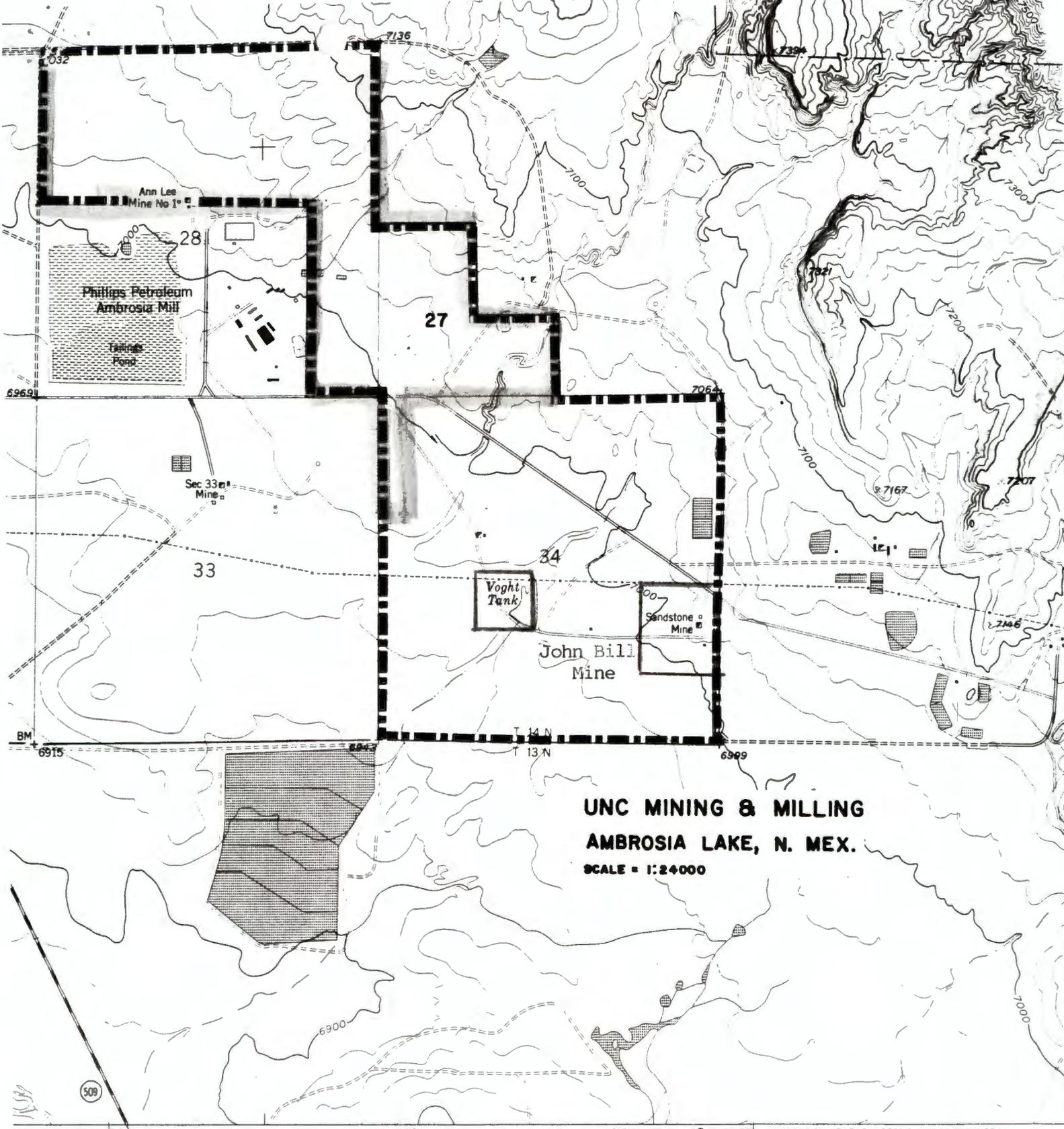
United Nuclear requests that MMD conduct its inspection of these sites at its earliest convenience. Should you have any questions or require additional information please do not hesitate to contact me. Mr. Edward Morales, is also available by telephone at (505) 722-6651 should you be unable to reach me.

We look forward to receiving determinations for each of these sites that reclamation is in accordance to the requirements set forth in the Mining Act.

