155391

ASSIGNMENT OF RECLAMATION PERMIT APPLICATION

RUBY HILL MINING COMPANY, a Nevada corporation, (herein referred to as "Assignor") in consideration of the sum of TEN DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, hereby transfers and assigns to HOMESTAKE MINING COMPANY OF CALIFORNIA, a California corporation, whose address 650 California Street, San Francisco, California 94108 (herein referred to as "Assignee"), that certain Reclamation Permit Application filed August 17, 1993 with the state of Nevada, Bureau of Mining Regulation and Reclamation, Division of Environmental Protection for Project Glister, attached hereto.

Assignee, by acceptance of this Assignment, assumes all rights and duties required of Assignor under the Project Glister Reclamation Permit Application and shall be responsible for complying with and satisfying all terms and conditions of the application and permit, when issued.

IN WITNESS WHEREOF, Ruby Hill has caused this Assignment to be executed by a duly authorized officer this 5th day of August, 1994.

HOMESTAKE MINING COMPANY OF CALIFORNIA

By: _____
R.H. Ranson
Vice President

RUBY HILL MINING COMPANY

By: _____
Gary L. Barker, President

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Assignment of Reclamation Permit Application
Ruby Hill Mining / Homestake Mining

STATE OF UTAH)
:ss.
COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 5 day of August, 1994 by Gary L. Barker, President of RUBY HILL MINING COMPANY, a Nevada corporation, by authority of a resolution of the Board of Directors of said corporation.

DIANA B. HOUGHTON
NOTARY PUBLIC - STATE of UTAH
1401 WEST 2060 NORTH
HELPER, UTAH 84526
COMM. EXP. 8-14-97

Diana B. Houghton
Notary Public
Residing at: Helper, Utah 84526

My Commission Expires:

STATE OF California }
} ss.
COUNTY OF San Francisco }

On August 2, 1994, before me, Harriet H. White a Notary Public in and for said state, personally appeared A. H. Ransom ---------- [X] personally known to me - ~~OR [ ] proved to me on the basis of satisfactory evidence~~ to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

[SEAL] OFFICIAL SEAL
Harriet H. White
NOTARY PUBLIC CALIFORNIA
City & County of San Francisco
My Comm. Expires Sept. 11 19[illegible]

Harriet H White
Signature, Notary Public

-CAPACITY CLAIMED BY SIGNER-

[ ] Individual(s) signing for oneself/themselves

[X] Corporate Officer~~(s)~~ Vice President
Title~~(s)~~

Homestake Mining Company of California
Company

[ ] Other (Describe)

RUBY HILL MINING COMPANY

2959 North Rock Road • Wichita, Kansas 67226-1911 • Phone (316) 636-6316 • FAX (316) 636-6393

August 17, 1993

Thomas J. Fronapfel, P.E.
Bureau Chief
Bureau of Mining Regulation and Reclamation
Division of Environmental Protection
333 West Nye Lane
Carson City, Nevada 89710

Dear Mr. Fronapfel:

Transmitted herewith is a Reclamation Permit Application for Project Glister at the Ruby Hill Mine.

The Reclamation Cost Estimate is based on renting equipment so it is higher than we expect the actual cost to be. Ruby Hill has a dozer, grader and other miscellaneous equipment on site and Tom Johnston, the Site Supervisor is an experienced and qualified operator. More than half of the disturbed acreage was reclaimed during the process of reclaiming the material for leaching from the old dumps. It is respectfully requested that consideration be given to reducing the amount of the required reclamation bond.

The detoxification of the leach pad is underway. The pad is being piped and spraying will start within a week. Stored solutions in the pregnant solution pond are being circulated through an activated carbon column. Recent assays indicate that the levels of WAD cyanide, copper and mercury are considerably lower than they were in April, however they are likely to increase when spraying starts and more water returns from the heap.

