

MERRILL MINING, LLC

PMB 315

3232 Cobb Parkway

Atlanta, Georgia 30339

404-495-9577 Fax: 404-495-9578

**ADRAIN TAYLOR
SENIOR VICE PRESIDENT**

April 26, 2002

Mr. Martin Zeleznik
Ground Water Office WTR-0
US Environmental Protection Agency Region IX
Water Management Division (WTR-9)
75 Hawthorne Street
San Francisco, California 94105-3901

**RE: MONITORING REPORT FOR UIC PERMIT NUMBER AZ396000001-
FIRST QUARTER 2002**

Dear Mr. Zeleznik,

This report is submitted in accordance with the reporting requirements of Parts ILG.2.(a) through (j) of the referenced permit. It pertains to monitoring activities conducted at the Florence In-Situ Mine Site from January 1 through March 31, 2002. Copies of records required by Part ILG.1 are maintained at the Mine Site along with other information that is summarized in the following:

(a) A map showing the current status of the mine

Figure 1 shows the current monitoring area including the Point of Compliance (POC) wells and the wellfield. Figure 2 shows the approximate layout of the wellfield and denotes the four well pairs. There are four injection/recovery wells and nine pumping wells. Five observation wells were installed to demonstrate net inward hydraulic gradient for the 90 days required by the permit. Solution injection began on October 31, 1997, and ceased on February 8, 1998.

(b) A table and graph showing daily cumulative injection flows and extraction flows in each active mine block over the reporting period.

Daily flowrates for each well have been recorded to show the relationship of flow into and out of the wellfield. The flow rates have been combined and are shown in Figure 1 of Attachment 1. Note that injection last occurred in early 1998 and that water has been continuously withdrawn since that time.

(c) A table and graph comparing average daily head in the four observation wells

Figures 2 through 5 of Attachment 1 and the supporting data compare the average daily water levels in the five observation wells with their nearest inward neighbor. Readings are either taken by continuous down-hole measurements recorded on the system computer or done manually. The figures show the hydraulic gradients were maintained throughout the quarter meeting the permit conditions. On January 8, 2002, a non-negative hydraulic gradient was recorded for the southwest observation pair. This lasted for less than 24 hours and does not represent a loss of hydraulic control in the wellfield, since the extraction rate from the field exceeded the injection rate, which is zero.

(d) A table showing POC monitoring wells analytical results and alert levels

The attached report *Florence Project Quarterly Compliance Monitoring Report -First Quarter 2002* by Brown and Caldwell and sealed by Mr. Eric Mears, Registered Professional Geologist (Attachment 2), contains the POC monitoring records and results. Brown and Caldwell, along with Project personnel, conducted compliance sampling during the period January 14 through January 17, 2002. Quarterly parameters were conducted for 29 of the 31 POC monitor wells. POC monitor wells M32-UBF and M33-UBF were dry and could not be sampled. There were no reported exceedances of the alert levels (ALs). The results are discussed in the report.

(e) Results of the monthly analyses of organic in the injectate

Organic analyses are not required because no solution was injected during the reporting period.

(f) Results of monitoring required by 40 CFR 146.33 (b)(1)

No solution was injected.

(g) Results of the mechanical integrity tests

No mechanical integrity test was required.

(h) Results of the annular conductivity monitoring

Although injection ceased in early 1998, annular conductivity measurements have continued to the present time. A graph showing measurement results for this reporting period is presented in Attachment 1, Figure 6. No unusual conditions were noted.

Mr. Martin Zeleznik

April 25, 2002

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(i) Well and core hole plugging and abandonment.

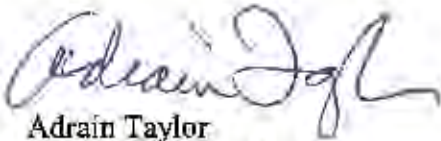
None of the existing wells and core holes were abandoned during the report period.

(j) A summary of closure operations during the reporting period.

There were no closure operations during the reporting period.

A copy of the quarterly monitoring report submitted to ADEQ has been included for your review and files. Florence Copper, Inc., believes that you will find this report complete and in compliance with all permit conditions. Please contact me at (404) 495-9577 should you have any questions regarding this report.

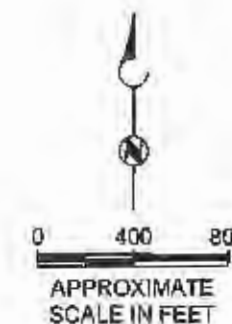
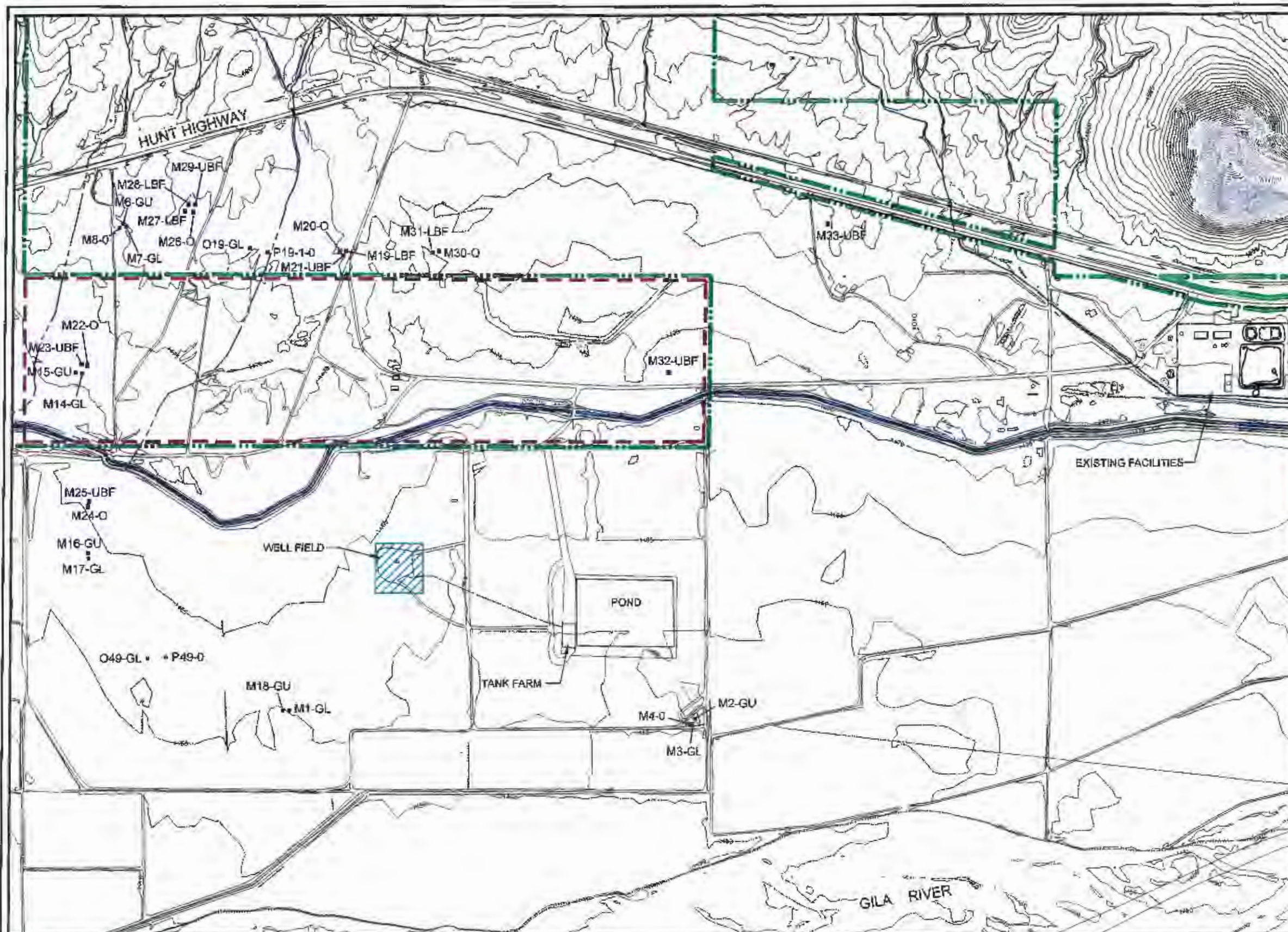
Sincerely,

A handwritten signature in dark ink, appearing to read "Adrain Taylor". The signature is fluid and cursive, with a large initial "A" and a long, sweeping tail.

