

MERRILL MINING, LLC

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**ADRAIN TAYLOR
SENIOR VICE PRESIDENT**

October 28, 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-
THIRD QUARTER 2002**

Dear Mr. Zeleznik:

This report is submitted in accordance with the reporting requirements of Parts II.G.2.(a) through (j) of the referenced permit. It pertains to monitoring activities conducted at the Florence In-Situ Mine Site from April 1 through June 30, 2002. Copies of records required by Part II.G.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 Note that injection last occurred in early 1998, and that water has been continuously withdrawn since that time.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.

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

The attached report *Florence Project Quarterly Compliance Monitoring Report – Third Quarter 2002* by Brown and Caldwell and sealed by Ms. Tekla King, Registered Geologist (Attachment 2), contains the POC monitoring records and results. Brown and Caldwell, along with Project personnel, conducted compliance sampling during the period July 8 through July 10, 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. All results were below the Alert Level concentrations (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 C.F.R. 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.

(i) Well and core hole plugging and abandonment.

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

Mr. Martin Zeleznik

October 28, 2002

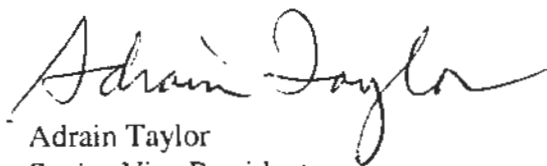
Page 3

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

There were no closure operations during the reporting period.

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.

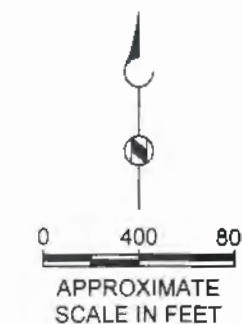
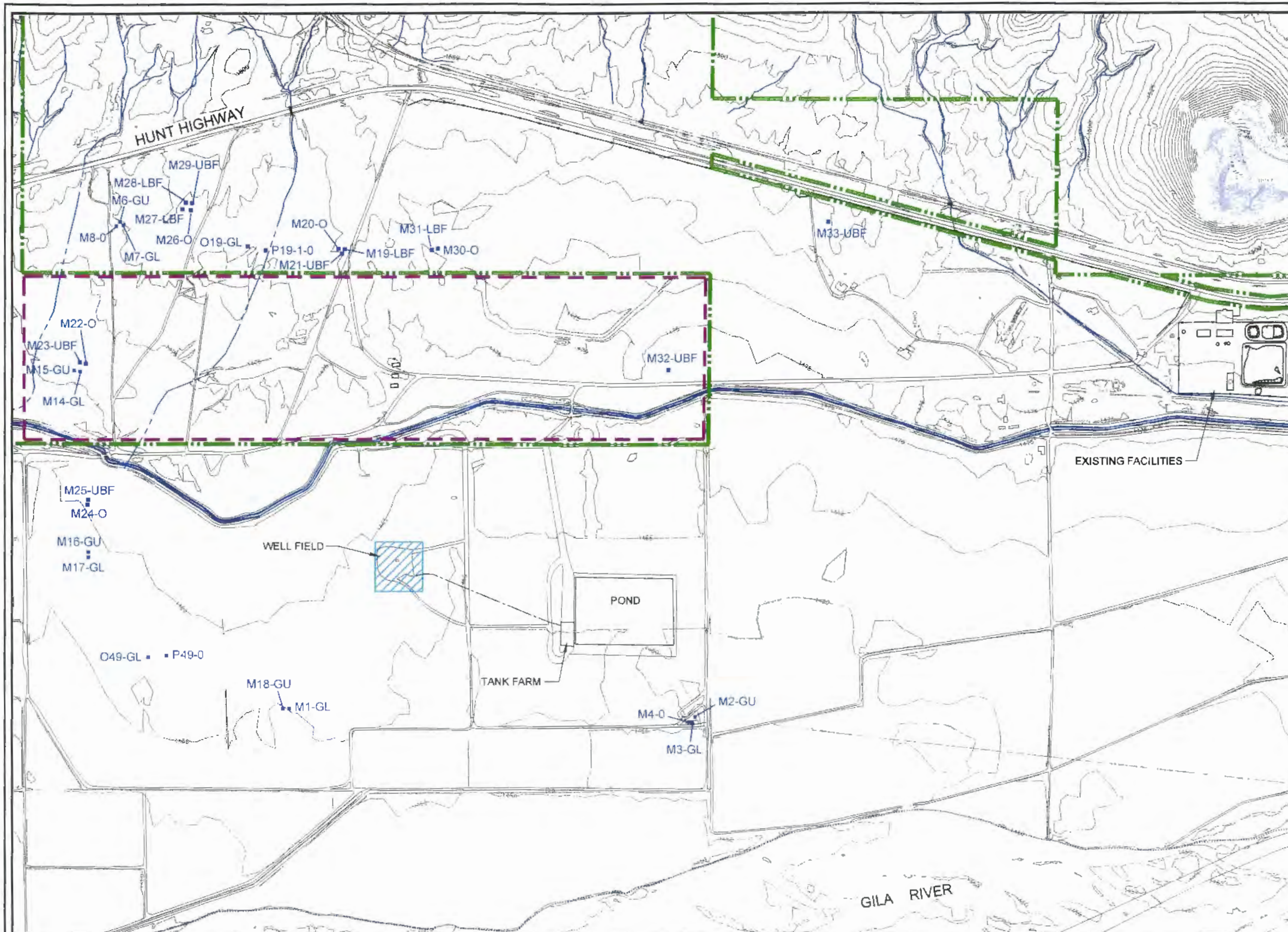
Sincerely,

A handwritten signature in cursive script that reads "Adrain Taylor". The signature is written in black ink and is positioned above the printed name and title.