Sincerely,

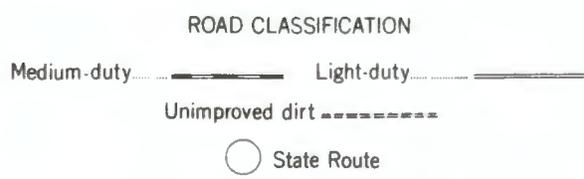
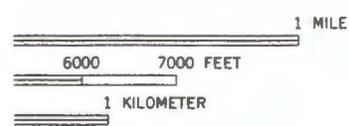
A handwritten signature in black ink, appearing to read "Juan R. Velasquez", with a stylized flourish extending to the right.

Juan R. Velasquez



**UNC MINING & MILLING
AMBROSIA LAKE, N. MEX.
SCALE = 1:24000**

MI TO N. MEX. 53 GRANTS 20 MI. 246 47°30' 247 248000m E ● INTERIOR—GEOLOGICAL SURVEY, RESTON, VIRGINIA—1981 107



QUADRANGLE LOCATION

AMBROSIA LAKE, N. MEX.
N3522.5—W10745 / 7.5

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

August 25, 1994

Mr. Juan R. Velasquez
United Nuclear Corporation
1700 Louisiana N.E.
Suite 230
Albuquerque, NM 87110

Re: Response to Recision of New Mexico Mining Act Owner/Operator Information

Dear Mr. Velasquez:

This letter is in response to the United Nuclear Corporation (UNC) correspondence, dated June 21 and 29, 1994. The letters concerned the owner/operator status of several uranium properties, in which UNC had been involved. The owner/operator status and responsibilities, under the New Mexico Mining Act (the Act), relate directly to the requirements of Sections 69-36-5.D and 69-36-3.E.

The letters referenced above indicate that UNC believes it does not have a responsibility for reclamation under the Act for the sites listed below:

1. St. Anthony Mining Operation
2. Section 27 Mine
3. Northeast Church Rock Mine
4. Old Church Rock Mine
5. Sandstone Mine
6. Anne Lee Mine
- ✓ 7. John Bill Mine

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail
Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

Below please find MMD's response to UNC for each site referenced above:

1. St. Anthony Mining Operation

You have indicated that UNC terminated its lease for this site on November 1, 1988. However, Sections 69-36-3.E or 69-36-5.D do not indicate that once an operator's lease has been terminated that the operator is no longer responsible for the requirements stated in the Act. The language in the Act clearly indicates that an operator mining and producing within the specified time frame falls under the requirements of the Act.

UNC's letter, dated July 16, 1993, indicates that UNC did operate the St. Anthony Mine for a period of 2 years between January 1, 1970 and the effective date of the Act. If UNC operated the mine during the time frame stated under the definition of an Existing Mine, in Section 69-36-3.E, and produced for the given period, then the responsibility for reclamation or permitting remains whether or not the lease was terminated prior to the implementation of the Mining Act Rules.

It is MMD's opinion that the only way for an operator to be removed from the responsibilities of the requirements stated in the Act, is for MMD to approve in writing the transfer of responsibility for permitting and reclamation to another responsible party. If the Cebolleta Grant is willing to take over the full responsibility for the permitting and reclamation of this site, it may obtain the required permit.

2. Section 27 Mine

Please see explanation above, concerning the St. Anthony Mine. Again if Marquez family or Hecla Mining Co. is willing to take over the responsibility of permitting and reclaiming this site then either or both, jointly, may permit the site.

3. Northeast Church Rock Mine

Please see explanation above, concerning the St. Anthony Mine. For those portions of the site on Navajo trust lands (Sections 3 and 35, T17N, R16W), MMD will need more information concerning the surface and mineral ownership. Also, we will need to know if any reclamation has already been performed in these areas and under whose authority.

4. Old Church Rock Mine

Hydro Resources Inc. may have assumed responsibility for this site. HRI has filed a request for prior reclamation regarding a Church Rock site. The legal description

they provided for the site is Section 17, T16N, R16W. If this is the same site as UNC's Old Church Rock Mine, and the reclamation is satisfactory then no permit will be needed by any party.

5. **Sandstone Mine**

Please see explanation above, concerning the St. Anthony Mine.

6. **Anne Lee Mine**

Please see explanation above, concerning the St. Anthony Mine.