Adrain Taylor
Senior Vice President

AT:sdw

Attachments



EXPLANATION

- APPROXIMATE PROPERTY BOUNDARY
- STATE LEASE LAND BOUNDARY
- Q19-GL POC MONITORING WELL
- ENLARGED AREA ON FIGURE 2

EXISTING FACILITIES

WELL FIELD

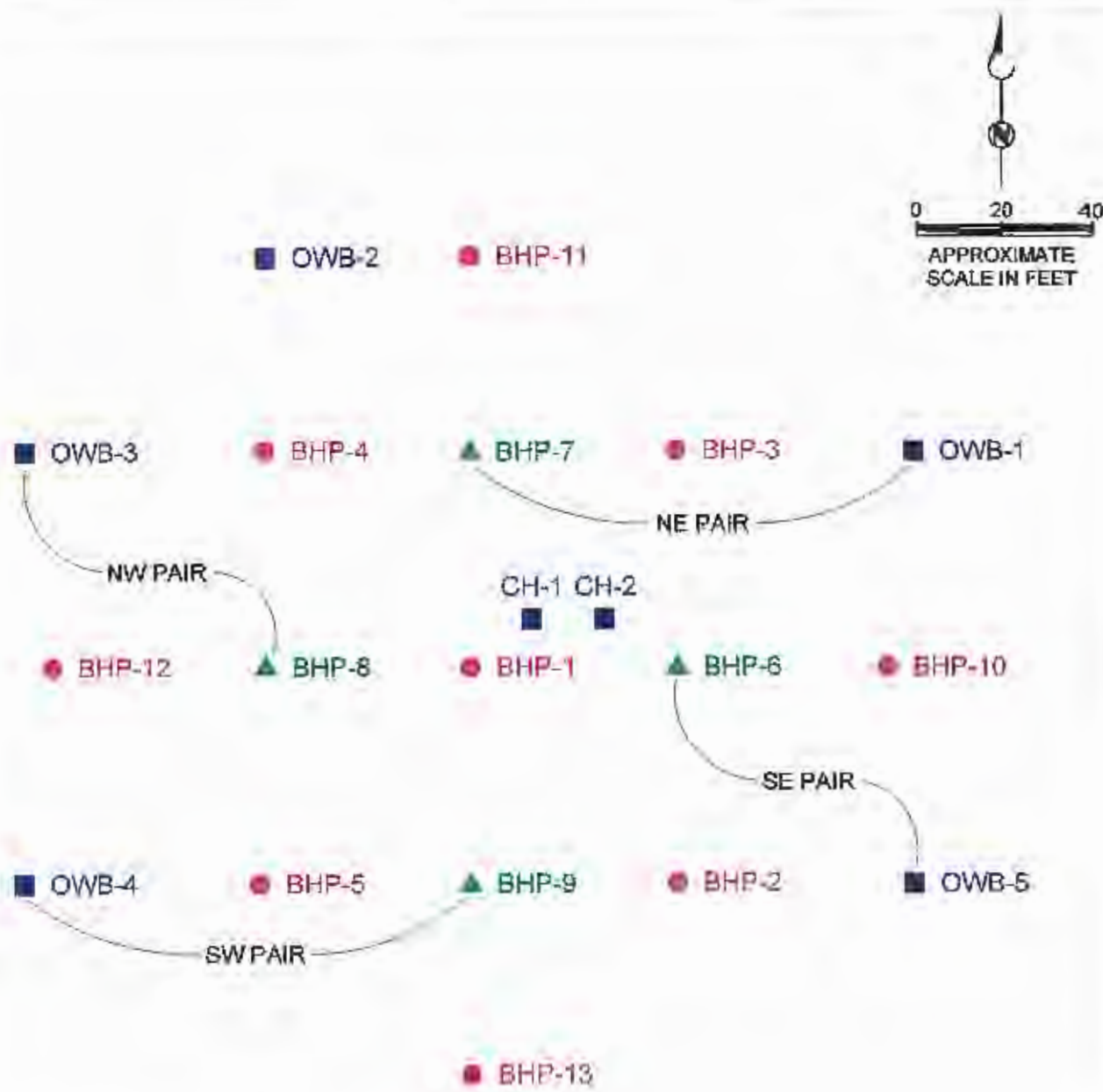
POND

TANK FARM

GILA RIVER

BROWN AND
CALDWELL

Figure 1
MONITORING AREA
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA



EXPLANATION

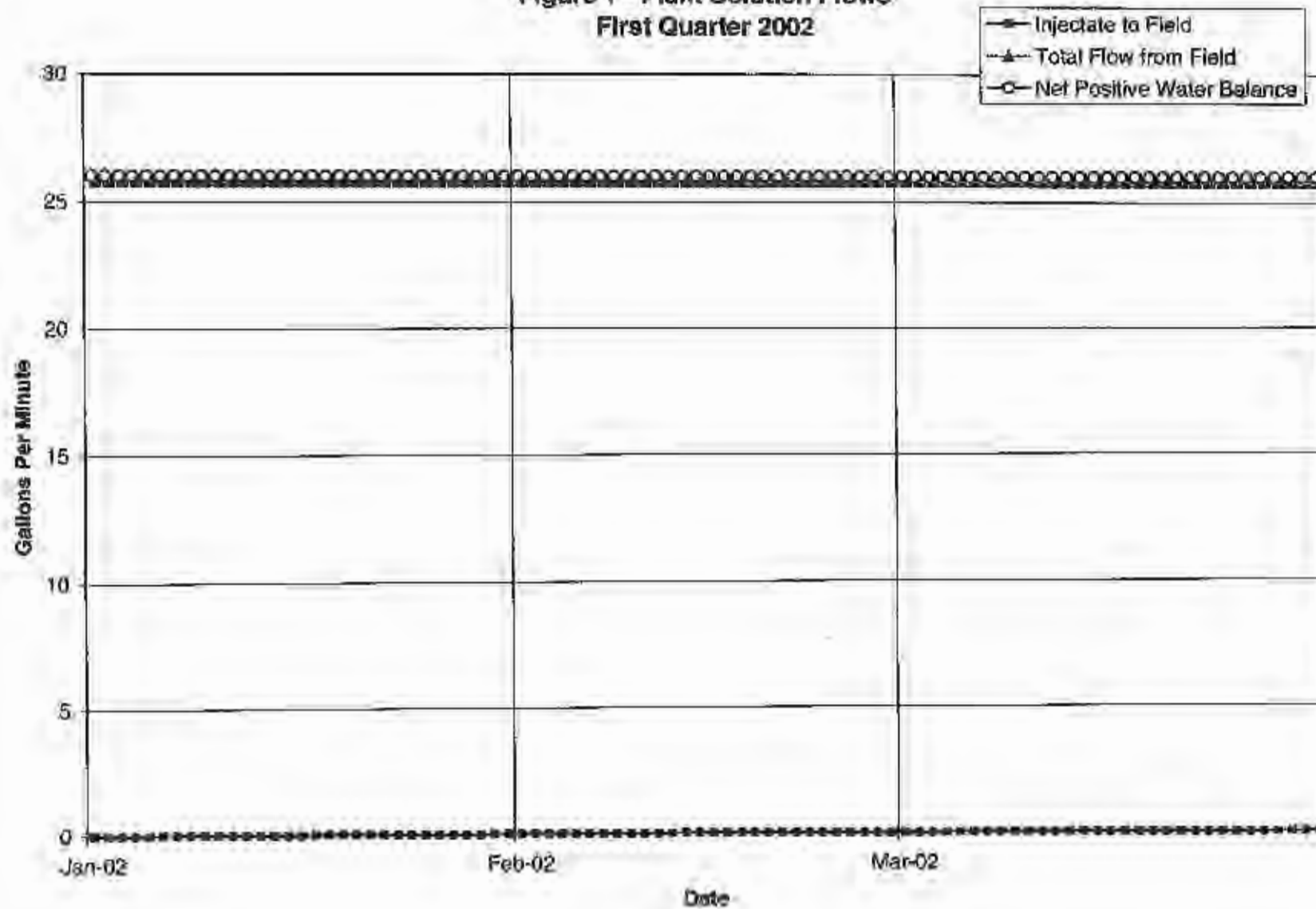
- BHP-10 PUMPING WELL (CURRENTLY INACTIVE)
- OWB-2 OBSERVATION WELL
- ▲ BHP-8 INJECTION / RECOVERY WELL (RECOVERY MODE SINCE 1998)