Adrain Taylor
Senior Vice President

AT:tf
Attachments



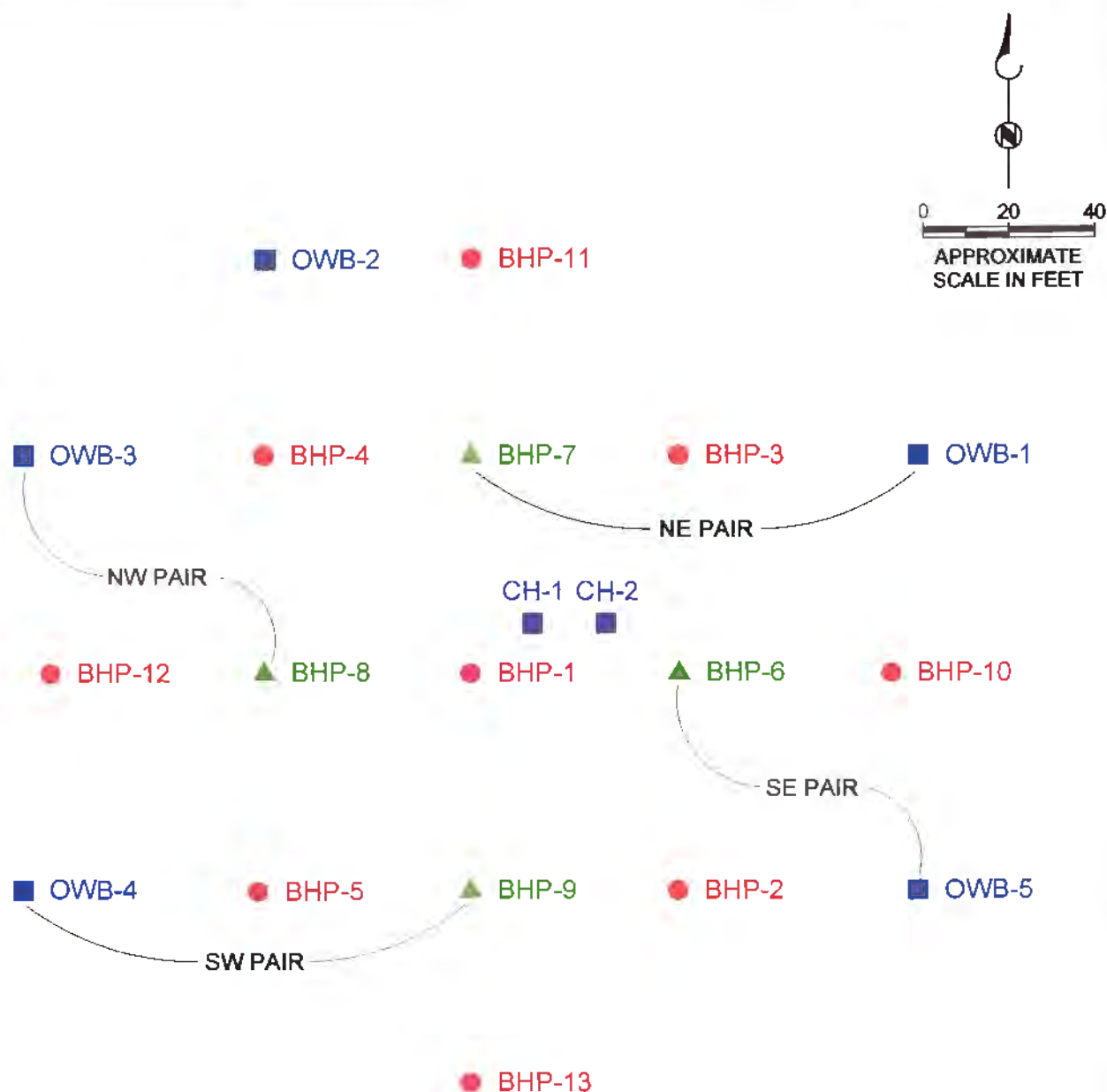


EXPLANATION

- APPROXIMATE PROPERTY BOUNDARY
- STATE LEASE LAND BOUNDARY
- O19-GL POC MONITORING WELL
- ENLARGED AREA ON FIGURE 2

**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

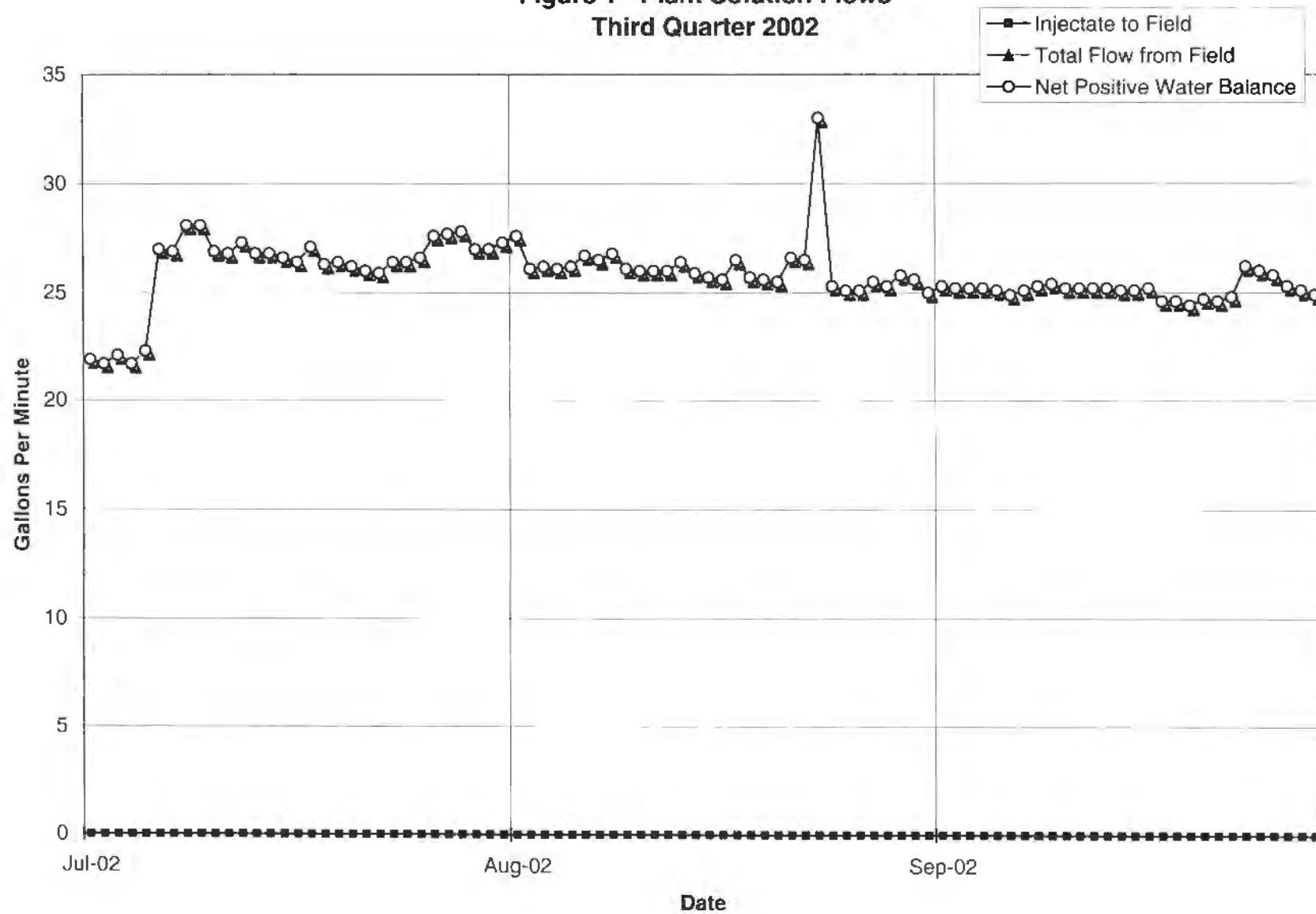
Figure 2
WELLFIELD LAYOUT
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA





ATTACHMENT 1
MINE OPERATIONS MONITORING

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



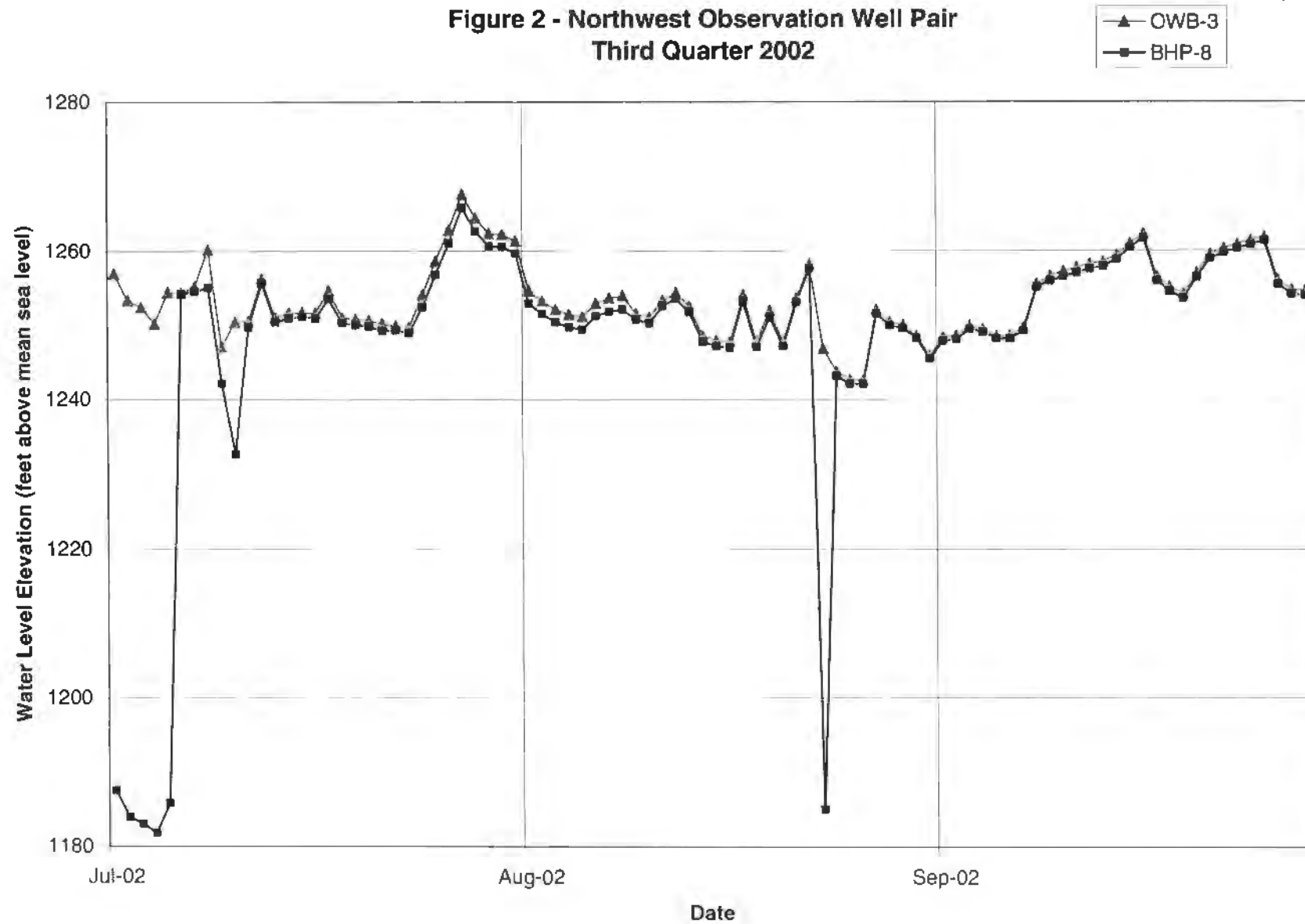
Plant Solution Flows - Daily Averages
Third Quarter 2002