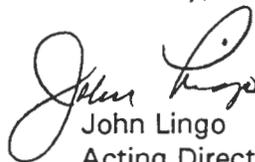
7. **John Bill Mine**

Please see explanation above, concerning the St. Anthony Mine.

Currently, MMD has no information from UNC concerning these sites other than the letters received on July 16, 1993, June 21 and 29, 1994. To come under compliance with the New Mexico Mining Act, it will be necessary to file a site assessment for these sites, provide written documentation from other parties which states an assumption of the responsibilities under the Act, or provide a request for prior reclamation. The deadline for filing a site assessment (June 30, 1994) has passed, but a site assessment is still needed. The deadline for filing a request for prior reclamation is August 31, 1994.

Please contact us as soon as possible with your response to this letter.

Sincerely,



John Lingo
Acting Director
Mining and Minerals Division

JL/hs

UNC.Itr

UNITED NUCLEAR CORPORATION



1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809

*Received
7/11/94
John Lingo*

June 29, 1994
UNC/ABQ-94-056M

Mr. John Lingo, Acting Director
Mining and Minerals Division
Energy, Minerals, and Natural Resources Department
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Updated New Mexico Mining Act Owner/Operator Information

Dear Mr. Lingo:

The purpose of this letter is to update the Mining and Minerals Division regarding the owner/operator notifications previously submitted by United Nuclear Corporation for the following mining operations pursuant to Section 69-36-5.D NMSA. United Nuclear is providing the following updated information and clarification to its original notifications.

- a. Northeast Church Rock Mine
- b. Old Church Rock Mine
- c. Sandstone Mine
- d. Anne Lee Mine
- e. John Bill Mine

In addition, United Nuclear is providing under separate cover a rescission of an earlier notification for the St. Anthony and Section 27 Mines.

- a. North East Church Rock Mine

The Mineral lease, under which United Nuclear operated this mine until its shutdown in April 1982, expired and was terminated as of December 31, 1993. Consequently, since December 31, 1993, United Nuclear has had no interest in the Northeast Church Rock Mine with the exception of the portion of Section 34, T17N, R16W, which contains patented claims owned by United Nuclear. Although the Northeast Church Rock Mine may fit the definition of an "existing mine operation" as defined in the Act, the obligations under the act apply to "owners and operators". During the period before the December 31, 1993 expiration of the Lease, the only obligation that had accrued under the Act was the filing of the notification required under Section 69-36-5.D All other obligations under the Act occur after expiration of the Lease and the termination of United Nuclear's ownership and/or operational interest in the Mine and thereafter is the obligation of the current owners.

United Nuclear is informed that Santa Fe Pacific Gold Corporation is the owner of the mineral estate in Section 3 and 35, T17N, R16W. The surface estate for this property is held in trust by the federal government on behalf of the Navajo Indian Tribe. United Nuclear is the owner

*DISTR: CAROL LEACH
HOLLAND SHEPHERD (ORIGINAL)
JOHN LINGO*

of a portion of Section 34, T17N, R16W by virtue of ownership of certain patented mining claims. The U.S. Bureau of Land Management is the owner of the remainder of the surface.

b. Old Church Rock Mine

United Nuclear's interest in the mineral lease for property, under which United Nuclear operated the mine until its shutdown in April, 1982, also expired as of December 31, 1993. Hydro Resources, Inc. is now the operator of the Old Church Rock Mine pursuant to an agreement directly between Hydro Resources, Inc. (HRI) and Santa Fe Pacific Gold Corporation. United Nuclear is informed that HRI has submitted a notification to MMD containing the required information relating to HRI, and United Nuclear anticipates that future actions with respect to this property under the New Mexico Mining Act will undertaken to HRI. Santa Fe Pacific Gold has also succeeded to ownership of the mineral estate.

c. Sandstone Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which United Nuclear originally leased the mineral rights.

d. Anne Lee Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which United Nuclear originally leased the minerals.

e. John Bill Mine

To the best of United Nuclear's knowledge, the surface estate and mineral estate ownership information for this mine remains the same as previously reported. However, effective as of March 31, 1988, United Nuclear released the mineral lease under which it conducted its activities. United Nuclear's only remaining interest in this mine is its ownership of the surface. It is our understanding that Hecla Mining Company is the owner of the mineral estate as they are the successor in interest of Ranchers Exploration, the company from which

June 29, 1994
UNC/ABQ-94-056M
Page 3

United Nuclear originally leased the mineral rights.