BROWN AND
CALDWELL

Figure 2
WELLFIELD LAYOUT
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA

ATTACHMENT 1
MINE OPERATIONS MONITORING

**Figure 1 - Plant Solution Flows
First Quarter 2002**



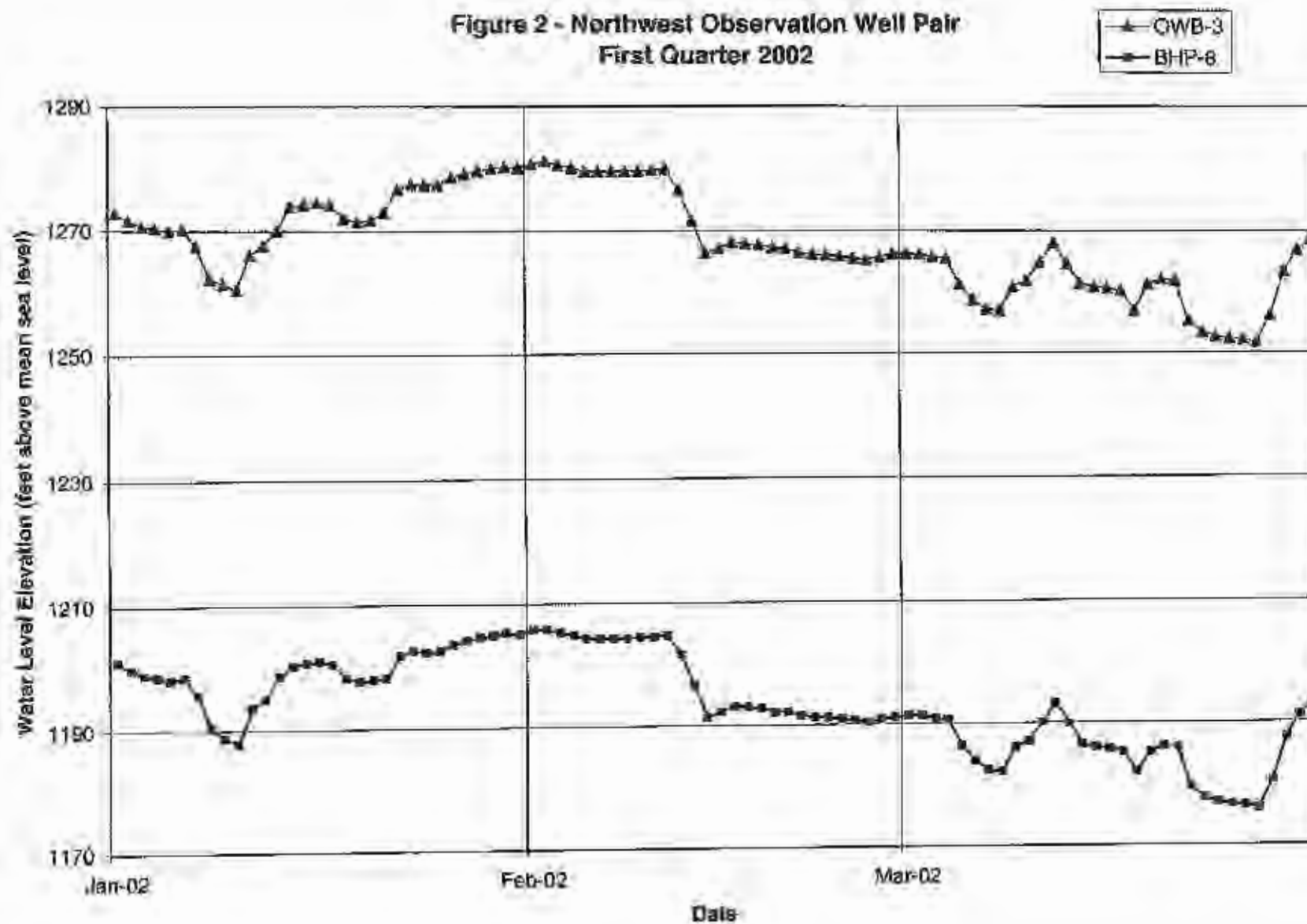
Plant Solution Flows - Daily Averages
First Quarter 2002

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
1/1/2002	0		17.6	8.4		26	26	Yes
1/2/2002	0		17.6	8.4		26	26	Yes
1/3/2002	0		17.6	8.4		26	26	Yes
1/4/2002	0		17.6	8.4		26	26	Yes
1/5/2002	0		17.6	8.4		26	26	Yes
1/6/2002	0		17.6	8.4		26	26	Yes
1/7/2002	0		17.6	8.4		26	26	Yes
1/8/2002	0		17.6	8.4		26	26	Yes
1/9/2002	0		17.6	8.4		26	26	Yes
1/10/2002	0		17.6	8.4		26	26	Yes
1/11/2002	0		17.6	8.4		26	26	Yes
1/12/2002	0		17.6	8.4		26	26	Yes
1/13/2002	0		17.6	8.4		26	26	Yes
1/14/2002	0		17.6	8.4		26	26	Yes
1/15/2002	0		17.6	8.4		26	26	Yes
1/16/2002	0		17.6	8.4		26	26	Yes
1/17/2002	0		17.6	8.4		26	26	Yes
1/18/2002	0		17.6	8.4		26	26	Yes
1/19/2002	0		17.6	8.4		26	26	Yes
1/20/2002	0		17.6	8.4		26	26	Yes
1/21/2002	0		17.6	8.4		26	26	Yes
1/22/2002	0		17.6	8.4		26	26	Yes
1/23/2002	0		17.6	8.4		26	26	Yes
1/24/2002	0		17.6	8.4		26	26	Yes
1/25/2002	0		17.6	8.4		26	26	Yes
1/26/2002	0		17.6	8.4		26	26	Yes
1/27/2002	0		17.6	8.4		26	26	Yes
1/28/2002	0		17.6	8.4		26	26	Yes
1/29/2002	0		17.6	8.4		26	26	Yes
1/30/2002	0		17.6	8.4		26	26	Yes
1/31/2002	0		17.6	8.4		26	26	Yes
2/1/2002	0		17.6	8.4		26	26	Yes
2/2/2002	0		17.6	8.4		26	26	Yes
2/3/2002	0		17.6	8.4		26	26	Yes
2/4/2002	0		17.6	8.4		26	26	Yes
2/5/2002	0		17.6	8.4		26	26	Yes
2/6/2002	0		17.6	8.4		26	26	Yes
2/7/2002	0		17.6	8.4		26	26	Yes
2/8/2002	0		17.6	8.4		26	26	Yes
2/9/2002	0		17.6	8.4		26	26	Yes
2/10/2002	0		17.6	8.4		26	26	Yes
2/11/2002	0		17.6	8.4		26	26	Yes
2/12/2002	0		17.6	8.4		26	26	Yes
2/13/2002	0		17.6	8.4		26	26	Yes
2/14/2002	0		17.6	8.4		26	26	Yes
2/15/2002	0		17.6	8.4		26	26	Yes
2/16/2002	0		17.6	8.4		26	26	Yes
2/17/2002	0		17.6	8.4		26	26	Yes

**Plant Solution Flows - Daily Averages
First Quarter 2002**

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
2/18/2002	0		17.6	8.4		26	26	Yes
2/19/2002	0		17.6	8.4		26	26	Yes
2/20/2002	0		17.6	8.4		26	26	Yes
2/21/2002	0		17.6	8.4		26	26	Yes
2/22/2002	0		17.6	8.4		26	26	Yes
2/23/2002	0		17.6	8.4		26	26	Yes
2/24/2002	0		17.6	8.4		26	26	Yes
2/25/2002	0		17.6	8.4		26	26	Yes
2/26/2002	0		17.6	8.4		26	26	Yes
2/27/2002	0		17.6	8.4		26	26	Yes
2/28/2002	0		17.6	8.4		26	26	Yes
3/1/2002	0		17.6	8.4		26	26	Yes
3/2/2002	0		17.6	8.4		26	26	Yes
3/3/2002	0		17.6	8.4		26	26	Yes
3/4/2002	0		17.6	8.4		26	26	Yes
3/5/2002	0		17.6	8.4		26	26	Yes
3/6/2002	0		17.6	8.4		26	26	Yes
3/7/2002	0		17.6	8.4		26	26	Yes
3/8/2002	0		17.6	8.4		26	26	Yes
3/9/2002	0		17.6	8.4		26	26	Yes
3/10/2002	0		17.6	8.4		26	26	Yes
3/11/2002	0		17.6	8.4		26	26	Yes
3/12/2002	0		17.6	8.4		26	26	Yes
3/13/2002	0		17.6	8.4		26	26	Yes
3/14/2002	0		17.6	8.4		26	26	Yes
3/15/2002	0		17.6	8.4		26	26	Yes
3/16/2002	0		17.6	8.4		26	26	Yes
3/17/2002	0		17.6	8.4		26	26	Yes
3/18/2002	0		17.6	8.4		26	26	Yes
3/19/2002	0		17.6	8.4		26	26	Yes
3/20/2002	0		17.6	8.4		26	26	Yes
3/21/2002	0		17.6	8.4		26	26	Yes
3/22/2002	0		17.6	8.4		26	26	Yes
3/23/2002	0		17.6	8.4		26	26	Yes
3/24/2002	0		17.6	8.4		26	26	Yes
3/25/2002	0		17.6	8.4		26	26	Yes
3/26/2002	0		17.6	8.4		26	26	Yes
3/27/2002	0		17.6	8.4		26	26	Yes
3/28/2002	0		17.6	8.4		26	26	Yes
3/29/2002	0		17.6	8.4		26	26	Yes
3/30/2002	0		17.6	8.4		26	26	Yes
3/31/2002	0		17.6	8.4		26	26	Yes