Sincerely,

Donald L. Simpson
Vice President, Arava

A Mueller Industries Company

BOOK 277 PAGE 045

RECLAMATION PERMIT APPLICATION

PROJECT GLISTER

RUBY HILL MINE

RUBY HILL MINING COMPANY

August, 1993

D. Telephone Number of Individual Completing Application:

316-636-6316
316-636-6393 (fax)

E. Corporation Information:

Name:

Ruby Hill Mining Company

President Information:

Gary L. Barker
P. O. Box 887
Price, Utah 84501
801-637-1071

Treasurer Information:

James G. Wilson, Jr.
2959 North Rock Road
Wichita, Kansas 67226-1911

Secretary Information:

Martin A. Tos
2959 North Rock Road
Wichita, Kansas 67226-1911

F. Partnership Information:

Ruby Hill Mining Company is 75 percent owned by Richmond Eureka Mining Company and 25 percent owned by Silver Eureka Mining Company. Amwest Exploration Company, a wholly owned subsidiary of Arava Natural Resources Company, Inc., owns 81 percent of Richmond Eureka Mining Company. The remaining 19 percent of the stock of Richmond Eureka Mining Company is privately held.

2. Operating Plan

A. Provide a Topographic Map(s) Depicting:

a. Boundaries of the Area of Operation;

Project Glister is located at the Ruby Hill Mine which is approximately one mile west of the Town of Eureka, Nevada.

b. Surface Ownership within the Area of Operation;

The heap leach pad with its pregnant and barren solution ponds and the old waste dumps that were the source of the ore that was leached are located almost entirely on patented lode claims. However, there are some unpatented fractions. The carbon adsorption plant is located on patented lode claims.

c. Description of Areas to be disturbed Showing Location and Layout of the Area of Operation;

Project Glister was designed to leach gold from waste rock dumps near underground shafts and adits on Ruby Hill Mine property.

Approximately 300,000 tons of gold bearing waste rock was reclaimed from eight dumps and placed on a lined leach pad. The gold was leached from the rock with cyanide and recovered on activated carbon.

d. Areas Disturbed by Previous Operators and Inactive:

The Ruby Hill Mine area has been extensively mined since the 1880's. Other than Project Glister in 1989 and 1990, there has been no active mining since January 1, 1981.

Areas Disturbed by Current Operator:

e. Prior to January 1, 1981 and Inactive; None
f. Prior to January 1, 1981 and Still Active; None
g. After January 1, 1981, but prior to October 1, 1990 and Inactive;

None

h. After January 1, 1981, but prior to October 1, 1990 and Active;

Project Glister is the subject of this report.

i. Areas which are Active on or After October 1, 1990:

Production from Project Glister was completed in the third quarter of 1990 but closure and reclamation activity had not started.

j. Location of access Roads Existing Prior to January 1, 1981.

The area is covered by extensive roads and trails from old operations. These roads are currently being used as access for exploration work by a lessee.

B. Provide an Estimate of the Acreage of Disturbances:

Project Area	Acres
Reclaimed Dumps	15
Leach Pad/Ponds	10
Process Plant	1
Total	26

3. Reclamation Plan

A. Provide a written Description of the Measures to be Taken to Prevent Unnecessary or Undue Degradation and the Proposed Activities for Reclamation to be undertaken During and After Completion of the Mining Operation:

The dump areas that were the source of the ore that was leached were reclaimed during the mining phase of the project. In almost all cases

revegetation is well advanced. (See Photographs included with this report) Additional dozer work is planned to remove the benches that were left at the Richmond Dump.

B. **Provide a Description of Other Reclamation Activities to be Performed, such as Reclamation of Historic Disturbance:**

An extensive hazard remediation program is currently underway. It is designed to identify and eliminate or protect dangerous mine openings. Reclamation of other historic disturbances is not planned.

C. **Provide a Proposed Schedule for Initiation and Completion of Reclamation Activities:**

Final reclamation of the Richmond dump will be completed in 1993. The other dump areas have been reclaimed and revegetation is well under way. Detoxification of the leach dump will continue in 1993 and 1994. Final reclamation and final closure of the leach dump will be completed in 1995.

D. **Provide a Description of the Proposed Post-Mining Land Use:**

The most likely use for the property will be continued mining. The area is suitable for wildlife grazing, ranching, and recreation.

E. **Provide a contour map of the Post-Mining Topography:**

With the exception of the leach pad, areas affected by this project will have been returned to their original contours when reclamation is completed.

F. **Provide the Technical Criteria Used to Determine the Final Gradient and Stability of Slopes Created or Affected by the Mining Operation:**

The angle of repose of crushed rock is approximately 1.4 to 1. The proposed slope of 3 to 1 is sufficiently flat to support vegetation.

G. **Provide the Proposed Methods to be used in Reclaiming any Impoundments Used During the Operation:**

The pregnant solution and barren solution ponds are constructed to be integral parts of the leach pad system. When detoxification of the leach pad is complete and solutions have been evaporated, the solution pond liners will be folded into the ponds and the entire area will be covered with material from the leach pad.