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)
7/1/2002	0		13.5	8.4		21.9	21.9	Yes
7/2/2002	0		13.3	8.4		21.7	21.7	Yes
7/3/2002	0		14.3	7.8		22.1	22.1	Yes
7/4/2002	0		14.2	7.5		21.7	21.7	Yes
7/5/2002	0		14.5	7.8		22.3	22.3	Yes
7/6/2002	0		14.2		12.8	27.0	27.0	Yes
7/7/2002	0		14.0		12.9	26.9	26.9	Yes
7/8/2002	0		14.9		13.2	28.1	28.1	Yes
7/9/2002	0		14.9		13.2	28.1	28.1	Yes
7/10/2002	0		14.2		12.7	26.9	26.9	Yes
7/11/2002	0		14.2		12.6	26.8	26.8	Yes
7/12/2002	0		14.5		12.8	27.3	27.3	Yes
7/13/2002	0		14.2		12.6	26.8	26.8	Yes
7/14/2002	0		14.1		12.7	26.8	26.8	Yes
7/15/2002	0		13.9		12.7	26.6	26.6	Yes
7/16/2002	0		13.7		12.7	26.4	26.4	Yes
7/17/2002	0		14.4		12.7	27.1	27.1	Yes
7/18/2002	0		13.7		12.6	26.3	26.3	Yes
7/19/2002	0		13.8		12.6	26.4	26.4	Yes
7/20/2002	0		13.5		12.7	26.2	26.2	Yes
7/21/2002	0		13.4		12.6	26.0	26.0	Yes
7/22/2002	0		13.2		12.7	25.9	25.9	Yes
7/23/2002	0		13.8		12.6	26.4	26.4	Yes
7/24/2002	0		13.8		12.6	26.4	26.4	Yes
7/25/2002	0		13.7		12.9	26.6	26.6	Yes
7/26/2002	0		14.6		13.0	27.6	27.6	Yes
7/27/2002	0		14.7		13.0	27.7	27.7	Yes
7/28/2002	0		14.8		13.0	27.8	27.8	Yes
7/29/2002	0		14.1		12.9	27.0	27.0	Yes
7/30/2002	0		14.0		13.0	27.0	27.0	Yes
7/31/2002	0		14.3		13.0	27.3	27.3	Yes
8/1/2002	0		14.8		12.8	27.6	27.6	Yes
8/2/2002	0		13.4		12.7	26.1	26.1	Yes
8/3/2002	0		13.6		12.6	26.2	26.2	Yes
8/4/2002	0		13.4		12.7	26.1	26.1	Yes
8/5/2002	0		13.6		12.6	26.2	26.2	Yes
8/6/2002	0		14.0		12.7	26.7	26.7	Yes
8/7/2002	0		13.8		12.7	26.5	26.5	Yes
8/8/2002	0		14.0		12.8	26.8	26.8	Yes
8/9/2002	0		13.4		12.7	26.1	26.1	Yes
8/10/2002	0		13.4		12.6	26.0	26.0	Yes
8/11/2002	0		13.2		12.8	26.0	26.0	Yes
8/12/2002	0		13.2		12.8	26.0	26.0	Yes
8/13/2002	0		13.7		12.7	26.4	26.4	Yes
8/14/2002	0		13.3		12.6	25.9	25.9	Yes
8/15/2002	0		13.1		12.6	25.7	25.7	Yes
8/16/2002	0		13.0		12.6	25.6	25.6	Yes
8/17/2002	0		13.8		12.7	26.5	26.5	Yes

Plant Solution Flows - Daily Averages
Third 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)
8/18/2002	0		13.2		12.5	25.7	25.7	Yes
8/19/2002	0		13.1		12.5	25.6	25.6	Yes
8/20/2002	0		12.9		12.6	25.5	25.5	Yes
8/21/2002	0		13.9		12.7	26.6	26.6	Yes
8/22/2002	0		13.6		12.9	26.5	26.5	Yes
8/23/2002	0		13.2	7.3	12.5	33.0	33.0	Yes
8/24/2002	0		12.9		12.4	25.3	25.3	Yes
8/25/2002	0		12.7		12.4	25.1	25.1	Yes
8/26/2002	0		12.7		12.4	25.1	25.1	Yes
8/27/2002	0		12.8		12.7	25.5	25.5	Yes
8/28/2002	0		12.7		12.6	25.3	25.3	Yes
8/29/2002	0		13.3		12.5	25.8	25.8	Yes
8/30/2002	0		13.0		12.6	25.6	25.6	Yes
8/31/2002	0		12.6		12.4	25.0	25.0	Yes
9/1/2002	0		12.6		12.7	25.3	25.3	Yes
9/2/2002	0		12.6		12.6	25.2	25.2	Yes
9/3/2002	0		12.6		12.6	25.2	25.2	Yes
9/4/2002	0		12.6		12.6	25.2	25.2	Yes
9/5/2002	0		12.5		12.6	25.1	25.1	Yes
9/6/2002	0		12.3		12.6	24.9	24.9	Yes
9/7/2002	0		12.5		12.6	25.1	25.1	Yes
9/8/2002	0		12.5		12.8	25.3	25.3	Yes
9/9/2002	0		12.6		12.8	25.4	25.4	Yes
9/10/2002	0		12.4		12.8	25.2	25.2	Yes
9/11/2002	0		12.4		12.8	25.2	25.2	Yes
9/12/2002	0		12.4		12.8	25.2	25.2	Yes
9/13/2002	0		12.3		12.9	25.2	25.2	Yes
9/14/2002	0		12.2		12.9	25.1	25.1	Yes
9/15/2002	0		12.2		12.9	25.1	25.1	Yes
9/16/2002	0		12.2		13.0	25.2	25.2	Yes
9/17/2002	0		11.8		12.8	24.6	24.6	Yes
9/18/2002	0		11.8		12.8	24.6	24.6	Yes
9/19/2002	0		11.7		12.7	24.4	24.4	Yes
9/20/2002	0		11.8		12.9	24.7	24.7	Yes
9/21/2002	0		11.7		12.9	24.6	24.6	Yes
9/22/2002	0		11.8		13.0	24.8	24.8	Yes
9/23/2002	0		13.3		12.9	26.2	26.2	Yes
9/24/2002	0		13.0		13.0	26.0	26.0	Yes
9/25/2002	0		12.8		13.0	25.8	25.8	Yes
9/26/2002	0		12.5		12.8	25.3	25.3	Yes
9/27/2002	0		12.4		12.7	25.1	25.1	Yes
9/28/2002	0		12.2		12.7	24.9	24.9	Yes
9/29/2002	0		12.2		12.7	24.9	24.9	Yes
9/30/2002	0		12.1		12.8	24.9	24.9	Yes