Figure 2 - Northwest Observation Well Pair
First Quarter 2002



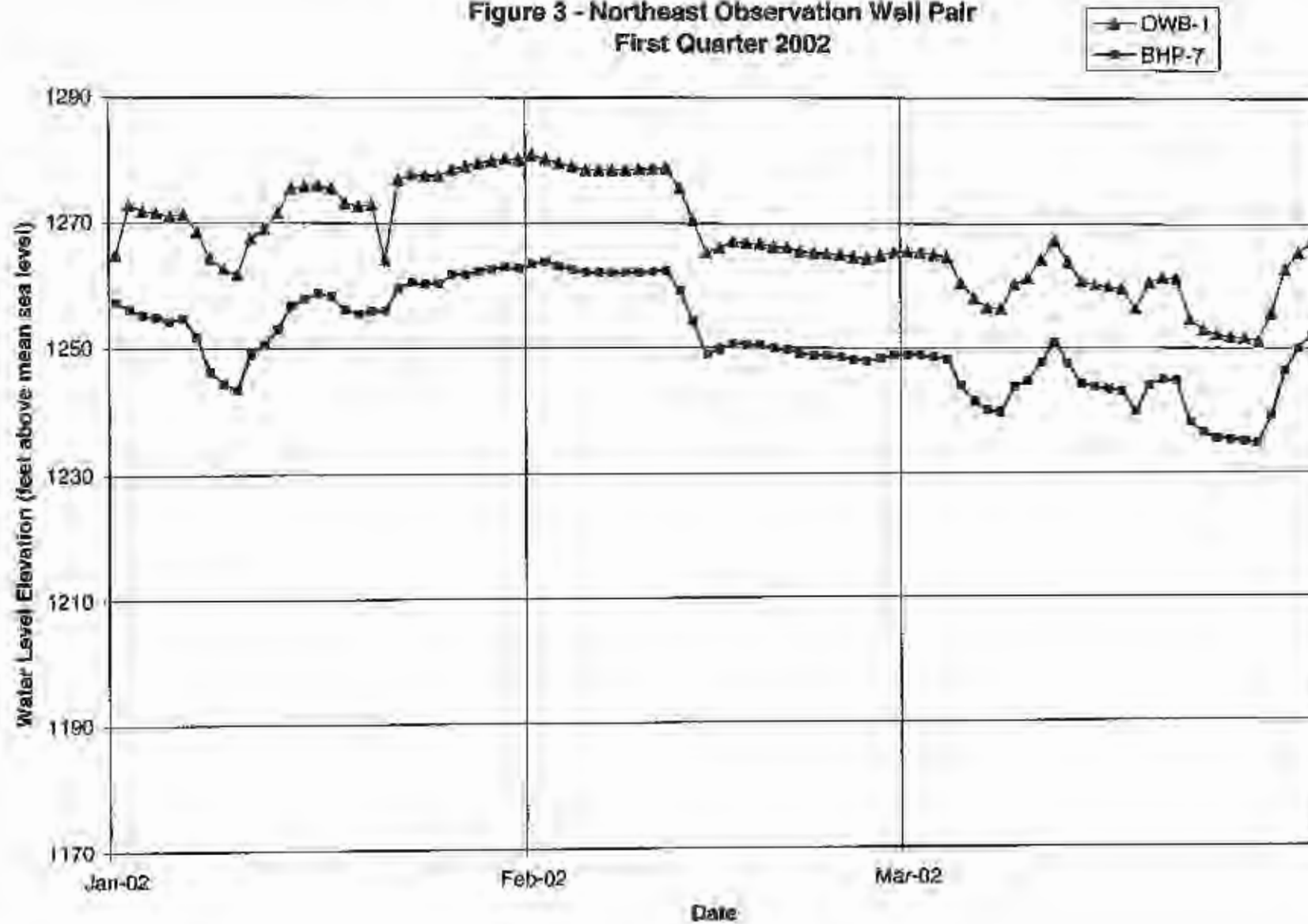
**Northwest Observation Well Pair
First Quarter 2002**

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2002	1201.1	1272.8	-71.7	Yes
1/2/2002	1200	1271.7	-71.7	Yes
1/3/2002	1199	1270.7	-71.7	Yes
1/4/2002	1198.6	1270.4	-71.8	Yes
1/5/2002	1198.1	1269.9	-71.8	Yes
1/6/2002	1198.5	1270.3	-71.8	Yes
1/7/2002	1195.7	1267.5	-71.8	Yes
1/8/2002	1190.5	1262.3	-71.8	Yes
1/9/2002	1188.7	1261.5	-72.8	Yes
1/10/2002	1187.8	1260.6	-72.8	Yes
1/11/2002	1193.6	1266.1	-72.5	Yes
1/12/2002	1195.1	1267.6	-72.5	Yes
1/13/2002	1198.6	1270.1	-71.5	Yes
1/14/2002	1200.4	1273.9	-73.5	Yes
1/15/2002	1200.8	1274.2	-73.4	Yes
1/16/2002	1201.05	1274.6	-73.55	Yes
1/17/2002	1200.5	1274.1	-73.6	Yes
1/18/2002	1198.3	1272	-73.7	Yes
1/19/2002	1197.7	1271.4	-73.7	Yes
1/20/2002	1198	1271.7	-73.7	Yes
1/21/2002	1198.2	1273	-74.8	Yes
1/22/2002	1201.8	1276.65	-74.85	Yes
1/23/2002	1202.6	1277.4	-74.8	Yes
1/24/2002	1202.4	1277.3	-74.9	Yes
1/25/2002	1202.5	1277.4	-74.9	Yes
1/26/2002	1203.6	1278.5	-74.9	Yes
1/27/2002	1204.2	1279.1	-74.9	Yes
1/28/2002	1204.8	1279.6	-74.8	Yes
1/29/2002	1205	1279.9	-74.9	Yes
1/30/2002	1205.4	1280.2	-74.8	Yes
1/31/2002	1205.1	1280	-74.9	Yes
2/1/2002	1205.8	1280.7	-74.9	Yes
2/2/2002	1206	1281.1	-75.1	Yes
2/3/2002	1205.4	1280.5	-75.1	Yes
2/4/2002	1205	1280.1	-75.1	Yes
2/5/2002	1204.4	1279.5	-75.1	Yes
2/6/2002	1204.4	1279.5	-75.1	Yes
2/7/2002	1204.4	1279.5	-75.1	Yes
2/8/2002	1204.4	1279.5	-75.1	Yes
2/9/2002	1204.5	1279.6	-75.1	Yes
2/10/2002	1204.6	1279.7	-75.1	Yes
2/11/2002	1204.8	1279.9	-75.1	Yes
2/12/2002	1201.6	1276.5	-74.9	Yes
2/13/2002	1196.6	1271.6	-75	Yes
2/14/2002	1191.3	1266.3	-75	Yes
2/15/2002	1192.2	1267.2	-75	Yes

Northwest Observation Well Pair
First Quarter 2002

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2002	1193.1	1268.1	-75	Yes
2/17/2002	1192.9	1267.9	-75	Yes
2/18/2002	1192.8	1267.8	-75	Yes
2/19/2002	1192.1	1267.3	-75.2	Yes
2/20/2002	1192.1	1267.1	-75	Yes
2/21/2002	1191.5	1266.5	-75	Yes
2/22/2002	1191.2	1266.2	-75	Yes
2/23/2002	1191.1	1266.1	-75	Yes
2/24/2002	1190.9	1265.9	-75	Yes
2/25/2002	1190.6	1265.6	-75	Yes
2/26/2002	1190.3	1265.3	-75	Yes
2/27/2002	1190.8	1265.8	-75	Yes
2/28/2002	1191.2	1266.2	-75	Yes
3/1/2002	1191.3	1266.3	-75	Yes
3/2/2002	1191.3	1266.2	-74.9	Yes
3/3/2002	1190.9	1265.8	-74.9	Yes
3/4/2002	1190.6	1265.5	-74.9	Yes
3/5/2002	1186.4	1261.3	-74.9	Yes
3/6/2002	1183.9	1258.8	-74.9	Yes
3/7/2002	1182.4	1257.3	-74.9	Yes
3/8/2002	1182.1	1257	-74.9	Yes
3/9/2002	1186.2	1261	-74.8	Yes
3/10/2002	1187.1	1261.9	-74.8	Yes
3/11/2002	1190.1	1264.9	-74.8	Yes
3/12/2002	1193.2	1268	-74.8	Yes
3/13/2002	1189.8	1264.6	-74.8	Yes
3/14/2002	1186.5	1261.4	-74.9	Yes
3/15/2002	1186	1260.9	-74.9	Yes
3/16/2002	1185.7	1260.6	-74.9	Yes
3/17/2002	1185.3	1260.3	-75	Yes
3/18/2002	1182	1257	-75	Yes
3/19/2002	1185.3	1261.3	-76	Yes
3/20/2002	1186.1	1262.1	-76	Yes
3/21/2002	1186	1261.9	-75.9	Yes
3/22/2002	1179.4	1255.3	-75.9	Yes
3/23/2002	1177.7	1253.5	-75.8	Yes
3/24/2002	1176.9	1252.7	-75.8	Yes
3/25/2002	1176.6	1252.4	-75.8	Yes
3/26/2002	1176.4	1252.2	-75.8	Yes
3/27/2002	1178	1251.7	-75.7	Yes
3/28/2002	1180.5	1256.2	-75.7	Yes
3/29/2002	1187.6	1263.3	-75.7	Yes
3/30/2002	1191.2	1266.9	-75.7	Yes
3/31/2002	1193.1	1268.8	-75.7	Yes

