

March 23, 2007

To: Compliance File

From: Pamela Grubaugh-Littig, Permit Supervisor

Re: 510 (c) Recommendation for Co-Op Mining Company, Bear Canyon Mine, C/015/0025

As of this writing of this memo, there are no NOVs or COs which are not corrected or in the process of being corrected for the Bear Canyon Mine. There are no finalized civil penalties, which are outstanding and overdue in the name of Co-Op Mining Company. Co-Op Mining Company does not have a demonstrated pattern of willful violations, nor have they been subject to any bond forfeitures for any operation in the state of Utah.

Attached is a recommendation from the OSM Applicant Violator System for the Bear Canyon Mine that states there are no outstanding violations.

O:\015025.BCN\FINAL\PERMIT\Bear Canyon Extension 2007\AVSmemo03232007.doc