H. **Provide the Proposed Methods to be Used in Reclaiming Any Waste and Development Rock Piles:**

The remains of the Richmond dump will be graded with a dozer to conforms as nearly as possible to original surface.

I. **Provide the Proposed Methods to be Used in Reclaiming any Dams for Tailings Ponds:**

No dams for tailings ponds were constructed.

J. **Provide the Proposed Methods to be used in Reclaiming Leach Pads:**

a. Regrading to Enhance Structural Stability, Promote Run-Off:

When detoxification of the leach pad has been completed and the pad allowed to drain well, the pad liner will be removed from around the periphery of the pad and placed in the solution ponds. The pond liners will be folded over to encapsulate the detoxified and dried sludge. The leach pad will be graded and contoured so that all slopes are at least 3 horizontal to 1 vertical and water will not pond on the surface.

b. Covering with Topsoil:

Available topsoil will be spread on the surface of the contoured leach pad.

c. Revegetation:

The following seed mix has been used in the Toquima Range at similar elevations and is proposed:

Species	% Composition
Basin Wildrye (Elmus cincerus magnar)	15
Bottlebrush Squirreltail (Sitanion hystrix)	15
Indian Ricegrass (Oryzopsis hymenoides nezpar)	20
Globe Mallow (Sphaeralcea munroane)	20
Fourwing (Atriplex canascens)	15
Bitterbrush (Purshia tridentata)	5
Crested Wheatgrass (Agropyron desertorum)	10
Total	100

The seed mix will be applied to the graded leach pad surface after available topsoil has been spread. The application rate will be approximately 25 pounds per acre.

d. Soil Stabilization: Not required.

e. Diverting Run-On:

The final grading of the leach pad will provide for drainage away from the pad.

f. Cyanide Stabilization/Neutralization

Weak acid dissociable (WAD) cyanide content of the effluent from the leach pad due to natural precipitation was 10.8 mg/liter when sampled on April 21, 1993. The WAD cyanide content of a similar sample taken on September 13, 1991 was 43.9. There had been no deliberate rinsing of the pad in the interim period. In order to meet the required concentration of 0.2 mg/l, the leach pad will be rinsed during the summer of 1993 with water. The solution will be sprayed for about seven hours per day at a pump rate of 250 gpm. All solutions will be pumped from and the effluent returned to the pregnant solution pond. The barren solution pond will be used as an emergency overflow pond. Effluent samples will be collected frequently, at least monthly, and assayed for WAD cyanide, copper, and mercury.

WAD cyanide, copper and mercury levels in the sample collected on April 21 were higher than allowable. To remove the WAD cyanide and heavy metals from the solutions, approximately 250 gpm from the pregnant solution pond will be pumped continuously through a carbon column containing 2 tons of activated carbon. Carbon column input and output will be sampled weekly and assayed for WAD cyanide, copper and mercury.

It is anticipated that the required levels of WAD cyanide, copper and mercury will not be reached in 1993 before freezing weather will force pumping shutdown. The pumping, sampling and assaying program will be resumed in the spring of 1994 and continue until the required levels are reached.

The activated carbon in the carbon column will be removed and placed in appropriate storage containers and disposed of at an acceptable waste facility.

g. Treatment of Outflows, Residual Chemicals or Heap Flows:

During the rinsing period, fresh water makeup will be required to maintain sufficient level in the pregnant solution pond for pumping. When acceptable levels of WAD cyanide, copper and mercury are reached, the solution will continue to be sprayed on the leach pad until it is evaporated.

K. Provide the Proposed Methods to be Used in Reclaiming any Solution Ponds, Settling Ponds and other Non-Tailings Impoundments by:

a. Backfilling and Regrading
b. Restoring the Pre-Disturbance Surface Water
c. Cyanide Stabilization/Neutralization

The liner in collection ditches around the periphery of the leach pad will be removed and buried in the ponds with the pond liners. Solutions in the ponds will be totally evaporated. The solids remaining in the ponds will be sampled and analyzed using the meteoric water mobility procedure. Depending on the results, the solids may be buried with the liner. The pond liners will be folded and buried. The ponds are directly adjacent to the leach pad and will be covered and graded along with contouring the slopes of the leach pad. The filled and graded ponds will receive topsoil and seeding along with the leach pad.