Figure 3 - Northeast Observation Well Pair
First Quarter 2002



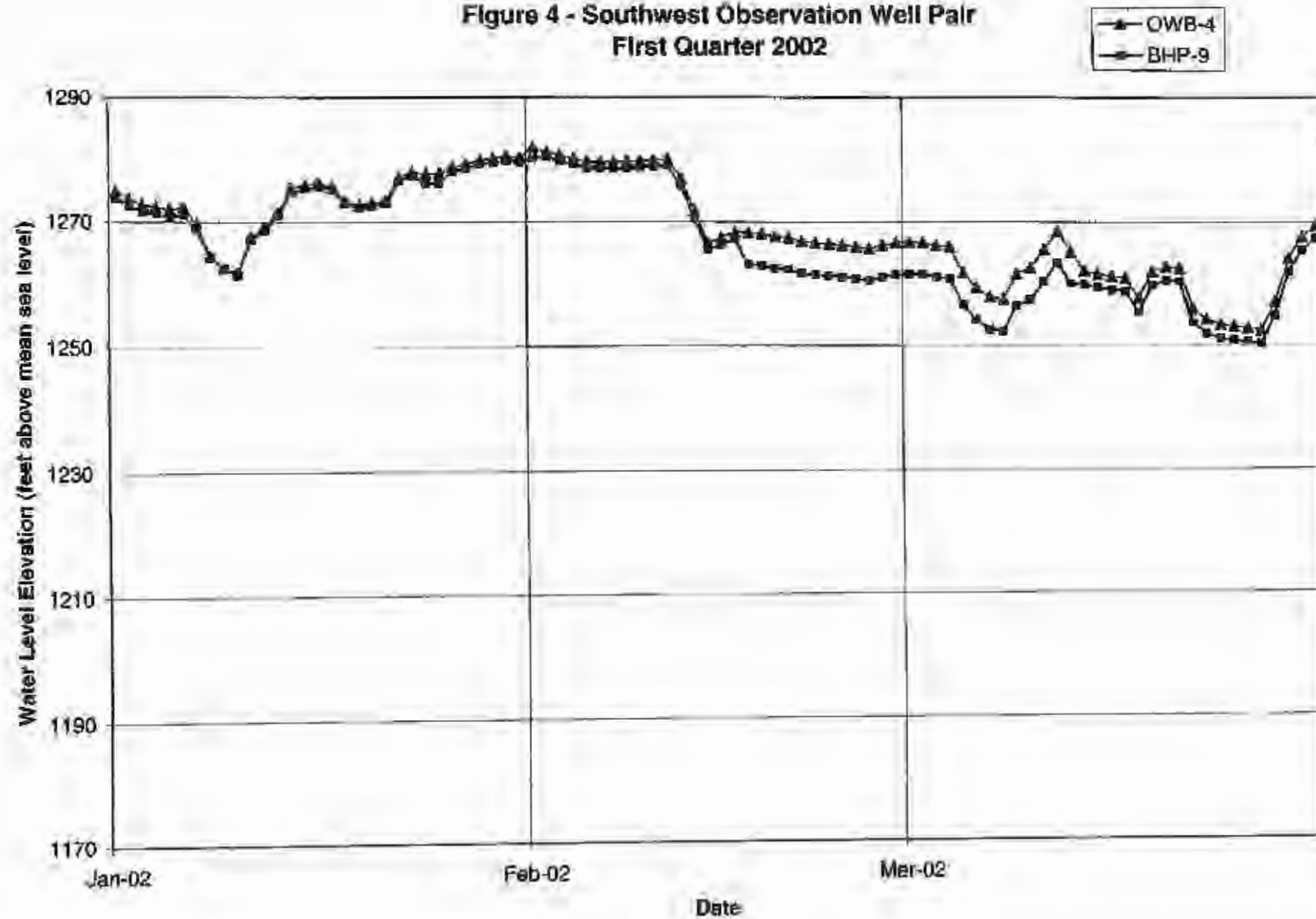
**Northeast Observation Well Pair
First Quarter 2002**

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2002	1257.2	1264.9	-7.7	Yes
1/2/2002	1256.1	1272.8	-16.7	Yes
1/3/2002	1255.1	1271.8	-16.7	Yes
1/4/2002	1254.8	1271.5	-16.7	Yes
1/5/2002	1254.2	1271.1	-16.9	Yes
1/6/2002	1254.6	1271.4	-16.8	Yes
1/7/2002	1251.8	1268.6	-16.8	Yes
1/8/2002	1246.3	1264.4	-18.1	Yes
1/9/2002	1244.5	1262.7	-18.2	Yes
1/10/2002	1243.6	1261.8	-18.2	Yes
1/11/2002	1249.1	1267.6	-18.5	Yes
1/12/2002	1250.6	1269	-18.4	Yes
1/13/2002	1253	1271.6	-18.6	Yes
1/14/2002	1256.8	1275.4	-18.6	Yes
1/15/2002	1257.8	1275.7	-17.9	Yes
1/16/2002	1258.8	1276	-17.2	Yes
1/17/2002	1258.3	1275.5	-17.2	Yes
1/18/2002	1256.1	1273.25	-17.15	Yes
1/19/2002	1255.5	1272.7	-17.2	Yes
1/20/2002	1255.8	1272.9	-17.1	Yes
1/21/2002	1256	1264.2	-8.2	Yes
1/22/2002	1259.7	1276.9	-17.2	Yes
1/23/2002	1260.5	1277.7	-17.2	Yes
1/24/2002	1260.3	1277.5	-17.2	Yes
1/25/2002	1260.4	1277.6	-17.2	Yes
1/26/2002	1261.8	1278.5	-16.7	Yes
1/27/2002	1261.8	1279	-17.2	Yes
1/28/2002	1262.4	1279.6	-17.2	Yes
1/29/2002	1262.7	1279.85	-17.15	Yes
1/30/2002	1263.1	1280.2	-17.1	Yes
1/31/2002	1262.8	1280.1	-17.3	Yes
2/1/2002	1263.5	1280.8	-17.3	Yes
2/2/2002	1263.9	1280.2	-16.3	Yes
2/3/2002	1263.2	1279.6	-16.4	Yes
2/4/2002	1262.7	1279.1	-16.4	Yes
2/5/2002	1262.1	1278.5	-16.4	Yes
2/6/2002	1262.1	1278.5	-16.4	Yes
2/7/2002	1262.05	1278.5	-16.45	Yes
2/8/2002	1262.1	1278.5	-16.4	Yes
2/9/2002	1262.2	1278.6	-16.4	Yes
2/10/2002	1262.3	1278.65	-16.35	Yes
2/11/2002	1262.5	1278.8	-16.3	Yes
2/12/2002	1259.2	1275.6	-16.4	Yes
2/13/2002	1254.2	1270.6	-16.4	Yes
2/14/2002	1248.9	1265.3	-16.4	Yes
2/15/2002	1249.8	1266.2	-16.4	Yes