Finally, we have reviewed a table presented by the New Mexico Environment Department at the recently concluded hearing which purported to be an analysis of the hardrock mine data base maintained by MMD. We offer the following information and corrections in order to avoid confusion in the future. The list identifies the "Marquez Mine" as a United Nuclear Operation. Please be advised that United Nuclear Corporation has had no interest in the mine since before 1970. Similarly, the "Section 17 T13N R9W" and "Section 31 T13N R9W" mines are listed as United Nuclear operations but United Nuclear has had no interest in any of these mines since before 1970.

As stated in our July 16, 1993 letter, United Nuclear continues to believe that the New Mexico Mining Act may be inapplicable to all of the above-listed operations. By submitting this notice, United Nuclear does not assume any liability or agree to a applicability of the Act to any of these operations or sites, and reserves all of its rights in the premises.

Sincerely,

A handwritten signature in black ink, appearing to read 'Juan R. Velasquez', is written over a horizontal line. The signature is stylized and extends to the right.

Juan R. Velasquez

UNITED NUCLEAR CORPORATION



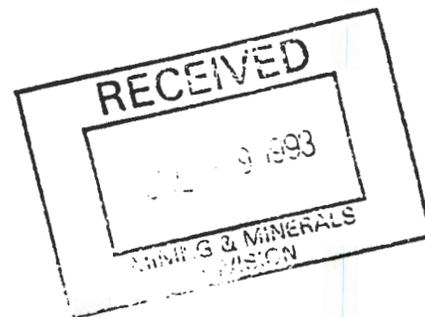
1700 Louisiana N.E.
Suite 230

Albuquerque, New Mexico 87110
Telephone 505/262-1800
FAX 262-1809

July 16, 1993
UNC-93-179M

JUL 1993
RECEIVED

Ms. Anita Lockwood, Secretary
New Mexico Energy, Mineral and Natural Resources Department
Mining and Mineral Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: 1993 New Mexico Mining Act
Owner/Operator Information Requirements

Dear Ms. Lockwood:

United Nuclear Corporation hereby submits the attached information for the following mining operations pursuant to Section 5D of the 1993 New Mexico Mining Act;

- a. Northeast Church Rock Mine
- b. Old Church Rock Mine
- c. Sandstone Mine
- d. Anne Lee Mine
- e. Section 27 Mine
- f. John Bill Mine
- g. St. Anthony Mine

United Nuclear operated each of these mines for a period of at least two years between January 1, 1970 and the effective date of the Act. However, all of the properties except the Northeast and Old Church Rock mine properties have since been returned to their respective owners. Additionally, the Northeast and Old Church Rock properties were operated under the terms of mineral leases. As such, while United Nuclear Corporation currently holds an interest in the mineral estates in the properties it does not own the mineral estates at which these sites are located.

As indicated on the attached notice forms, ownership is as follows;

- a. Northeast Church Rock Mine

Mineral owner - Santa Fe Pacific Minerals Corporation
Surface owner - Navajo Tribe/federal government

b. Old Church Rock Mine

Mineral owner - Santa Fe Pacific Minerals Corporation
Surface owner - Navajo Tribe/federal government

c. Sandstone Mine

Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

d. Anne Lee Mine

Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

e. Section 27 Mine

Mineral owner - Hecla Mining Company
Surface owner - Rio Algom Mining Company

f. John Bill Mine

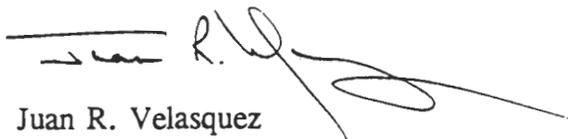
Mineral owner - Hecla Mining Company
Surface owner - United Nuclear Corporation

g. St. Anthony Mine

Mineral owner - Cebolleta Land Grant
Surface owner - Cebolleta Land Grant

Please be further advised that United Nuclear Corporation believes that the New Mexico Mining Act may be inapplicable to some or all of the above listed operations the company has conducted in the State of New Mexico. By submitting this notice, the Company does not assume any liability or agree to the applicability of the Act to any of its present or former operations or sites, and reserves all of its rights in the premises.