L. Provide a Written Statement of any Constraints on Estimated Time to Complete Reclamation Caused by Residual Moisture Content:

Solution Volumes will be kept at a minimum during the rinsing period. Time required for evaporation of the solutions will be dependent on several factors - amount of solution, weather, spraying volume. The schedule will assume that the evaporation will be completed by the end of the leaching season in 1994.

M. Provide a Written Description of the Proposed Reclamation Techniques and Locations of the Following Road Features:

a. Regrading:

Haul roads used to move the dump material were old historic roads and will not be reclaimed as they are being used for access around the property.

b. Removing Culverts: Not Applicable

c. Ripping/Scarifying: Not Applicable

d. Waterbars: Not Applicable

e. Revegetation: Not Applicable

f. Restoring or Stabilizing Drainage Areas: Not Applicable

g. Other Road Reclamation Activities: Not Applicable

N. Provide a Description of the Measures Used to Minimize Loading of Sediment to Surface Water during Operations and During and After Reclamation:

Revegetation to prevent erosion from rains. There is no surface water on the property except during rain and snow runoff periods.

O. Provide a Description of the Proposed Disposition of Buildings and Piping;

a. Demolishing: None

b. Salvaging and Sale:

Some equipment from the carbon adsorption plant may be sold.

c. Disposal Off the Site: None

d. Continuing Use in a Manner Consistent with the Post Mining Use of the Land:

The property is currently under an exploration lease with a purchase option. All facilities and equipment left will be used by the lessee.

P. Provide a Description of any Surface Facilities Which will not be Subject to Reclamation:

The carbon adsorption building and adjacent concrete pad will be left for use by the lessee.

R. Provide a Description of the Methods to be used in Reclaiming Underground Mines: Not Applicable

S. Provide a Description of any Necessary Monitoring and Maintenance of Fences, Signs and Other Structures to be Performed by the Operator on the Reclaimed Land:

The chain link fence around the leach pad will be maintained during and after reclamation of the leach pad. Fencing around the patented land will be maintained.

T. Provide a Description of any Reclamation Which is Necessary Because of Instream Mining: Not Applicable

U. **Provide a Written Statement of the Effect that the Proposed Reclamation May have on Future Mining in the Area:**

Reclamation of these facilities will not have an impact on future mining.

V. **Provide a Description of Drill Hole Plugging Procedures, in Accordance with NRS534.425 through 534.428, if applicable:** Not applicable

W. **Provide a Description of Concurrent Reclamation, if applicable:**

Reclamation of old dump areas will be completed concurrently with rinsing of the leach pad.

X. **Provide a Description of Measures to be Taken During Extended Periods of Non-Operation:**

When reclamation of the old dump areas and the leach pad are completed, there should be no monitoring or maintenance required during operating or non-operating periods.

4. **Provide a Statement that the Applicant Agrees to Assume Responsibility for the Reclamation of any Surface Area Affected by the Leaching Operation:**

The applicant, Ruby Hill Mining Company, agrees to assume responsibility for the reclamation of any surface area affected by the Project Glister Leaching Operation that is in conformance with the approved reclamation plan.

5. **Provide an Estimate of Reclamation Cost based on:**

A. **The Cost of Equipment Rental, Operation and Labor or:**

B. **The Estimate of Cost from an Outside Contractor, or:**

C. **Provide Another BLM Acceptable Cost Estimate Method:**

A bond estimate is provided on the basis of equipment rental, operation and labor.

D. **Provide a Narrative Description of the following Proposed Reclamation Activities.**

a. **Earthwork:**

The old Richmond Dump will be contoured to match the original ground slopes as much as possible. The leach pad sides will be graded to at least a 3 to 1 slope. The work will be performed by a tractor dozer and motor grader.

b. **Revegetation:**

The leach pad will be planted with the seed mixture outlined in Paragraph 3.J.c. or an alternative mix that is acceptable to the Bureau of Land Management.

c. **Removal/Disposal/Salvage of Structures and Equuipment:**

All structures associated with Project Glister will be retained as part of the property. The property is currently leased and all

structures are included in the lease. It is likely that the existing structures will be used in some manner in future operations.

d. Post Reclamation Maintenance:

After reclamation is completed, it is not anticipated that ongoing maintenance will be required.

e. Equipment Mobilization/Demobilization:

When the leach pad rinsing is completed, all pumps, piping and electrical equipment will be removed.

f. Cyanide Stabilization/Neutralization:

Measurable WAD Cyanide and heavy metals content of the leach pad effluent have been reduced by the action of natural precipitation and sunshine but are still higher than allowable. The leach pad will be rinsed with water and the effluent pumped through an activated carbon column to remove the residual cyanide and heavy metals. Periodic samples will be analyzed for cyanide and heavy metals as required. If necessary, hydrogen peroxide will be added to the rinse water to achieve the required WAD Cyanide level.

g. Agency Administrative/Management Costs:

These are included in the bond calculation.