**Northeast Observation Well Pair
First Quarter 2002**

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2002	1250.7	1267.1	-16.4	Yes
2/17/2002	1250.5	1266.9	-16.4	Yes
2/18/2002	1250.4	1266.8	-16.4	Yes
2/19/2002	1249.9	1266.3	-16.4	Yes
2/20/2002	1249.7	1266.15	-16.45	Yes
2/21/2002	1249.1	1265.6	-16.5	Yes
2/22/2002	1248.8	1265.3	-16.5	Yes
2/23/2002	1248.7	1265.2	-16.5	Yes
2/24/2002	1248.5	1265	-16.5	Yes
2/25/2002	1248.2	1264.7	-16.5	Yes
2/26/2002	1247.9	1264.4	-16.5	Yes
2/27/2002	1248.4	1264.9	-16.5	Yes
2/28/2002	1248.8	1265.4	-16.6	Yes
3/1/2002	1248.9	1265.5	-16.6	Yes
3/2/2002	1248.9	1265.4	-16.5	Yes
3/3/2002	1248.5	1265	-16.5	Yes
3/4/2002	1248.2	1264.7	-16.5	Yes
3/5/2002	1244	1260.5	-16.5	Yes
3/6/2002	1241.5	1258	-16.5	Yes
3/7/2002	1240.1	1256.5	-16.4	Yes
3/8/2002	1239.8	1256.2	-16.4	Yes
3/9/2002	1243.9	1260.3	-16.4	Yes
3/10/2002	1244.8	1261.2	-16.4	Yes
3/11/2002	1247.8	1264.2	-16.4	Yes
3/12/2002	1250.9	1267.3	-16.4	Yes
3/13/2002	1247.5	1263.9	-16.4	Yes
3/14/2002	1244.3	1260.7	-16.4	Yes
3/15/2002	1243.8	1260.2	-16.4	Yes
3/16/2002	1243.5	1259.9	-16.4	Yes
3/17/2002	1243.2	1259.6	-16.4	Yes
3/18/2002	1239.9	1256.3	-16.4	Yes
3/19/2002	1244.2	1260.6	-16.4	Yes
3/20/2002	1245	1261.4	-16.4	Yes
3/21/2002	1244.8	1261.2	-16.4	Yes
3/22/2002	1238.2	1254.6	-16.4	Yes
3/23/2002	1236.5	1252.9	-16.4	Yes
3/24/2002	1235.7	1252.1	-16.4	Yes
3/25/2002	1235.4	1251.8	-16.4	Yes
3/26/2002	1235.2	1251.6	-16.4	Yes
3/27/2002	1234.8	1251.1	-16.3	Yes
3/28/2002	1239.3	1255.6	-16.3	Yes
3/29/2002	1246.4	1262.7	-16.3	Yes
3/30/2002	1250	1265.3	-15.3	Yes
3/31/2002	1251.9	1267.2	-15.3	Yes

Figure 4 - Southwest Observation Well Pair
First Quarter 2002



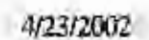
**Southwest Observation Well Pair
First Quarter 2002**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2002	1273.8	1274.9	-1.1	Yes
1/2/2002	1272.7	1273.8	-1.1	Yes
1/3/2002	1271.7	1272.8	-1.1	Yes
1/4/2002	1271.3	1272.5	-1.2	Yes
1/5/2002	1270.8	1272	-1.2	Yes
1/6/2002	1271.2	1272.4	-1.2	Yes
1/7/2002	1268.8	1269.6	-0.8	Yes
1/8/2002	1264.4	1264.4	0	No
1/9/2002	1262.5	1262.6	-0.1	Yes
1/10/2002	1261.5	1261.7	-0.2	Yes
1/11/2002	1267	1267.45	-0.45	Yes
1/12/2002	1268.5	1269	-0.5	Yes
1/13/2002	1270.9	1271.5	-0.6	Yes
1/14/2002	1274.7	1275.25	-0.55	Yes
1/15/2002	1275.2	1275.8	-0.6	Yes
1/16/2002	1275.65	1276.05	-0.4	Yes
1/17/2002	1275.1	1275.5	-0.4	Yes
1/18/2002	1272.9	1273.3	-0.4	Yes
1/19/2002	1272.3	1272.7	-0.4	Yes
1/20/2002	1272.6	1273	-0.4	Yes
1/21/2002	1272.9	1273.3	-0.4	Yes
1/22/2002	1276.5	1277	-0.5	Yes
1/23/2002	1277.3	1277.8	-0.5	Yes
1/24/2002	1276.1	1277.6	-1.5	Yes
1/25/2002	1276.1	1277.7	-1.6	Yes
1/26/2002	1278	1278.6	-0.6	Yes
1/27/2002	1278.5	1279.2	-0.7	Yes
1/28/2002	1279.1	1279.8	-0.7	Yes
1/29/2002	1279.4	1280.1	-0.7	Yes
1/30/2002	1279.8	1280.5	-0.7	Yes
1/31/2002	1279.5	1280.2	-0.7	Yes
2/1/2002	1280.1	1281.9	-1.8	Yes
2/2/2002	1280.4	1281.1	-0.7	Yes
2/3/2002	1279.7	1280.7	-1	Yes
2/4/2002	1279.2	1280.2	-1	Yes
2/5/2002	1278.6	1279.6	-1	Yes
2/6/2002	1278.6	1279.6	-1	Yes
2/7/2002	1278.6	1279.6	-1	Yes
2/8/2002	1278.6	1279.65	-1.05	Yes
2/9/2002	1278.7	1279.8	-1.1	Yes
2/10/2002	1278.8	1279.9	-1.1	Yes
2/11/2002	1279	1280.1	-1.1	Yes
2/12/2002	1275.8	1276.9	-1.1	Yes
2/13/2002	1270.7	1271.9	-1.2	Yes
2/14/2002	1265.4	1266.6	-1.2	Yes
2/15/2002	1266.3	1267.5	-1.2	Yes

**Southwest Observation Well Pair
First Quarter 2002**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2002	1267.2	1268.4	-1.2	Yes
2/17/2002	1263	1268.2	-5.2	Yes
2/18/2002	1262.9	1268.1	-5.2	Yes
2/19/2002	1262.4	1267.6	-5.2	Yes
2/20/2002	1262.2	1267.4	-5.2	Yes
2/21/2002	1261.6	1266.8	-5.2	Yes
2/22/2002	1261.3	1266.5	-5.2	Yes
2/23/2002	1261.2	1266.4	-5.2	Yes
2/24/2002	1261	1266.2	-5.2	Yes
2/25/2002	1260.7	1265.9	-5.2	Yes
2/26/2002	1260.4	1265.6	-5.2	Yes
2/27/2002	1260.9	1266.1	-5.2	Yes
2/28/2002	1261.3	1266.6	-5.3	Yes
3/1/2002	1261.4	1266.7	-5.3	Yes
3/2/2002	1261.4	1266.6	-5.2	Yes
3/3/2002	1261	1266.2	-5.2	Yes
3/4/2002	1260.7	1265.9	-5.2	Yes
3/5/2002	1256.5	1261.7	-5.2	Yes
3/6/2002	1254	1259.2	-5.2	Yes
3/7/2002	1252.5	1257.7	-5.2	Yes
3/8/2002	1252.2	1257.4	-5.2	Yes
3/9/2002	1256.3	1261.5	-5.2	Yes
3/10/2002	1257.2	1262.4	-5.2	Yes
3/11/2002	1260.2	1265.4	-5.2	Yes
3/12/2002	1263.3	1268.5	-5.2	Yes
3/13/2002	1259.9	1265.1	-5.2	Yes
3/14/2002	1259.7	1261.9	-2.2	Yes
3/15/2002	1259.2	1261.4	-2.2	Yes
3/16/2002	1258.9	1261.1	-2.2	Yes
3/17/2002	1258.6	1260.8	-2.2	Yes
3/18/2002	1255.3	1257.5	-2.2	Yes
3/19/2002	1259.6	1261.8	-2.2	Yes
3/20/2002	1260.4	1262.6	-2.2	Yes
3/21/2002	1260.2	1262.4	-2.2	Yes
3/22/2002	1253.6	1255.8	-2.2	Yes
3/23/2002	1251.9	1254.1	-2.2	Yes
3/24/2002	1251.1	1253.3	-2.2	Yes
3/25/2002	1250.8	1253	-2.2	Yes
3/26/2002	1250.6	1252.8	-2.2	Yes
3/27/2002	1250.2	1252.4	-2.2	Yes
3/28/2002	1254.7	1256.9	-2.2	Yes
3/29/2002	1261.8	1264	-2.2	Yes
3/30/2002	1265.4	1267.6	-2.2	Yes
3/31/2002	1267.3	1269.5	-2.2	Yes