Figure 2 - Northwest Observation Well Pair
Third Quarter 2002



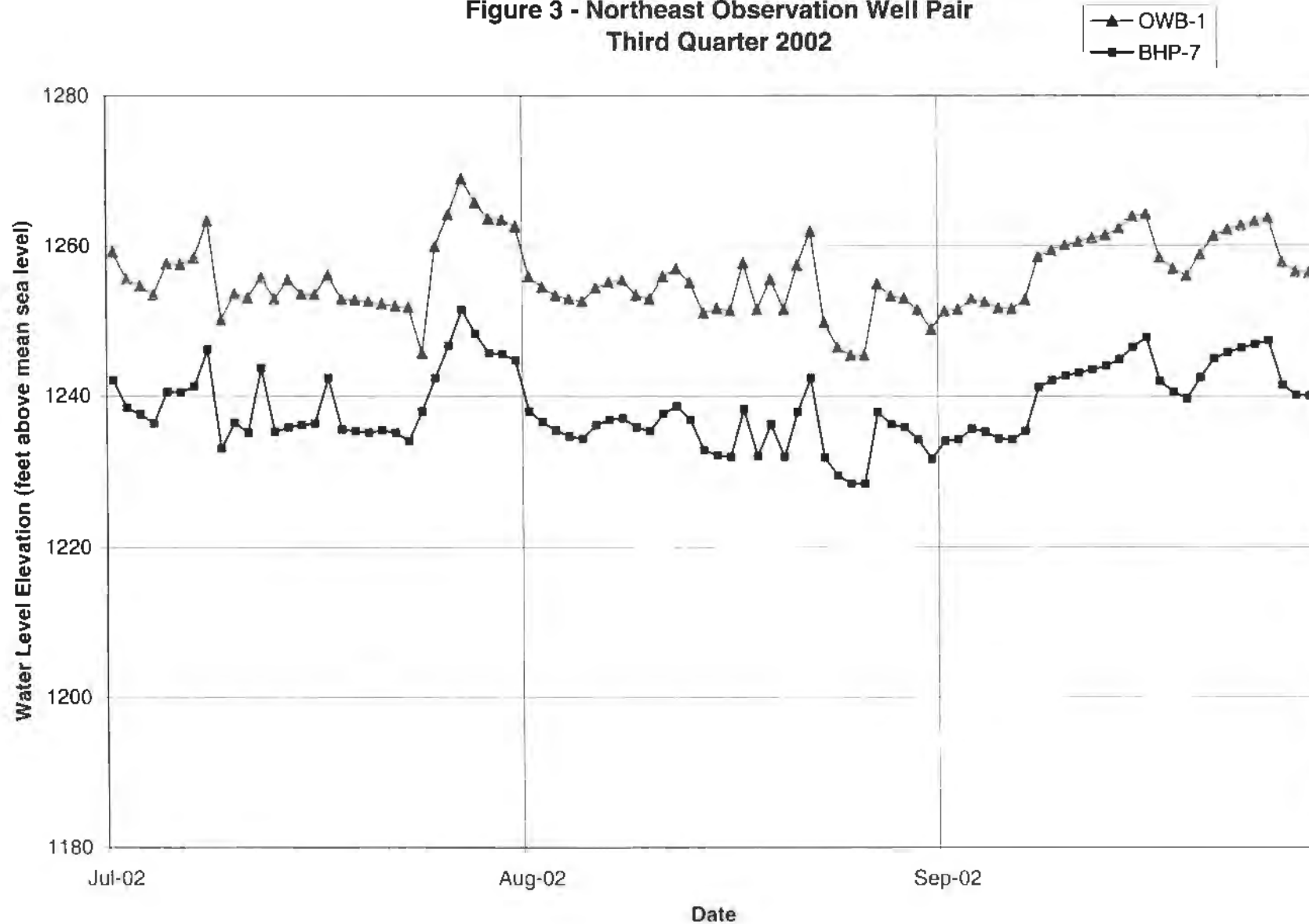
**Northwest Observation Well Pair
Third Quarter 2002**

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
7/1/2002	1187.5	1257	-69.5	Yes
7/2/2002	1183.9	1253.4	-69.5	Yes
7/3/2002	1183	1252.5	-69.5	Yes
7/4/2002	1181.8	1250.3	-68.5	Yes
7/5/2002	1185.8	1254.5	-68.7	Yes
7/6/2002	1254.3	1254.4	-0.1	Yes
7/7/2002	1254.6	1255.2	-0.6	Yes
7/8/2002	1255.1	1260.2	-5.1	Yes
7/9/2002	1242.2	1247.1	-4.9	Yes
7/10/2002	1232.6	1250.5	-17.9	Yes
7/11/2002	1249.8	1250.6	-0.8	Yes
7/12/2002	1255.7	1256.3	-0.6	Yes
7/13/2002	1250.5	1251.1	-0.6	Yes
7/14/2002	1251	1251.7	-0.7	Yes
7/15/2002	1251.2	1251.8	-0.6	Yes
7/16/2002	1251	1251.7	-0.7	Yes
7/17/2002	1253.6	1254.7	-1.1	Yes
7/18/2002	1250.4	1251.1	-0.7	Yes
7/19/2002	1250.1	1250.9	-0.8	Yes
7/20/2002	1249.9	1250.7	-0.8	Yes
7/21/2002	1249.3	1250.3	-1	Yes
7/22/2002	1249.4	1250	-0.6	Yes
7/23/2002	1249	1249.8	-0.8	Yes
7/24/2002	1252.5	1254.1	-1.6	Yes
7/25/2002	1256.8	1258.6	-1.8	Yes
7/26/2002	1261.1	1262.9	-1.8	Yes
7/27/2002	1265.9	1267.7	-1.8	Yes
7/28/2002	1262.7	1264.5	-1.8	Yes
7/29/2002	1260.7	1262.4	-1.7	Yes
7/30/2002	1260.6	1262.3	-1.7	Yes
7/31/2002	1259.7	1261.4	-1.7	Yes
8/1/2002	1253	1254.7	-1.7	Yes
8/2/2002	1251.6	1253.3	-1.7	Yes
8/3/2002	1250.5	1252.2	-1.7	Yes
8/4/2002	1249.8	1251.5	-1.7	Yes
8/5/2002	1249.5	1251.2	-1.7	Yes
8/6/2002	1251.3	1253	-1.7	Yes
8/7/2002	1251.9	1253.7	-1.8	Yes
8/8/2002	1252.2	1254	-1.8	Yes
8/9/2002	1250.8	1251.6	-0.8	Yes
8/10/2002	1250.3	1251.1	-0.8	Yes
8/11/2002	1252.6	1253.4	-0.8	Yes
8/12/2002	1253.6	1254.4	-0.8	Yes
8/13/2002	1251.8	1252.6	-0.8	Yes
8/14/2002	1247.8	1248.6	-0.8	Yes
8/15/2002	1247.2	1248	-0.8	Yes

**Northwest Observation Well Pair
Third 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)
8/16/2002	1247	1247.8	-0.8	Yes
8/17/2002	1253.3	1254.1	-0.8	Yes
8/18/2002	1247.1	1247.9	-0.8	Yes
8/19/2002	1251.1	1252	-0.9	Yes
8/20/2002	1247.2	1247.8	-0.6	Yes
8/21/2002	1253.1	1253.7	-0.6	Yes
8/22/2002	1257.6	1258.2	-0.6	Yes
8/23/2002	1185	1246.9	-61.9	Yes
8/24/2002	1243.2	1243.8	-0.6	Yes
8/25/2002	1242.1	1242.7	-0.6	Yes
8/26/2002	1242.1	1242.6	-0.5	Yes
8/27/2002	1251.6	1252.1	-0.5	Yes
8/28/2002	1250	1250.5	-0.5	Yes
8/29/2002	1249.6	1250.1	-0.5	Yes
8/30/2002	1248.31	1248.6	-0.29	Yes
8/31/2002	1245.5	1246	-0.5	Yes
9/1/2002	1247.9	1248.4	-0.5	Yes
9/2/2002	1248.1	1248.6	-0.5	Yes
9/3/2002	1249.5	1250	-0.5	Yes
9/4/2002	1249.1	1249.5	-0.4	Yes
9/5/2002	1248.2	1248.6	-0.4	Yes
9/6/2002	1248.2	1248.6	-0.4	Yes
9/7/2002	1249.3	1249.7	-0.4	Yes
9/8/2002	1255.1	1255.5	-0.4	Yes
9/9/2002	1255.9	1256.6	-0.7	Yes
9/10/2002	1256.5	1257.2	-0.7	Yes
9/11/2002	1257	1257.7	-0.7	Yes
9/12/2002	1257.5	1258.2	-0.7	Yes
9/13/2002	1257.9	1258.5	-0.6	Yes
9/14/2002	1258.8	1259.4	-0.6	Yes
9/15/2002	1260.4	1261	-0.6	Yes
9/16/2002	1261.7	1262.3	-0.6	Yes
9/17/2002	1255.9	1256.5	-0.6	Yes
9/18/2002	1254.5	1255.1	-0.6	Yes
9/19/2002	1253.6	1254.2	-0.6	Yes
9/20/2002	1256.4	1257	-0.6	Yes
9/21/2002	1258.9	1259.5	-0.6	Yes
9/22/2002	1259.7	1260.3	-0.6	Yes
9/23/2002	1260.3	1260.9	-0.6	Yes
9/24/2002	1260.8	1261.4	-0.6	Yes
9/25/2002	1261.3	1261.9	-0.6	Yes
9/26/2002	1255.4	1256	-0.6	Yes
9/27/2002	1254.1	1254.7	-0.6	Yes
9/28/2002	1253.9	1254.6	-0.7	Yes