E. Provide a Reclamation Cost Estimate Submitted on NDEP Forms or Equal:

A reclamation cost estimate has been provided using a standard construction cost format.

6. Provide an Attached Permit Application Fee:

A permit application fee of $65.00 ($2.50 per acre for 26 acres) is submitted to NDEP with this application.

7. Provide a Written Statement Setting Forth the Effects that the Proposed Reclamation will have on Public Safety:

The proposed reclamation will have no adverse effects on public safety.

8. Acknowledgements:

A. It is Understood that should the Nature of the Operation Change, a Modified or Supplemental Plan of Operations and Reclamation may be Required:

B. It is Understood that Approval of this Plan of Operation and Reclamation does not Constitute: (1) Certification of Ownership to Any Person Named Herein; and (2) Recognition of the Validity of any Mining Claim Herein.

C. It is Understood that a Bond Equivalent to the Actual Cost of Performing the Agreed upon Reclamation Measures will be Required before this Plan can be Approved. Bonding and Any Bond Reduction Amounts will be Set on a Site-Specific Basis by the Lead Agency in Coordination with the Cooperating Agencies.

D. It is understood that Approval of this Plan does not Relieve Me of My Responsibility to Comply with any Other Applicable State or Federal Laws, Rules or Regulations.

E. It is Understood that any Information Provided with this Plan that is Marked Confidential will be Treated by the Agency in Accordance with that Agency's Laws, Rules and Regulations.

I/We have Reviewed and Agree to Comply with all Conditions in the Plan of Operations and Reclamation. I/We Understand that the Bond will not be Released until the BLM or the State Agency in Charge gives Written Approval of the Reclamation Work.

_____ _____

Operator (or Authorized Official) Date

RUBY HILL MINING COMPANY
PROJECT GLISTER

Estimate of Reclamation Cost

Reclamation for Project Glister will consis of the following:	Estimated Cost
1. Regrading the Richmond Dump back to approximate original contours.	$5,680
2. Detoxification of the leach pad and solution ponds.	$20,000
3. Removing liner from ditches and solution ponds.	$3,000
4. Grading the leach dump to have slopes no steeper than 3 to 1.	$18,400
5. Spreading available topsoil and reseeding the leach dump.	$8,030
Estimated Direct Cost	$55,110
Contingency, including Agency Costs	$5,500
Estimated Total Cost	$60,610

RUBY HILL MINING COMPANY
PROJECT GLISTER

Estimate of Reclamation Cost

1. Regrading the Richmond Dump back to approximate original contours.

Description of Work	Units	No. Units	Cost/Unit	Extension
Earthwork:				
D-8 Dozer	Hours	40	$125	$5,000
Motor Grader	Hours	8	$85	$680
Total Richmond Dump				$5,680

2. Detoxification of the leach pad and solution ponds.

Set up Activated Carbon Column	Hours	40	$25	$1,000
Activated Carbon	Pounds	4000	$1	$4,000
Piping & Sprinklers	Lot		$1,000	$1,000
Labor	Hours	40	$25	$1,000
Operating Labor - 8 hrs/wk. 40 wks.	Hours	320	$25	$8,000
Assays - Profile II	Each	10	$300	$3,000
Assays - Cn and Heavy Metals	Each	20	$100	$2,000
Total Detoxification of leach pad.				$20,000