— OWB-5
— BHP-6



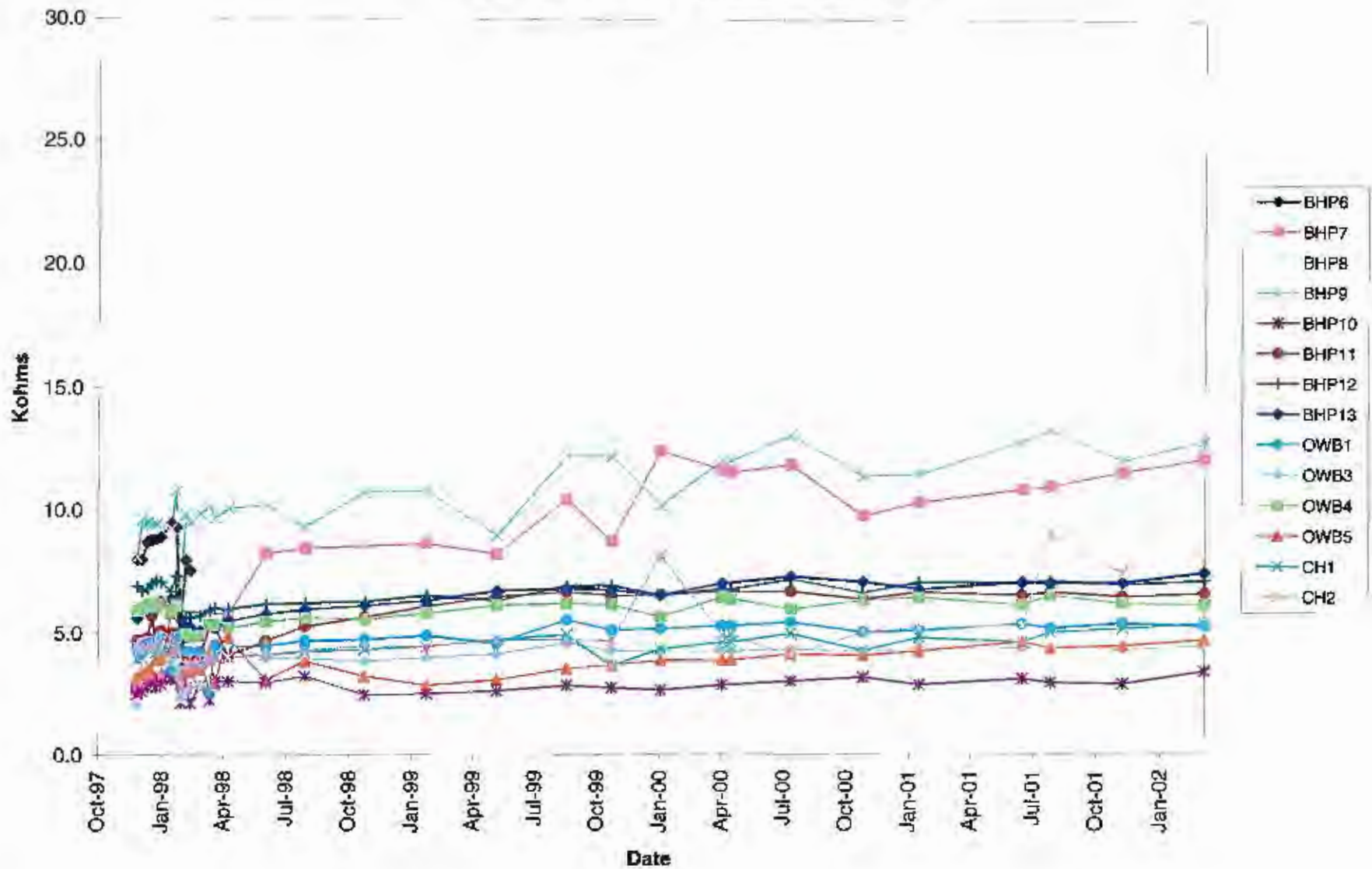
**Southeast Observation Well Pair
First Quarter 2002**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
1/1/2002	1272	1277	-5	Yes
1/2/2002	1270.9	1275.9	-5	Yes
1/3/2002	1269.9	1275	-5.1	Yes
1/4/2002	1269.5	1274.7	-5.2	Yes
1/5/2002	1269	1274.2	-5.2	Yes
1/6/2002	1269.3	1274.6	-5.3	Yes
1/7/2002	1266.5	1271.8	-5.3	Yes
1/8/2002	1261.1	1266.6	-5.5	Yes
1/9/2002	1259.3	1264.8	-5.5	Yes
1/10/2002	1258.4	1263.9	-5.5	Yes
1/11/2002	1264.2	1269.4	-5.2	Yes
1/12/2002	1265.7	1270.9	-5.2	Yes
1/13/2002	1268.2	1273.4	-5.2	Yes
1/14/2002	1272	1277.2	-5.2	Yes
1/15/2002	1272.4	1278	-5.6	Yes
1/16/2002	1274.7	1278.5	-3.8	Yes
1/17/2002	1274.2	1278	-3.8	Yes
1/18/2002	1272	1275.8	-3.8	Yes
1/19/2002	1271.4	1275.2	-3.8	Yes
1/20/2002	1271.7	1275.5	-3.8	Yes
1/21/2002	1273	1275.8	-2.8	Yes
1/22/2002	1276.7	1279.5	-2.8	Yes
1/23/2002	1277.5	1280.3	-2.8	Yes
1/24/2002	1277.3	1280.1	-2.8	Yes
1/25/2002	1277.3	1280.15	-2.85	Yes
1/26/2002	1278.2	1281.1	-2.9	Yes
1/27/2002	1278.8	1281.7	-2.9	Yes
1/28/2002	1279.4	1282.3	-2.9	Yes
1/29/2002	1279.7	1282.6	-2.9	Yes
1/30/2002	1280	1282.95	-2.95	Yes
1/31/2002	1279.6	1282.7	-3.1	Yes
2/1/2002	1280.3	1283.4	-3.1	Yes
2/2/2002	1280.6	1283.7	-3.1	Yes
2/3/2002	1280	1283.1	-3.1	Yes
2/4/2002	1279.5	1282.6	-3.1	Yes
2/5/2002	1278.9	1282	-3.1	Yes
2/6/2002	1278.9	1282	-3.1	Yes
2/7/2002	1278.9	1281.95	-3.05	Yes
2/8/2002	1278.9	1282	-3.1	Yes
2/9/2002	1279	1283.1	-4.1	Yes
2/10/2002	1279	1283.15	-4.15	Yes
2/11/2002	1279.2	1283.3	-4.1	Yes
2/12/2002	1276.1	1280.1	-4	Yes
2/13/2002	1271.1	1275.1	-4	Yes
2/14/2002	1265.8	1269.8	-4	Yes
2/15/2002	1266.7	1270.7	-4	Yes

**Southeast Observation Well Pair
First Quarter 2002**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
2/16/2002	1267.6	1271.6	-4	Yes
2/17/2002	1267.3	1271.4	-4.1	Yes
2/18/2002	1267.3	1271.3	-4	Yes
2/19/2002	1266.8	1270.8	-4	Yes
2/20/2002	1266.6	1270.6	-4	Yes
2/21/2002	1266	1270	-4	Yes
2/22/2002	1265.7	1269.7	-4	Yes
2/23/2002	1265.6	1269.6	-4	Yes
2/24/2002	1265.4	1269.4	-4	Yes
2/25/2002	1265.1	1269.1	-4	Yes
2/26/2002	1264.8	1268.8	-4	Yes
2/27/2002	1265.3	1269.4	-4.1	Yes
2/28/2002	1265.7	1269.8	-4.1	Yes
3/1/2002	1265.8	1269.9	-4.1	Yes
3/2/2002	1265.8	1269.8	-4	Yes
3/3/2002	1265.4	1269.4	-4	Yes
3/4/2002	1265.1	1269.1	-4	Yes
3/5/2002	1260.9	1264.9	-4	Yes
3/6/2002	1258.4	1262.4	-4	Yes
3/7/2002	1256.9	1260.9	-4	Yes
3/8/2002	1256.6	1260.6	-4	Yes
3/9/2002	1261.7	1264.7	-3	Yes
3/10/2002	1262.6	1265.6	-3	Yes
3/11/2002	1265.6	1268.55	-2.95	Yes
3/12/2002	1268.7	1271.6	-2.9	Yes
3/13/2002	1265.3	1268.2	-2.9	Yes
3/14/2002	1262	1265	-3	Yes
3/15/2002	1261.5	1264.5	-3	Yes
3/16/2002	1261.2	1264.2	-3	Yes
3/17/2002	1260.9	1263.9	-3	Yes
3/18/2002	1257.6	1260.6	-3	Yes
3/19/2002	1261.7	1264.9	-3.2	Yes
3/20/2002	1262.5	1265.7	-3.2	Yes
3/21/2002	1262.3	1265.5	-3.2	Yes
3/22/2002	1255.7	1258.9	-3.2	Yes
3/23/2002	1254	1257.2	-3.2	Yes
3/24/2002	1253.2	1256.4	-3.2	Yes
3/25/2002	1252.9	1256.1	-3.2	Yes
3/26/2002	1252.7	1255.9	-3.2	Yes
3/27/2002	1252.3	1255.5	-3.2	Yes
3/28/2002	1256.8	1260	-3.2	Yes
3/29/2002	1263.9	1265.3	-2.4	Yes
3/30/2002	1267.5	1269.4	-1.9	Yes
3/31/2002	1269.4	1271.3	-1.9	Yes

Figure 6 - Annular Resistivity in Kohms



ATTACHMENT 2

POC QUARTERLY COMPLIANCE MONITORING REPORT

3636 North Central Avenue
Suite 200
Phoenix, AZ 85012-1931

Tel: (602) 222-4444
Fax: (602) 222-4466

April 24, 2002



Mr. Adrian Taylor
Senior Vice President
Vanguard Properties, Inc.
3232 Cobb Parkway
PMB 315
Atlanta, Georgia 30339

15-21622/006

Subject: Florence Project
Quarterly Compliance Monitoring Report

Dear Mr. Taylor:

Please find enclosed a final copy of the Florence Project Quarterly Compliance Monitoring Report for the First Quarter 2002. This report is provided for inclusion in the quarterly submittals required by the Arizona Department of Environmental Quality (ADEQ) and the United States Environmental Protection Agency (USEPA) under Aquifer Protection Permit (APP) Number 101704 and Underground Injection Control (UIC) Permit Number AZ396000001.