Sincerely,


Juan R. Velasquez

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Quivira Mining Company
P.O. Box 218
Grants, New Mexico 87020

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", written over a horizontal line.

Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
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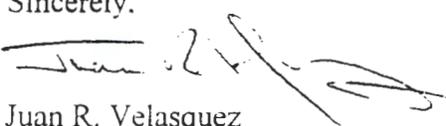
State of New Mexico Property Control Division
General Services Department
P.O. Box 1149
Santa Fe, New Mexico 87503

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,


Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Isabel Marquez
P.O. Box 3526
Milan, New Mexico 87021

Re: Application For a Variance

Dear Mrs. Marquez:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

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Juan R. Velasquez

Enclosure: As stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

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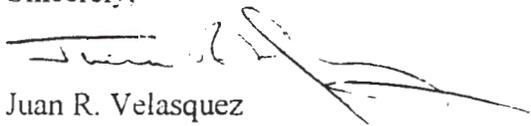
McKinley County Manager
P.O. Box 70
Gallup, New Mexico 87305

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,


Juan R. Velasquez

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Cibola County Manager
515 West High Street
Grants, New Mexico 87020

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Hecla Mining Company
6500 Mineral Drive, Box C-8000
Coeur d'Arlene, ID 83814-1931

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Dr. Glenna Dean, Staff Archeologist
Office of Cultural Affairs
228 E. Palace Ave.
Santa Fe, New Mexico 87503

Re: Application For a Variance

Dear Dr. Dean:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Sally Smith
300 W. Yankee
Silver City, New Mexico 88061

Re: Application For a Variance

Dear Ms. Smith:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Sierra Club
Rio Grande Chapter
945 Camino Carlos Rey
Sant Fe, New Mexico 87501

Re: Application For a Variance

Dear Sir or Madam:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
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Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Paul Robinson, Research Director
Southwest Research & Information Center
Albuquerque, New Mexico 87106

Re: Application For a Variance

Dear Mr. Robinson:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Doug Wolf
N.M. Law Center
103 La Cienega Street
Santa Fe, New Mexico 87501

Re: Application For a Variance

Dear Mr. Wolf:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Doug Meiklejohn
N.M. Environmental Law Center
103 La Cienega street
Santa Fe, New Mexico 87501

Re: Application For a Variance

Dear Mr. Meiklejohn:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Grove Burnett
Western Environmental Law Center
P.O. Box 1507
Taos, New Mexico 87571

Re: Application For a Variance

Dear Mr. Burnett:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Maxine Goad
P.O. Box 2503
Santa Fe, New Mexico 87504

Re: Application For a Variance

Dear Ms. Goad:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Andrew V. Sandoval, Chief
Conservation Services Division
Villagra Building
P.O. Box 25112
Santa Fe, New Mexico 87504

Re: Application For a Variance

Dear Mr. Sandoval:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

Enclosure: As Stated

UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Bob Rogers
State Engineer's Office
P.O. Box 844
Santa Fe New Mexico 88031

Re: Application For a Variance

Dear Mr. Rogers:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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Juan R. Velasquez

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Toby Martinez, State Forester
State Forestry Division
P.O. Box 1948
Santa Fe, New Mexico 87504-1948

Re: Application For a Variance

Dear Mr. Martinez:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

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UNITED NUCLEAR CORPORATION



1720 Louisiana N.E.
Suite 400

Albuquerque, New Mexico 87110
Telephone 505/262-1800
Fax 505/262-1809

November 17, 1997

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Kerrie Neet, Mining Unit Team Leader
Environment Department
P.O. Box 26110
Santa Fe, New Mexico 87502

Re: Application For a Variance

Dea Ms. Neet:

United Nuclear Corporation is providing you with public notice that it has submitted a request for a variance for its Anne Lee, John Bill, and Sandstone mines located in Ambrosia Lake, McKinley County in accordance with the New Mexico Mining Act requirements. The purpose of this variance request is to provide up to two additional growing seasons before the determination is made by the Mining and Minerals Division (MMD) that United Nuclear's reclamation measures satisfy the requirements of the Act. The enclosed Public Notice will be published in the *Gallup Independent* in December, 1997.