Figure 3 - Northeast Observation Well Pair
Third Quarter 2002



**Northeast Observation Well Pair
Third Quarter 2002**

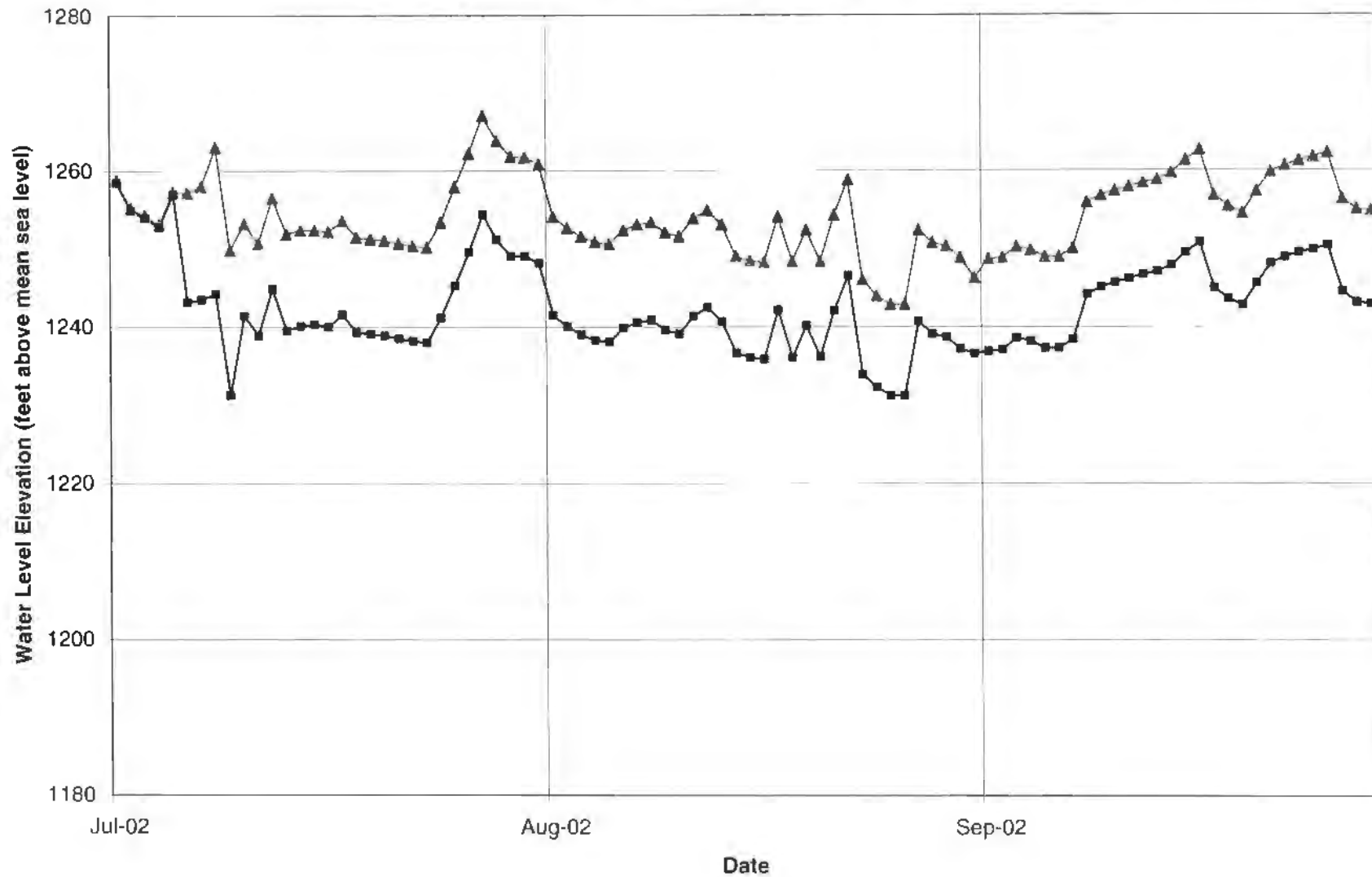
Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
7/1/2002	1242.1	1259.2	-17.1	Yes
7/2/2002	1238.5	1255.6	-17.1	Yes
7/3/2002	1237.6	1254.7	-17.1	Yes
7/4/2002	1236.4	1253.5	-17.1	Yes
7/5/2002	1240.6	1257.7	-17.1	Yes
7/6/2002	1240.5	1257.6	-17.1	Yes
7/7/2002	1241.3	1258.4	-17.1	Yes
7/8/2002	1246.2	1263.4	-17.2	Yes
7/9/2002	1233.1	1250.2	-17.1	Yes
7/10/2002	1236.5	1253.6	-17.1	Yes
7/11/2002	1235.2	1253.1	-17.9	Yes
7/12/2002	1243.7	1255.8	-12.1	Yes
7/13/2002	1235.3	1252.9	-17.6	Yes
7/14/2002	1235.9	1255.5	-19.6	Yes
7/15/2002	1236.2	1253.6	-17.4	Yes
7/16/2002	1236.4	1253.5	-17.1	Yes
7/17/2002	1242.4	1256.1	-13.7	Yes
7/18/2002	1235.6	1252.9	-17.3	Yes
7/19/2002	1235.4	1252.8	-17.4	Yes
7/20/2002	1235.2	1252.6	-17.4	Yes
7/21/2002	1235.5	1252.3	-16.8	Yes
7/22/2002	1235.2	1252	-16.8	Yes
7/23/2002	1234.1	1251.8	-17.7	Yes
7/24/2002	1238	1245.7	-7.7	Yes
7/25/2002	1242.4	1259.9	-17.5	Yes
7/26/2002	1246.7	1264.2	-17.5	Yes
7/27/2002	1251.5	1269	-17.5	Yes
7/28/2002	1248.3	1265.8	-17.5	Yes
7/29/2002	1245.7	1263.6	-17.9	Yes
7/30/2002	1245.6	1263.5	-17.9	Yes
7/31/2002	1244.7	1262.6	-17.9	Yes
8/1/2002	1238	1255.9	-17.9	Yes
8/2/2002	1236.6	1254.5	-17.9	Yes
8/3/2002	1235.5	1253.4	-17.9	Yes
8/4/2002	1234.7	1252.9	-18.2	Yes
8/5/2002	1234.4	1252.6	-18.2	Yes
8/6/2002	1236.2	1254.4	-18.2	Yes
8/7/2002	1236.9	1255.1	-18.2	Yes
8/8/2002	1237.1	1255.4	-18.3	Yes
8/9/2002	1235.9	1253.4	-17.5	Yes
8/10/2002	1235.4	1252.9	-17.5	Yes
8/11/2002	1237.7	1255.9	-18.2	Yes
8/12/2002	1238.7	1256.9	-18.2	Yes
8/13/2002	1236.9	1255.1	-18.2	Yes
8/14/2002	1232.9	1251.1	-18.2	Yes
8/15/2002	1232.2	1251.6	-19.4	Yes

**Northeast Observation Well Pair
Third 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)
8/16/2002	1232	1251.4	-19.4	Yes
8/17/2002	1238.3	1257.7	-19.4	Yes
8/18/2002	1232.1	1251.5	-19.4	Yes
8/19/2002	1236.3	1255.5	-19.2	Yes
8/20/2002	1232	1251.5	-19.5	Yes
8/21/2002	1237.9	1257.4	-19.5	Yes
8/22/2002	1242.4	1261.9	-19.5	Yes
8/23/2002	1231.9	1249.8	-17.9	Yes
8/24/2002	1229.5	1246.5	-17	Yes
8/25/2002	1228.4	1245.4	-17	Yes
8/26/2002	1228.4	1245.4	-17	Yes
8/27/2002	1237.9	1254.9	-17	Yes
8/28/2002	1236.3	1253.3	-17	Yes
8/29/2002	1235.9	1253	-17.1	Yes
8/30/2002	1234.3	1251.5	-17.2	Yes
8/31/2002	1231.7	1248.9	-17.2	Yes
9/1/2002	1234.1	1251.3	-17.2	Yes
9/2/2002	1234.3	1251.5	-17.2	Yes
9/3/2002	1235.7	1252.9	-17.2	Yes
9/4/2002	1235.3	1252.5	-17.2	Yes
9/5/2002	1234.4	1251.7	-17.3	Yes
9/6/2002	1234.3	1251.6	-17.3	Yes
9/7/2002	1235.4	1252.8	-17.4	Yes
9/8/2002	1241.2	1258.5	-17.3	Yes
9/9/2002	1242.1	1259.4	-17.3	Yes
9/10/2002	1242.7	1260	-17.3	Yes
9/11/2002	1243.1	1260.5	-17.4	Yes
9/12/2002	1243.5	1261	-17.5	Yes
9/13/2002	1244	1261.4	-17.4	Yes
9/14/2002	1244.9	1262.3	-17.4	Yes
9/15/2002	1246.5	1263.9	-17.4	Yes
9/16/2002	1247.8	1264.2	-16.4	Yes
9/17/2002	1242	1258.4	-16.4	Yes
9/18/2002	1240.6	1256.9	-16.3	Yes
9/19/2002	1239.7	1256	-16.3	Yes
9/20/2002	1242.5	1258.8	-16.3	Yes
9/21/2002	1245	1261.3	-16.3	Yes
9/22/2002	1245.8	1262.1	-16.3	Yes
9/23/2002	1246.4	1262.7	-16.3	Yes
9/24/2002	1246.9	1263.2	-16.3	Yes
9/25/2002	1247.4	1263.7	-16.3	Yes
9/26/2002	1241.5	1257.8	-16.3	Yes
9/27/2002	1240.2	1256.5	-16.3	Yes
9/28/2002	1240.1	1256.4	-16.3	Yes