If you should have any questions regarding this report, please do not hesitate to contact me at (602) 222-4476.

Very truly yours,

BROWN AND CALDWELL

Barbara A. Sylvester, E.T.T.
Engineer II

BAS:sdw
Attachment

**FLORENCE MINE PROJECT
QUARTERLY COMPLIANCE MONITORING REPORT
FIRST QUARTER 2002**

Primary Sampling Activities

Quarterly compliance monitoring was conducted for the Florence Mine project on January 14 through January 17, 2002 (First Quarter 2002). Groundwater sampling and analysis was conducted in accordance with the requirements of Aquifer Protection Permit (APP) Permit Number 101704, Part IIE.3.d (Compliance Monitoring). Level I parameters, as listed in Part IV Table III.B of the APP, were analyzed from the designated Point of Compliance (POC) wells. The Level I parameters are magnesium, sulfate, fluoride, and total dissolved solids (TDS).

During the First Quarter 2002 sampling event, 29 POC wells were sampled and a total of 116 constituents were analyzed. Two POC wells, M32-UBF and M33-UBF, were dry and could not be sampled. Of the 116 constituents analyzed, none had reported concentrations exceeding the approved alert levels (ALs).

Analyses of the samples were conducted by Nevada Environmental Laboratories (NEL). Analytical results for the POC wells for the indicator parameters are provided in Table 1 and field parameters measured during sampling are indicated in Table 2.

Alert Level Exceedances and Verification Sampling

Part II.F.4 of the permit (AL, Aquifer Quality Limit [AQL], and Discharge Limit [DL] Contingencies) requires verification sampling for an AL exceedance. There were no AL exceedances during this quarterly sampling. Therefore, no verification sampling was required.

Contingency Sampling Plan to be Implemented During Second Quarter 2002

There were no AL exceedances verified during this quarterly sampling. Therefore, no contingency sampling plan is required during the second quarter of 2002.

Results of Contingency Sampling Plan Implemented from Fourth Quarter 2001

There were no AL exceedances during the Fourth Quarter 2001. Therefore, no contingency sampling plan was implemented during this (First Quarter 2002) sampling event.

Issues

There were no other issues to report during the First Quarter 2002.



TABLE 1. QUARTERLY SUMMARY OF ANALYTICAL RESULTS, LEVEL 1 PARAMETERS, IN MILLIGRAMS PER LITER (MG/L)

Well ID	Sample Date	Magnesium		Sulfate		Fluoride		Total Dissolved Solids	
		Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level
M1-GL	Jan 17 2002	20.0	31	75	109	0.75	1.3	600	1028
M2-GU	Jan 16 2002	18.0	39	120	275	0.94	1.4	607	1496
M2-GU (Dup)	Jan 16 2002	18.0	39	120	275	0.92	1.4	655	1496
M3-GL	Jan 16 2002	19.0	36	110	187	0.71	1.3	595	1157
M4-O	Jan 16 2002	4.5	15	52	405	2.5	5.1	420	1072
M6-GU	Jan 15 2002	3.0	5.1	49	86	0.68	1.3	354	620
M7-GL	Jan 16 2002	<0.25	0.45	31	82	0.96	1.7	229	464
M8-O	Jan 15 2002	<0.25	0.75	68	122	2.1	3.6	359	609
M8-O (Dup)	Jan 15 2002	<0.25	0.75	67	122	2.1	3.6	345	609
M14-GL	Jan 15 2002	3.3	23	55	144	0.57	1.4	344	874
M15-GU	Jan 15 2002	27.0	44	72	126	0.5	1.2	737	1359
M16-GU	Jan 16 2002	29.0	52	150	248	0.61	1.1	918	1635
M17-GL	Jan 16 2002	5.9	9.3	110	209	0.82	1.6	426	831
M18-GU	Jan 17 2002	18.0	36	140	288	1.03	1.6	682	1323
M18-GU (Dup)	Jan 17 2002	18.0	36	150	288	1.02	1.6	681	1323
M19-LBF	Jan 14 2002	12.0	21	49	89	0.46	0.92	379	794
M20-O	Jan 16 2002	8.5	14	59	112	0.8	1.7	428	809
M21-UBF	Jan 14 2002	32.0	87	240	487	0.66	1.1	983	2867
M22-O	Jan 15 2002	5.7	8.6	48	86	0.7	1.3	324	1094
M23-UBF	Jan 15 2002	43.0	69	280	411	0.66	1.3	1350	2392
M24-O	Jan 16 2002	11.0	19	770	1364	1.2	2.5	809	2363
M25-UBF	Jan 16 2002	26.0	76	200	387	0.78	1.6	905	2683
M26-O	Jan 14 2002	<0.25	0.53	57	105	1.7	3.4	268	556
M27-LBF	Jan 14 2002	31.0	51	120	179	<0.4	0.79	939	1745
M28-LBF	Jan 14 2002	2.1	2.6	42	81	0.77	1.6	298	610
M29-UBF	Jan 14 2002	50.0	84	290	465	0.59	1.1	1410	2751
M30-O	Jan 15 2002	11.0	18	57	102	0.7	1.6	444	824
M31-LBF	Jan 15 2002	26.0	46	250	330	0.73	1.3	931	1665
O19-GL	Jan 17 2002	10.0	17	50	99	0.62	1.4	449	770
O49-GL	Jan 14 2002	9.2	18	61	159	0.56	0.89	425	849
P19-I-O	Jan 17 2002	6.6	12	56	107	1.5	2.8	437	767
P49-O	Jan 14 2002	3.4	6.2	100	181	0.95	2	401	801
P49-O (Dup)	Jan 14 2002	3.4	6.2	120	181	0.95	2	389	801
Laboratory Detection Limit		0.25		0.1		0.4		25.0	
Arizona Aquifer Water Quality Standard		-		-		4		-	
Notes: Bold indicates result exceeds alert level < = less than the laboratory practical quantitation limit									

TABLE 3. QUARTERLY SUMMARY OF WATER QUALITY FIELD PARAMETERS

Well ID	Sample Date	Temperature (°C)	Temperature (°F)	pH	Conductivity (µmhos/cm)
M1-GL	Jan 17 2002	21.8	71.2	7.56	1029
M2-GU	Jan 16 2002	19.8	67.6	7.47	974
M3-GL	Jan 16 2002	21.6	70.9	7.51	1020
M4-O	Jan 16 2002	23.3	73.9	7.41	655
M6-GU	Jan 14 2002	24.5	76.1	8.33	681
M7-GL	Jan 14 2002	23.5	74.3	9.54	497
M8-O	Jan 14 2002	28.4	83.1	8.82	654
M14-GL	Jan 15 2002	26.7	80.1	8.33	832
M15-GU	Jan 14 2002	24.1	75.4	7.52	1330
M16-GU	Jan 16 2002	24.0	75.2	7.43	1500
M17-GL	Jan 15 2002	27.9	82.2	8.35	845
M18-GU	Jan 17 2002	19.2	66.6	7.43	995
M19-LBF	Jan 14 2002	21.6	72.7	7.53	757
M20-O	Jan 14 2002	23.4	74.1	7.67	753
M21-UBF	Jan 14 2002	22.0	71.6	7.08	1562
M22-O	Jan 14 2002	28.1	82.6	8.08	755
M23-UBF	Jan 15 2002	21.9	71.4	7.15	2143
M24-O	Jan 16 2002	30.1	86.2	7.72	1975
M25-UBF	Jan 16 2002	20.7	69.3	7.21	1394
M26-O	Jan 14 2002	28.6	83.5	8.47	590
M27-LBF	Jan 14 2002	22.9	73.2	7.39	1534
M28-LBF	Jan 14 2002	25.9	78.6	8.20	664
M29-UBF	Jan 14 2002	22.0	71.6	6.98	2256
M30-O	Jan 15 2002	23.9	75.0	7.50	774
M31-LBF	Jan 15 2002	22.0	71.6	7.35	1385
O19-GL	Jan 17 2002	23.2	73.8	7.72	742
O49-GL	Jan 07 2002	25.5	77.9	7.63	857
P19-J-O	Jan 17 2002	24.0	75.2	7.63	729
P49-O	Jan 14 2002	27.5	81.5	7.54	793