Sincerely,

A handwritten signature in black ink, appearing to read "Juan R. Velasquez", written over a horizontal line.

Juan R. Velasquez

Enclosure: As Stated

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Kerrie Neet
 Mining Unit Team Leader
 P.O. Box 26110
 Santa Fe, NM
 87502

4a. Article Number
 P 293 255 189

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 20 1997

5. Signature (Addressee)
 Sig Rivera

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
 Sig Rivera

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Mr. Andrew V. Sandoval
 Conservation Services Division
 Villagra Building
 P.O. Box 25112
 Santa Fe, NM 87504

4a. Article Number
 P293 255 192

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 20 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
 Wanda Martinez

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Mr. Grove Burnett
 Western Environmental
 Law Center
 P.O. Box 1507
 Taos, NM 87571

4a. Article Number
 P293 255 194

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/4/97

5. Signature (Addressee)
 Grove Burnett

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Dr. Glenna Dean
 Staff Archaeologist
 Office of Cultural Affairs
 228 E. Palace Ave.
 Santa Fe, NM 87503

4a. Article Number
 P293 255 200

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-21-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)



Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 Cibola County Manager
 515 West High Street
 Grants, NM 87020

4a. Article Number
 P293 255 204

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NO 11-20-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

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- Complete items 3, and 4a & b.
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- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:
 State of NM Property Control Div
 General Services Dept.
 PO Box 1149
 Santa Fe, NM 87503

4a. Article Number
 P293 255 203

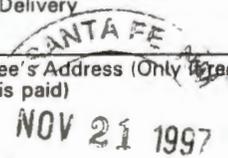
4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 NOV 21 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)



Thank you for using Return Receipt Service.

SENDER:

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- Complete items 3, and 4a & b.
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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Mr. Bob Rogers
 State Engineer's Office
 P.O. Box 844
 Santa Fe, NM 88031

4a. Article Number
 P293255191

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 1 15 91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
[Signature]

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Ms. Sally Smith
 300 W. Yankee
 Silver City, NM
 Diane Smith 88001

4a. Article Number
 P293255199

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-25-91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

SENDER:

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Mr. Paul Robinson, Research Director
 Southwest Research + Info Cntr.
 Albuquerque, NM 87106

4a. Article Number
 P293255197

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-26-91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
[Signature]

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Hecla Mining Co.
6500 Mineral Dr. Box C-8000
Coeur d'Alene, ID
83814-1931

4a. Article Number
P 293 255 201

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 24 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
Aime Zabel

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Doug Wolf
N.M. Law Center
103 La Cienega Street
Santa Fe, Nm
87501

4a. Article Number
P293 255 196

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
11/24/97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Mr. Toby Martinez
State Forestry Division
P.O. Box 1948
Santa Fe, NM 87504-1948

4a. Article Number
P293 255 190

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 25 1997

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)
Helen K. Kelen

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530 **DOMESTIC RETURN RECEIPT**

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Mr. Doug Meiklejohn
 NM Environmental Law Center
 103 La Cienega Street
 Santa Fe, NM
 87501

4a. Article Number
 P 293 255 195

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11/2/91

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

SENDER:

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 Quivira Mining Co.
 P.O. Box 218
 Grants, NM 87020

4a. Article Number
 P 293 255 202

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 1-21-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

SENDER:

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I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:
 McKinley County Mngr.
 P.O. Box 70
 Gallup, NM 87305

4a. Article Number
 P 293 255 205

4b. Service Type
 Registered Insured
 Certified COD
 Express Mail Return Receipt for Merchandise

7. Date of Delivery
 11-21-97

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Isabel Marquez
P.O. Box 3526
Milan, NM 87021

4a. Article Number
P 293 255 206

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 24 1997

5. Signature (Addressee)
Edna Marquez

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ms. Maxine Goad
P.O. Box 2503
Santa Fe, NM 87504

4a. Article Number
P 293 255 193

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 20 1997

5. Signature (Addressee)
Maxine Goad

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

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I also wish to receive the following services (for an extra fee):

1. Addressee's Address

2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ms. Maxine Goad
P.O. Box 2502
Santa Fe, NM 87504

Maxine S. Goad

4a. Article Number

4b. Service Type

Registered Insured

Certified COD

Express Mail Return Receipt for Merchandise

7. Date of Delivery
NOV 20 1997

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.