GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

February 11, 2016

CERTIFIED RETURN RECEIPT
7014 2870 0001 4231 9548

David Penney
Penney's Gemstones, LLC
2400 East 30 South
PO Box 312
Beaver, Utah 84713-0312

Subject: Failure to Abate Cessation Order CO-2015-17-09 Company, Penney's Gemstones, LLC, Lucin Variscite Mine, S/003/0034, Box Elder County, Utah

Dear Mr. Penney:

On November 18, 2015, the Division of Oil, Gas and Mining issued cessation order MC-2015-17-09 for failure to failure to remit annual permit fees for 2013, 2014, and 2015 for the Lucin Variscite mine, and on December 21, 2015, the Division sent you a proposed assessment for a civil penalty in the amount of $3,300.00. The required abatement has not been completed, and the fine has not been paid. The proposed assessment was not appealed; therefore the assessed penalty is finalized at $3,300.00.

In addition to the above fine, please note that for failing to abate the violation within the time specified in the cessation order, as per rule R647-7-103.4, the civil penalty has been increased by a minimum of $750.00 per day for each day past the abatement date that the violation continued unabated for 30 days. As a result, a separate fine is being issued in the amount of $22,500.00.

Please remit the above fines within 30 days of this letter. You may contact me at 801-538-5261, or Wayne Western at 801-538-5263 should you have any questions regarding this letter. Thank you for your prompt response to remedy this situation.

Sincerely,

Paul B. Baker
Minerals Program Manager

cc: Sheri Sasaki, OGM (ssasaki@utah.gov), John Robinson and Melissa Reynolds, Assistant Attorneys General (jrobinson@utah.gov and mreynolds@utah.gov), Mike Nelson, BLM SLFO (mnelson@blm.gov)

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