**Figure 4 - Southwest Observation Well Pair
Third Quarter 2002**

—▲— OWB-4
—■— BHP-9



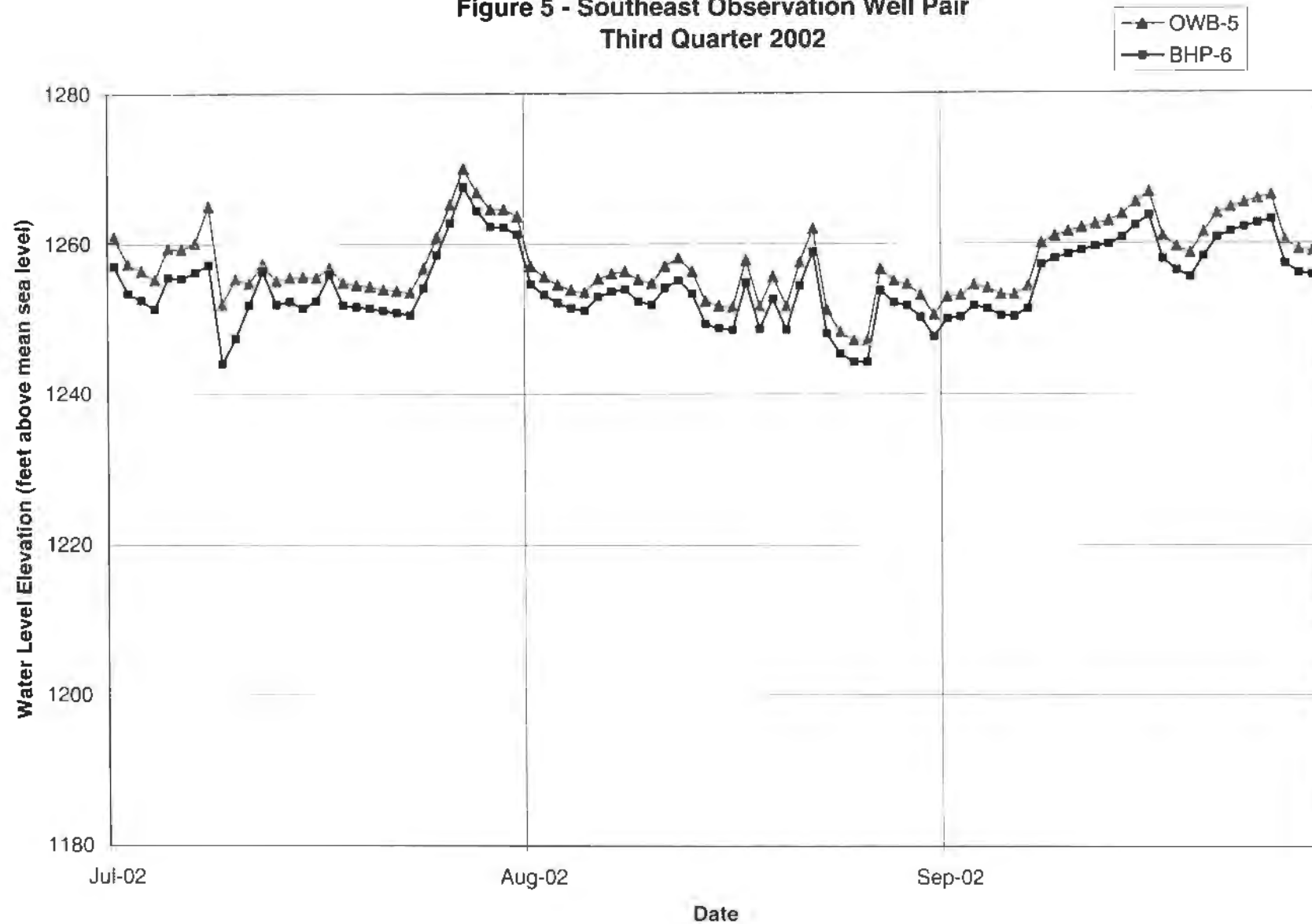
**Southwest Observation Well Pair
Third Quarter 2002**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
7/1/2002	1258.5	1258.8	-0.3	Yes
7/2/2002	1254.9	1255.2	-0.3	Yes
7/3/2002	1254	1254.3	-0.3	Yes
7/4/2002	1252.8	1253.1	-0.3	Yes
7/5/2002	1257	1257.3	-0.3	Yes
7/6/2002	1243.2	1257.2	-14	Yes
7/7/2002	1243.5	1258	-14.5	Yes
7/8/2002	1244.2	1263	-18.8	Yes
7/9/2002	1231.2	1249.8	-18.6	Yes
7/10/2002	1241.4	1253.2	-11.8	Yes
7/11/2002	1238.9	1250.7	-11.8	Yes
7/12/2002	1244.9	1256.5	-11.6	Yes
7/13/2002	1239.5	1251.9	-12.4	Yes
7/14/2002	1240.1	1252.4	-12.3	Yes
7/15/2002	1240.3	1252.4	-12.1	Yes
7/16/2002	1240	1252.2	-12.2	Yes
7/17/2002	1241.6	1253.6	-12	Yes
7/18/2002	1239.3	1251.5	-12.2	Yes
7/19/2002	1239.1	1251.3	-12.2	Yes
7/20/2002	1238.9	1251.1	-12.2	Yes
7/21/2002	1238.5	1250.7	-12.2	Yes
7/22/2002	1238.2	1250.4	-12.2	Yes
7/23/2002	1238	1250.2	-12.2	Yes
7/24/2002	1241.2	1253.4	-12.2	Yes
7/25/2002	1245.3	1257.9	-12.6	Yes
7/26/2002	1249.6	1262.2	-12.6	Yes
7/27/2002	1254.4	1267	-12.6	Yes
7/28/2002	1251.2	1263.8	-12.6	Yes
7/29/2002	1249.1	1261.8	-12.7	Yes
7/30/2002	1249.1	1261.7	-12.6	Yes
7/31/2002	1248.2	1260.8	-12.6	Yes
8/1/2002	1241.5	1254.1	-12.6	Yes
8/2/2002	1240.1	1252.7	-12.6	Yes
8/3/2002	1239	1251.6	-12.6	Yes
8/4/2002	1238.3	1250.9	-12.6	Yes
8/5/2002	1238.1	1250.6	-12.5	Yes
8/6/2002	1239.9	1252.4	-12.5	Yes
8/7/2002	1240.6	1253.1	-12.5	Yes
8/8/2002	1240.9	1253.4	-12.5	Yes
8/9/2002	1239.6	1252.1	-12.5	Yes
8/10/2002	1239.1	1251.6	-12.5	Yes
8/11/2002	1241.4	1253.9	-12.5	Yes
8/12/2002	1242.5	1254.9	-12.4	Yes
8/13/2002	1240.7	1253.1	-12.4	Yes
8/14/2002	1236.7	1249.1	-12.4	Yes
8/15/2002	1236.1	1248.5	-12.4	Yes

**Southwest Observation Well Pair
Third 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)
8/16/2002	1235.9	1248.3	-12.4	Yes
8/17/2002	1242.2	1254.1	-11.9	Yes
8/18/2002	1236.1	1248.4	-12.3	Yes
8/19/2002	1240.2	1252.4	-12.2	Yes
8/20/2002	1236.2	1248.4	-12.2	Yes
8/21/2002	1242.1	1254.3	-12.2	Yes
8/22/2002	1246.6	1258.8	-12.2	Yes
8/23/2002	1233.9	1246.1	-12.2	Yes
8/24/2002	1232.3	1244	-11.7	Yes
8/25/2002	1231.2	1242.9	-11.7	Yes
8/26/2002	1231.2	1242.9	-11.7	Yes
8/27/2002	1240.7	1252.4	-11.7	Yes
8/28/2002	1239.1	1250.8	-11.7	Yes
8/29/2002	1238.7	1250.4	-11.7	Yes
8/30/2002	1237.2	1248.9	-11.7	Yes
8/31/2002	1236.6	1246.3	-9.7	Yes
9/1/2002	1236.9	1248.7	-11.8	Yes
9/2/2002	1237.1	1248.9	-11.8	Yes
9/3/2002	1238.6	1250.3	-11.7	Yes
9/4/2002	1238.2	1249.9	-11.7	Yes
9/5/2002	1237.3	1249	-11.7	Yes
9/6/2002	1237.3	1249	-11.7	Yes
9/7/2002	1238.4	1250.1	-11.7	Yes
9/8/2002	1244.2	1255.9	-11.7	Yes
9/9/2002	1245.1	1256.8	-11.7	Yes
9/10/2002	1245.7	1257.4	-11.7	Yes
9/11/2002	1246.2	1257.9	-11.7	Yes
9/12/2002	1246.7	1258.4	-11.7	Yes
9/13/2002	1247.1	1258.8	-11.7	Yes
9/14/2002	1247.9	1259.7	-11.8	Yes
9/15/2002	1249.5	1261.3	-11.8	Yes
9/16/2002	1250.8	1262.6	-11.8	Yes
9/17/2002	1245	1256.8	-11.8	Yes
9/18/2002	1243.6	1255.4	-11.8	Yes
9/19/2002	1242.8	1254.5	-11.7	Yes
9/20/2002	1245.6	1257.3	-11.7	Yes
9/21/2002	1248.1	1259.8	-11.7	Yes
9/22/2002	1248.9	1260.6	-11.7	Yes
9/23/2002	1249.5	1261.2	-11.7	Yes
9/24/2002	1249.9	1261.7	-11.8	Yes
9/25/2002	1250.4	1262.2	-11.8	Yes
9/26/2002	1244.5	1256.3	-11.8	Yes
9/27/2002	1243.1	1255	-11.9	Yes
9/28/2002	1242.9	1254.8	-11.9	Yes

