JON M. HUNTSMAN JR.
Governor
MICHAEL R. STYLER
Executive Director
JOHN R. BAZA
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

01/09/2006

PENNEY'S GEMSTONES, LLC
2400 E 30 S
BOX 312
BEAVER UT 84713-0312

Re: Request for Annual Report for the Year 2005.

Dear Operators:

This letter is to remind you that annual reports are required by Rules R647-3-116 and R647-4-121 of the Division's Minerals Reclamation Program. The report forms (MR-AR) can be found on the Divisions web page www.ogm.utah.gov/minerals/mineralforms.htm. If you would like a form sent to you, please contact the division of Oil, Gas and Mining at 801-538-5291.

The reports for the referenced Mine(s) need to be completed and returned to this office by January 31, 2006.

Mine Status	Mine Number	Mine Name	Contact Person
ACTIVE	S270024	LITTLE SPOT	DAVID PENNEY
INACTIVE	S030034	LUCIN VARISCITE MINE	DAVID PENNEY
ACTIVE	S010035	SLIVER 1-2	DAVID PENNEY
ACTIVE	S270073	PRETTY IN PINK	DAVID PENNEY
ACTIVE	S270093	WHITE TIGER	DAVID PENNEY
ACTIVE	S010056	LOST GEMS 1	DAVID PENNEY
ACTIVE	M010057	SLIVER 3-4	DAVID PENNEY
ACTIVE	S270096	FANTASY LAND JASPER	DAVID PENNEY

Reports are required regardless of annual mine activity, unless you have received a written waiver or formal release from reclamation obligations from the Division.

Thank you for your cooperation and prompt attention to this matter.

Sincerely,

Susan M. White

Susan M. White
Mine Program Coordinator
Minerals Reclamation Program