3. Removing liner from ditches and solution ponds.

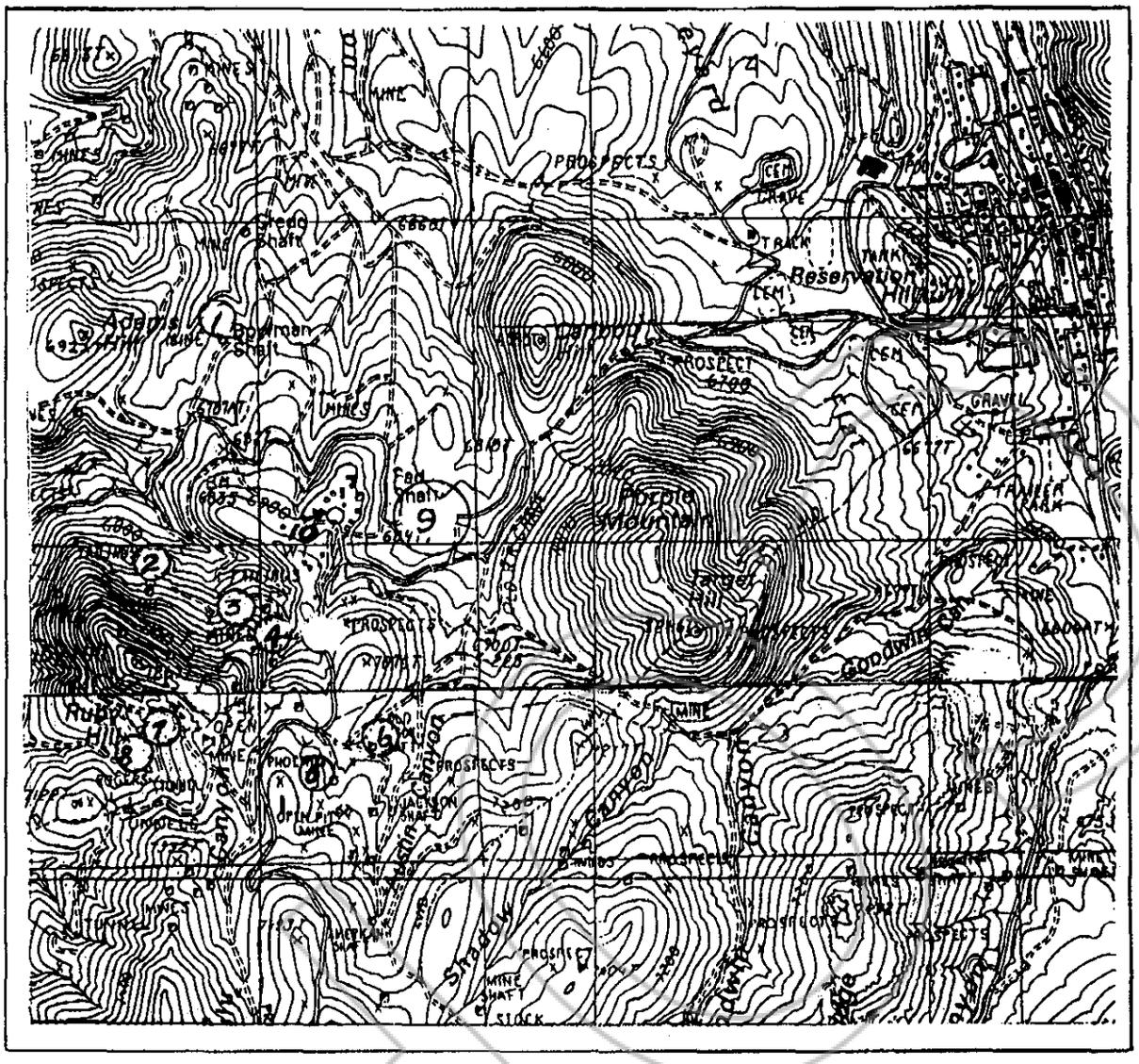
Labor (3-man crew, 1 week)	Hours	120	$25	$3,000
Total for Liner Removal				$3,000

4. Grading the leach dump to have slopes no steeper than 3 to 1.

Earthwork:				
D-8 Dozer	Hours	120	$125	$15,000
Motor Grader	Hours	40	$85	$3,400
Total for Grading Leach Dump				$18,400

5. Spreading available topsoil and reseeding the leach dump.

Haul available topsoil	Cu. Yds.	1000	$2	$2,000
Spread Topsoil				
D-8 Dozer	Hours	16	$125	$2,000
Motor Grader	Hours	8	$85	$680
Reseeding - 10 acres @ 25#/acre	Pounds	250	$11	$2,750
Labor	Hours	24	$25	$600
Total for spreading topsoil and reseeding				$8,030
Total Reclamation Project				$55,110



RUBY HILL MINING COMPANY

PROJECT GLISTER - RECLAMATION PLAN

1 - Bowman Dump

2 - Richmond Dump

3 - Lawton Dump West

4 - Lawton Dump East

5 - Phoenix Dump

6 - Old Jackson Dump

7 - Lava Beds Dump

8 - Granite Dump

9 - Leach Pad

10 - Carbon Adsorption Bldg.

