State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 11, 2002

Mark Dotson
Western Utah Copper Company
1208 South 200 West
Milford, Utah 84751

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Hidden Treasure / Maria Mine, S/001/061, Beaver County, Utah

Dear Mr. Dotson:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial $150.00 permit application fee, received by the Division on June 10, 2002. The proposed Hidden Treasure/Maria small mine project is located in the NW1/4 of Section 22, T27S R11W,SLBM, Beaver County, Utah. The application is considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined, provided you have satisfied and received written acceptance from the Bureau of Land Management requirements.**

Acceptance of this small mine application will allow you to begin construction of the processing pad for the concentrator while the Large Mine Notice application is under review. This small mine permit application will eventually be superceded with the Large Mining Operations notice (file M/001/059). When the large mine notice is approved and reclamation surety received, we will close and retire the small mine permit file.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye. You <u>are not</u> authorized to go beyond five acres with this small mine notice. The T-Posts will help you avoid any disturbance beyond this small mine limitation.**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 2002, and annually thereafter, the fees were increased to $150.00 for small mining notices. Because we have allowed a 45 day grace period, fee payments received after May 15th (if they are the increased amount) will be applied toward the next fiscal year. Therefore, you will not be required to pay the

$150.00 in July for this project. If you do receive a billing statement for this project in error, please contact Joelle Burns at (801) 538-5291 so the correction can be made. (Please note that the fee payments received for files M/001/059 (Maria Large Mine application) and S/001/060 (Midvale Placer – Tunnel application) were in the old amount. You were notified that if you wanted to submit the additional monies by May 27th, you could avoid receiving another billing in July. We did not receive the additional fees; therefore, you will be receiving a billing statement for these projects which is due by the last Friday in July.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. We wish you the very best with your new mining venture.

Sincerely,

Tom Munson
Senior Reclamation Specialist

jb
Enclosure: SMO summary
cc: Ed Ginouves, BLM, Cedar City FO
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