



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
442 STATE CAPITOL
SALT LAKE CITY, UTAH 84114

PCN
Beryl - Ent

DIVISION OF
WATER RIGHTS

HUBERT C. LAMBERT
STATE ENGINEER

June 5, 1969

MEMORANDUM

TO: Harold D. Donaldson, Donald C. Norseth, Earl M. Staker, and
Gerald W. Stoker

FROM: Hubert C. Lambert

The Anglo American Corporation of the United States is likely to continue its investigation in the dewatering of Holt Mine of the Escalante Silver Mines Company until October. You should all be aware of this and a copy of their notification to me is attached.

ANGLO AMERICAN CORPORATION OF THE UNITED STATES, INC.

280 PARK AVENUE
NEW YORK, N. Y. 10017

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June 4, 1969

Mr. H. Lambert
Utah State Engineer
State Capital Building
North State Street
Salt Lake City, Utah 84114

ESCALANTE JOINT VENTURE

Dear Mr. Lambert:

At the meetings we have had in your office, and as expressed at the two public meetings, it was the mining joint venture's intention to exercise its option over the Escalante property one way or the other before the 30th of June, 1969.

Adverse weather conditions earlier this year and unexpected complications in the well drilling program, have put us behind our schedule and there can be no prospect of achieving a sufficient amount of data from pumping operations to make a decision before the 30th of June as to whether we should exercise our option.

As I think may have been mentioned to you by Mr. Arentz, we have, therefore, negotiated with the Escalante Silver Mines Company, Inc. for an extension of our option period from the 30th of June to the end of October. We hope that by that time we will have sufficient information available to make the necessary decision.

I felt I should write to you to make you aware of the fact that the feasibility work will be continued in all probability until the end of October, in case the Escalante Valley residents recall what we said at the public meetings and wonder why the feasibility work is continuing after the 30th of June.

Mr. H. Lambert

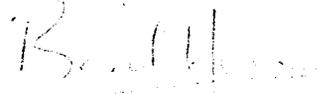
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June 4, 1969

I should emphasize the fact that the feasibility work is continuing through to the end of October, does not mean that we intend to pump any more water from the Escalante property than we had originally planned to do as part of the feasibility test program.

You may be interested to know that we had a meeting with our partners and hydrological consultants here in New York earlier this week and reviewed all the information that has been gathered to date. At the present time we have a pumping capacity from 2 large wells and 1 small well of about 12,000 gallons per minute. On the advice of our hydrologist, we can still give no prediction as to the required pumping capacity to dewater the mine, but we do believe that the results to date are sufficiently encouraging to continue with the feasibility work.

Yours sincerely,



B. T. A. Hone
President

BTAH/AWO:fk

cc: Messrs. J. Novak
H. Allen
S. Arentz