**Figure 5 - Southeast Observation Well Pair
Third Quarter 2002**



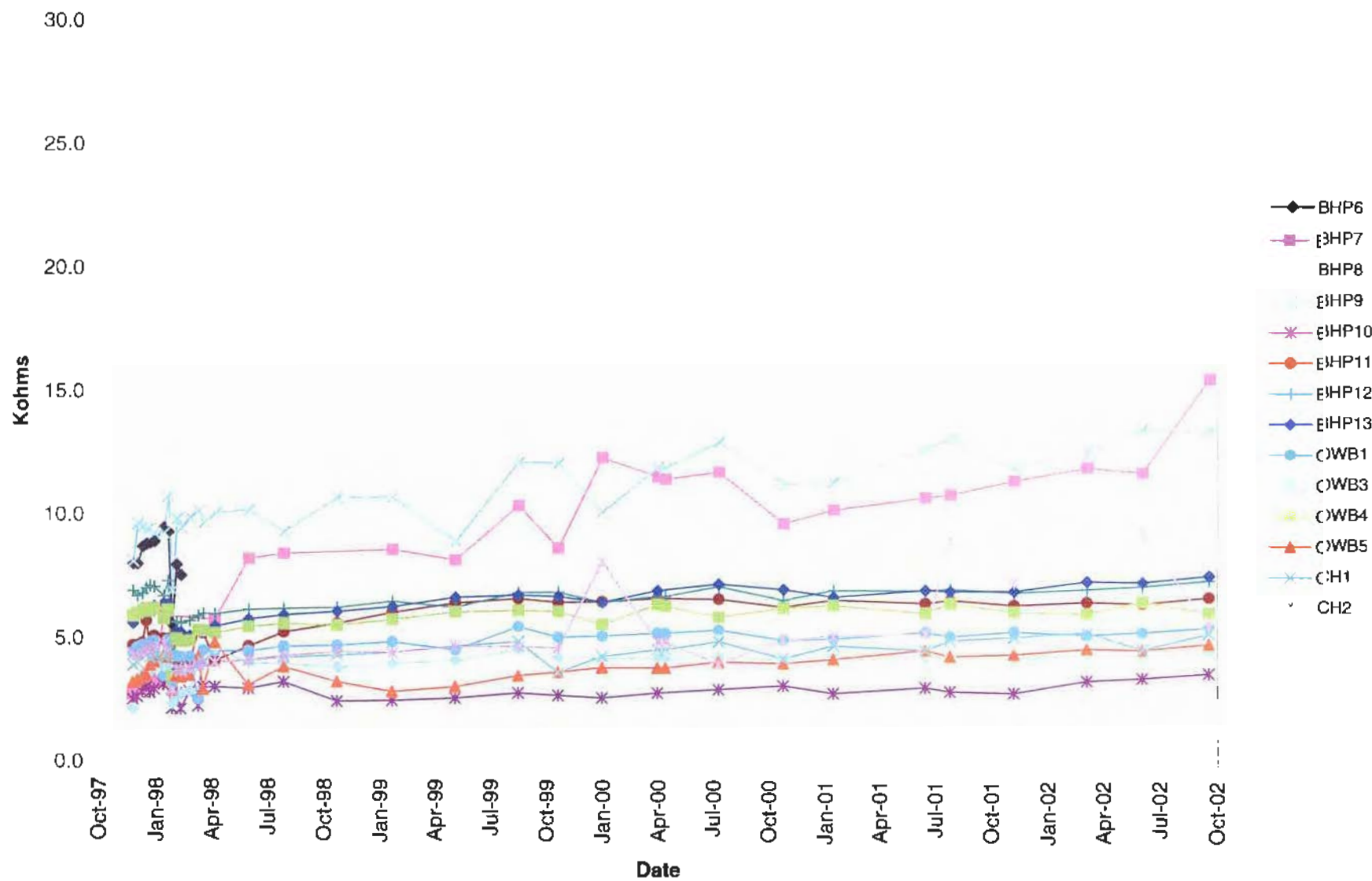
**Southeast Observation Well Pair
Third Quarter 2002**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
7/1/2002	1257	1260.9	-3.9	Yes
7/2/2002	1253.4	1257.3	-3.9	Yes
7/3/2002	1252.5	1256.4	-3.9	Yes
7/4/2002	1251.3	1255.2	-3.9	Yes
7/5/2002	1255.5	1259.4	-3.9	Yes
7/6/2002	1255.4	1259.3	-3.9	Yes
7/7/2002	1256.2	1260.1	-3.9	Yes
7/8/2002	1257.2	1265	-7.8	Yes
7/9/2002	1244	1251.9	-7.9	Yes
7/10/2002	1247.4	1255.3	-7.9	Yes
7/11/2002	1251.8	1254.7	-2.9	Yes
7/12/2002	1256.3	1257.3	-1	Yes
7/13/2002	1251.9	1255	-3.1	Yes
7/14/2002	1252.3	1255.5	-3.2	Yes
7/15/2002	1251.4	1255.6	-4.2	Yes
7/16/2002	1252.4	1255.5	-3.1	Yes
7/17/2002	1255.9	1256.8	-0.9	Yes
7/18/2002	1251.8	1254.8	-3	Yes
7/19/2002	1251.6	1254.5	-2.9	Yes
7/20/2002	1251.4	1254.3	-2.9	Yes
7/21/2002	1251.1	1253.9	-2.8	Yes
7/22/2002	1250.8	1253.7	-2.9	Yes
7/23/2002	1250.5	1253.5	-3	Yes
7/24/2002	1254.1	1256.7	-2.6	Yes
7/25/2002	1258.5	1260.9	-2.4	Yes
7/26/2002	1262.8	1265.2	-2.4	Yes
7/27/2002	1267.6	1270	-2.4	Yes
7/28/2002	1264.4	1266.8	-2.4	Yes
7/29/2002	1262.3	1264.6	-2.3	Yes
7/30/2002	1262.2	1264.6	-2.4	Yes
7/31/2002	1261.3	1263.7	-2.4	Yes
8/1/2002	1254.6	1257	-2.4	Yes
8/2/2002	1253.2	1255.6	-2.4	Yes
8/3/2002	1252.1	1254.5	-2.4	Yes
8/4/2002	1251.4	1253.8	-2.4	Yes
8/5/2002	1251.1	1253.5	-2.4	Yes
8/6/2002	1252.9	1255.3	-2.4	Yes
8/7/2002	1253.6	1256	-2.4	Yes
8/8/2002	1253.9	1256.3	-2.4	Yes
8/9/2002	1252.3	1255.2	-2.9	Yes
8/10/2002	1251.8	1254.7	-2.9	Yes
8/11/2002	1254.1	1257	-2.9	Yes
8/12/2002	1255.1	1258.1	-3	Yes
8/13/2002	1253.3	1256.3	-3	Yes
8/14/2002	1249.3	1252.3	-3	Yes
8/15/2002	1248.7	1251.7	-3	Yes