RUBY HILL MINING COMPANY

RECLAMATION PLAN

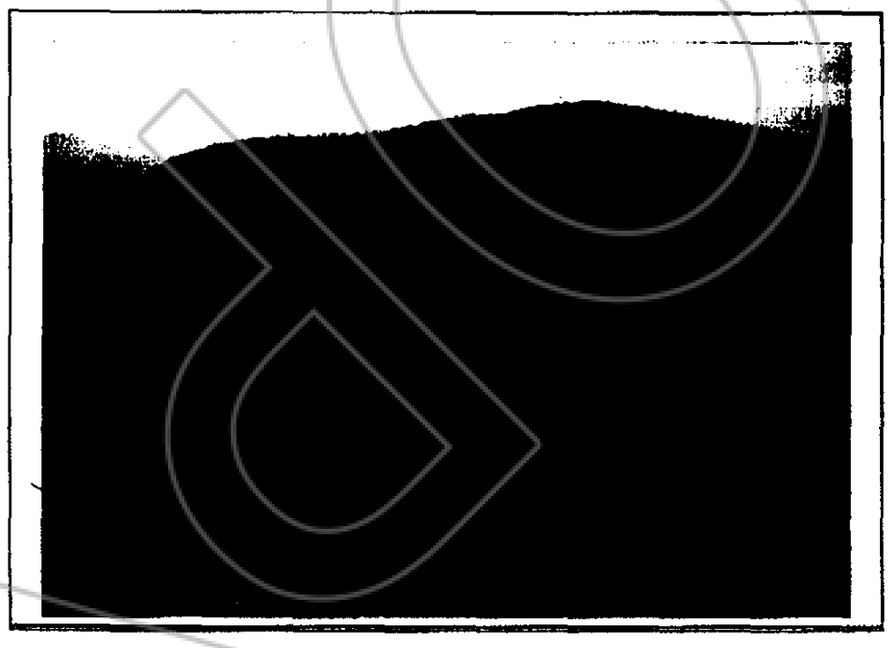
Bowman Dump

Bowman Dump

RUBY HILL MINING COMPANY

RECLAMATION PLAN

Richmond Dump



Richmond Dump from area in front of shaft.

