UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

DEC 1 : 2001

December 5, 2001

W. Harrison Merrill, President
Merrill Mining L.L.C.
3232 Cobb Parkway Suite 315
Atlanta, GA 30339

Re: Minor Modifications to EPA UIC Permit #AZ396000001

Dear Mr. Merrill:

This letter is to inform you that we have reviewed and approve the request for a permit modification, including the transfer of federal EPA Underground Injection Control (UIC) Permit #AZ396000001 from BHP Copper Inc to Florence Copper Inc. The modification also include changes to the permit language as discussed below.

In accordance to 40 CFR 144.41(d), a minor permit modification can be made to allow for a change in ownership of a facility providing a written agreement containing a specific date for transfer of permit responsibility, coverage, and liability between the current and new permittee has been submitted to the Director. We are in receipt of a copy of the written agreement for the transfer, scheduled to occur on December 5, 2001.

Upon review of the written agreement between BHP Copper Inc and Florence Copper Inc, EPA UIC Permit #CA196000001 Permit Condition Part II.C.(5) is be modified with new language in bold text:

> Proposed Changes and Workovers The permittee shall **give at least thirty (30) day advance notice** to the Director of any planned physical alterations or addition of **any new wells** to the permitted wells that were **in existence at the facility on December 4, 2001**. Any changes in well construction will require approval by EPA and will be treated as a minor modification under 40 CFR 144.41. Following a well workover, a demonstration of mechanical integrity shall be performed prior to resuming injection activities, in accordance with Part II, Section E.2 of this permit.

Upon receipt of notification of any new wells that are proposed to be added to the facility, we will review existing financial resposibility mechanisms associated with the permit. If changes are required in the financial responsibility mechanism to cover the proposed changes to the facility, a major permit modification that includes a public comment period will be required.

If you have any questions regarding this matter, please contact Martin Zeleznik of my staff at (415) 972-3543.

Sincerely,

Alexis Strauss 5 Dec. 2001

Alexis Strauss, Director
Water Division

cc: Michele Robertson, ADEQ
John Kline, BHP Copper