**Southeast Observation Well Pair
Third 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)
8/16/2002	1248.5	1251.5	-3	Yes
8/17/2002	1254.8	1257.8	-3	Yes
8/18/2002	1248.6	1251.6	-3	Yes
8/19/2002	1252.6	1255.6	-3	Yes
8/20/2002	1248.5	1251.6	-3.1	Yes
8/21/2002	1254.4	1257.5	-3.1	Yes
8/22/2002	1258.9	1262	-3.1	Yes
8/23/2002	1248	1251.2	-3.2	Yes
8/24/2002	1245.3	1248.2	-2.9	Yes
8/25/2002	1244.2	1247.1	-2.9	Yes
8/26/2002	1244.2	1247.1	-2.9	Yes
8/27/2002	1253.7	1256.6	-2.9	Yes
8/28/2002	1252.1	1255	-2.9	Yes
8/29/2002	1251.7	1254.6	-2.9	Yes
8/30/2002	1250.2	1253.1	-2.9	Yes
8/31/2002	1247.6	1250.5	-2.9	Yes
9/1/2002	1250	1252.9	-2.9	Yes
9/2/2002	1250.2	1253.1	-2.9	Yes
9/3/2002	1251.7	1254.5	-2.8	Yes
9/4/2002	1251.3	1254.1	-2.8	Yes
9/5/2002	1250.4	1253.2	-2.8	Yes
9/6/2002	1250.3	1253.2	-2.9	Yes
9/7/2002	1251.3	1254.3	-3	Yes
9/8/2002	1257.2	1260.1	-2.9	Yes
9/9/2002	1258	1261	-3	Yes
9/10/2002	1258.6	1261.6	-3	Yes
9/11/2002	1259.1	1262.1	-3	Yes
9/12/2002	1259.6	1262.6	-3	Yes
9/13/2002	1259.9	1263	-3.1	Yes
9/14/2002	1260.8	1263.9	-3.1	Yes
9/15/2002	1262.4	1265.5	-3.1	Yes
9/16/2002	1263.7	1266.8	-3.1	Yes
9/17/2002	1257.9	1261	-3.1	Yes
9/18/2002	1256.4	1259.6	-3.2	Yes
9/19/2002	1255.5	1258.7	-3.2	Yes
9/20/2002	1258.3	1261.5	-3.2	Yes
9/21/2002	1260.8	1264	-3.2	Yes
9/22/2002	1261.6	1264.8	-3.2	Yes
9/23/2002	1262.2	1265.4	-3.2	Yes
9/24/2002	1262.7	1265.9	-3.2	Yes
9/25/2002	1263.2	1266.4	-3.2	Yes
9/26/2002	1257.3	1260.5	-3.2	Yes
9/27/2002	1256	1259.2	-3.2	Yes
9/28/2002	1255.8	1259	-3.2	Yes

Figure 6 - Annular Resistivity in Kohms





ATTACHMENT 2

POC QUARTERLY COMPLIANCE MONITORING REPORT

201 East Washington Street
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Phoenix, Arizona 85004
Tel: (602) 567-4000
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October 25, 2002

BROWN AND
CALDWELL

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

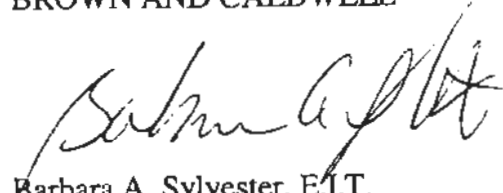
Dear Mr. Taylor:

Please find enclosed a final copy of the Florence Project Quarterly Compliance Monitoring Report for the Third 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) 567-3894.

Very truly yours,

BROWN AND CALDWELL



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

BAS:tf
Attachment

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

Primary Sampling Activities

Quarterly compliance monitoring was conducted for the Florence Mine project on July 8 through July 10, 2002, and July 24, 2002 (Third 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 Third 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 2 and field parameters measured during sampling are indicated in Table 3.

AL 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. No verification sampling was required.

Contingency Sampling Plan to be Implemented During Fourth Quarter 2002

There were no AL exceedances verified during this quarterly sampling. No contingency sampling plan is required during the fourth quarter of 2002.

Results of Contingency Sampling Plan Implemented from Second Quarter 2002

There were no AL exceedances during the Second Quarter 2001. Therefore, no contingency sampling plan was implemented.

Issues

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



TABLE 1. QUARTERLY SUMMARY OF ANALYTICAL RESULTS, LEVEL I 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	Jul 10 2002	19.0	31	79	109	0.73	1.3	653	1028
M2-GU	Jul 09 2002	19.0	39	160	275	0.96	1.4	692	1496
M3-GL	Jul 09 2002	19.0	36	140	187	0.71	1.3	689	1157
M4-O	Jul 09 2002	4.3	15	54	405	2.5	5.1	415	1072
M6-GU	Jul 09 2002	2.8	5.1	45	86	0.69	1.3	348	620
M7-GL	Jul 09 2002	0.17	0.45	28	82	0.93	1.7	275	464
M7-GL (Dup)	Jul 09 2002	0.18	0.45	29	82	0.92	1.7	281	464
M8-O	Jul 09 2002	0.21	0.75	67	122	2.1	3.6	354	609
M14-GL	Jul 09 2002	2.4	23	52	144	0.62	1.4	422	874
M15-GU	Jul 09 2002	23.0	44	61	126	0.5	1.2	899	1359
M16-GU	Jul 10 2002	26.0	52	170	248	0.61	1.1	979	1635
M17-GL	Jul 10 2002	1.1	9.3	120	209	0.8	1.6	464	831
M18-GU	Jul 10 2002	16.0	36	150	288	1.0	1.6	689	1323
M19-LBF	Jul 08 2002	11.0	21	49	89	0.45	0.92	446	794
M20-O	Jul 08 2002	8.2	14	59	112	0.75	1.7	464	809
M21-UBF	Jul 08 2002	31.0	87	260	487	0.68	1.1	1060	2867
M22-O	Jul 09 2002	5.4	8.6	47	86	0.71	1.3	395	1094
M23-UBF	Jul 09 2002	39.0	69	270	411	0.65	1.3	1560	2392
M24-O	Jul 10 2002	11.0	19	800	1364	1.1	2.5	1310	2363
M25-UBF	Jul 10 2002	30.0	76	220	387	0.69	1.6	1030	2683
M26-O	Jul 08 2002	0.23	0.53	62	105	1.6	3.4	329	556
M26-O (Dup)	Jul 08 2002	0.25	0.53	58	105	1.6	3.4	323	556
M27-LBF	Jul 08 2002	29.0	51	140	179	<0.4	0.79	1320	1745
M28-LBF	Jul 08 2002	1.5	2.6	46	81	0.76	1.6	360	610
M29-UBF	Jul 08 2002	44.0	84	310	465	0.6	1.1	1490	2751
M30-O	Jul 10 2002	10.0	18	51	102	0.72	1.6	467	824
M31-LBF	Jul 10 2002	26.0	46	240	330	0.74	1.3	941	1665
O19-GL	Jul 10 2002	9.0	17	52	99	0.6	1.4	445	770
O19-GL (Dup)	Jul 10 2002	9.3	17	43	99	0.61	1.4	443	770
O49-GL	Jul 08 2002	8.9	18	79	159	0.54	0.89	518	849
P19-1-O	Jul 24 2002	6.9	12	28	107	1.3	2.8	465	767
P49-O	Jul 08 2002	3.4	6.2	110	181	0.93	2	468	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 2. QUARTERLY SUMMARY OF WATER QUALITY FIELD PARAMETERS

Well ID	Sample Date	Temperature (°C)	Temperature (°F)	pH	Conductivity (µmhos/cm)
M1-GL	Jul 10 2002	22.4	72.3	7.52	1057
M2-GU	Jul 09 2002	20.1	68.2	7.59	1000
M3-GL	Jul 09 2002	22.1	71.8	7.53	1067
M4-O	Jul 09 2002	23.8	74.8	7.44	659
M6-GU	Jul 09 2002	25.3	77.5	8.41	691
M7-GL	Jul 09 2002	24.0	75.2	9.33	492
M8-O	Jul 09 2002	29.5	85.1	8.73	669
M14-GL	Jul 09 2002	27.2	81.0	8.41	819
M15-GU	Jul 09 2002	25.5	77.9	7.48	1286
M16-GU	Jul 10 2002	24.5	76.1	7.56	1533
M17-GL	Jul 10 2002	28.0	82.4	8.37	833
M18-GU	Jul 10 2002	19.7	67.5	7.50	1021
M19-LBF	Jul 08 2002	23.5	74.3	7.62	772
M20-O	Jul 08 2002	24.3	75.7	7.47	764
M21-UBF	Jul 08 2002	22.6	72.7	7.22	1600
M22-O	Jul 09 2002	28.8	83.8	8.04	772
M23-UBF	Jul 09 2002	22.6	72.7	7.11	2139
M24-O	Jul 10 2002	30.8	87.4	7.68	2005
M25-UBF	Jul 10 2002	21.5	70.7	7.22	1544
M26-O	Jul 08 2002	29.2	84.6	8.53	590
M27-LBF	Jul 08 2002	23.6	74.5	7.50	1590
M28-LBF	Jul 08 2002	26.6	79.9	8.25	671
M29-UBF	Jul 08 2002	24.3	75.7	7.07	2312
M30-O	Jul 10 2002	24.4	75.9	7.53	783
M31-LBF	Jul 10 2002	22.6	72.7	7.30	1391
O19-GL	Jul 10 2002	24.2	75.6	7.81	760
O49-GL	Jul 08 2002	26.3	79.3	7.82	915
P19-I-O	Jul 24 2002	24.5	76.1	7.73	727
P49-O	Jul 08 2002	28.2	82.8	7.67	805

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