RUBY HILL MINING COMPANY

RECLAMATION PLAN

Lawton Dump West

Lawton Dump East

RUBY HILL MINING COMPANY

RECLAMATION PLAN

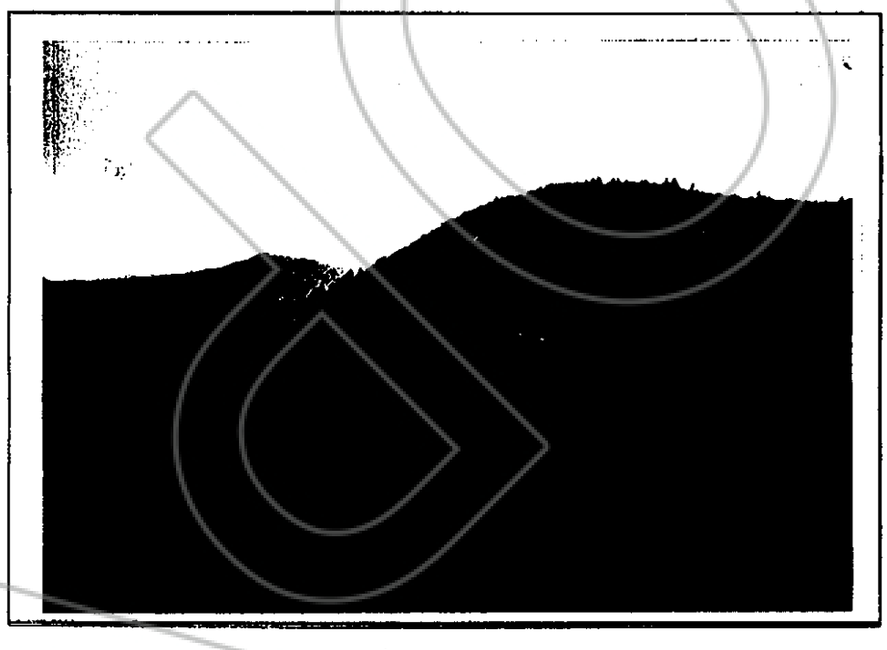
Old Jackson Dump

Phoenix Dump

RUBY HILL MINING COMPANY

RECLAMATION PLAN

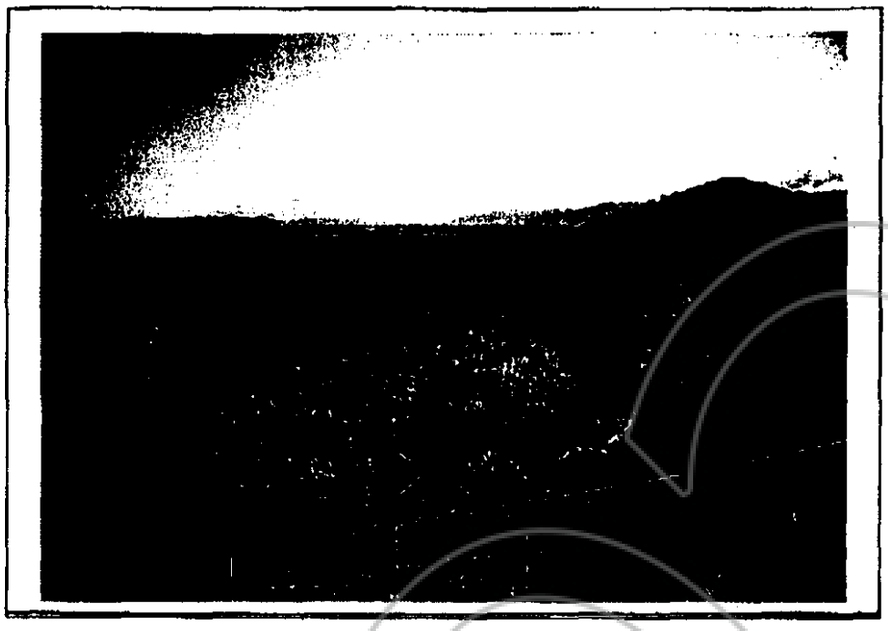
Phoenix Dump



Lava Beds Dump and Granite Dump

RUBY HILL MINING COMPANY

RECLAMATION PLAN

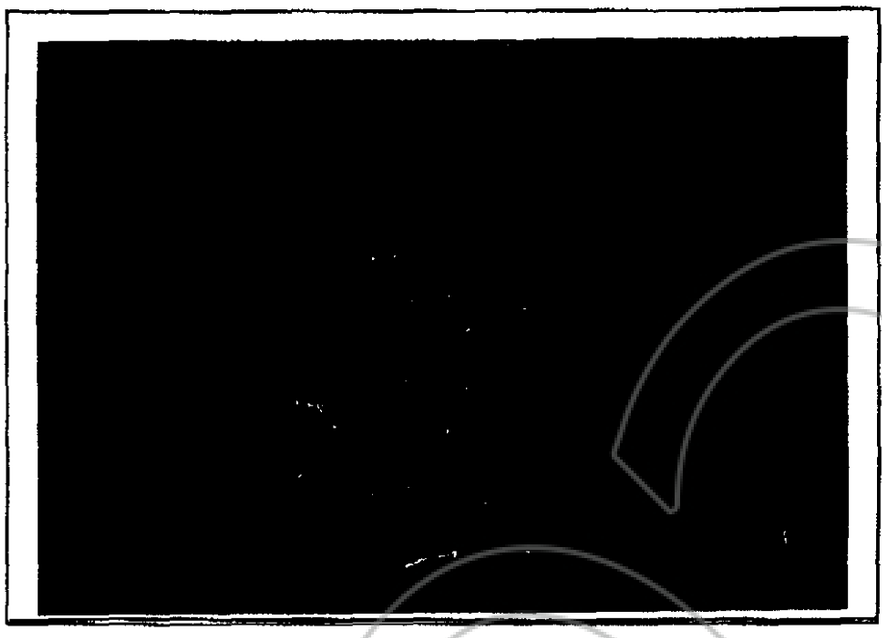


Leach Pad - SE corner looking North

Leach Pad - SE corner looking West

RUBY HILL MINING COMPANY

RECLAMATION PLAN



Leach Pad - From West - Preg & Barren Ponds

Leach Pad - From West looking SE.

BOOK 277 PAGE 42
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Homestake Mining Co
94 OCT -3 PM 4:54

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES
31.00

155391