S/001/039

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Department of Natural Resources

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Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

September 12, 2005

TO: John Baza, Director JRB

THRU: Mary Ann Wright, Associate Director MAW

THRU: Susan White, Permit Supervisor SMW

THRU: Beth Ericksen, Mineral Surety Coordinator SW for BE

FROM: Tom Munson, Senior Reclamation Hydrologist

SUBJECT: Transfer of Small Mine Notice, Nevada Star Corporation's OK Copper Mine to Western Utah Copper Company, WUCC-Palladon Copper Mine, S/001/039 to M/001/067, Beaver County, Utah

We received a transfer for a small mine permit from Nevada Star Corporation for their OK Copper Mine (S/001/039) to Western Utah Copper Company (WUCC). WUCC is taking over this project and will incorporate it into their existing WUCC- Palladon's Copper Large Mine permit (M/001/067).

Western Utah Copper Corporation is expanding their large mine notice which is currently under Division review. That large mine application contains Nevada Star's small mine notice disturbance within that proposal. The map attached shows all the disturbance that will be considered transferred to the Small Mine Notice currently held by Western Utah Copper. This disturbed area is marked on the ground and shown on the map labeled **Mine Number: M010067** as 4.85 acres. The total disturbance transferred to Western Utah Copper from Nevada Star is 7.98 acres as shown on map labeled **Mine Number: S010039**. This 7.98 acres is currently bonded by Western Utah Copper for $30,000.

Attached to this memo is an email from Western Utah Copper, stating they will stay within their 5 acre active area until the Large Mine is approved. Also attached is a photo of the fence post used to delineate the active area.

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Director Memo
Small Mine Transfer
S/001/039 to M/001/067
September 12, 2005

Western Utah Copper has provided the Division with a Reclamation Contract and three Certificate's of Deposit #8131172 #30, #31 and #32, issued by Mountain America Credit Union in the amount of $100,000 for the proposed large mine project (copies attached). When the large mine plan review is completed, the surety may need to be adjusted before final approval of the large mine notice is granted.

If you are in agreement with this transfer please sign the attached transfer form. We will then release Nevada Star from any further reclamation responsibility at the OK Copper Mine, as it will be consumed by Western Utah Copper Company and all bonds will be in the name of Western Utah Copper. Thank you for your consideration of this request.

TM:jb
Enclosure: MR-RC & surety
Attachments: email from western Utah Copper
Photos of fence posts
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