JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

August 28, 2006

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 7920

Barry Peterson
Sierra Starlight Quarry
160 East Cottonwood
Oakley, Idaho 83346

Subject: Results of Stop Work Conference, Sierra Starlight Quarry, M/003/049, Box Elder County, Utah

Dear Mr. Peterson:

On August 16th, 2006, the Division held a Stop Work Conference on Cessation Order #MC-06-01-08. The following individuals attended: Presiding: Mary Ann Wright, Associate Director, Mining; Lynn Kunzler, Senior Reclamation Specialist; Daron Haddock, Permit Supervisor from OGM. Representing the Sierra Starlight Quarry was yourself, Barry Peterson.

Arguments were presented by the Division as to why the Cessation Order had been issued and what requirements were needed to abate the order. You presented some of the history of the site and arguments as to why you should be allowed to continue to operate and remove stockpiled materials from the site. You indicated that all mining had been ceased and you had moved your workers to other locations, but that you needed to move the stockpiled material prior to winter. Part of the difficulty at this site centered around it being originally permitted by Ernie Hale, who no longer plans to mine and that you have now picked up the leases and have yet to transfer the permit.

The Finding and Conclusions and Order in the matter are based on the information provided by the Division and Mine representatives in connection with the Stop Work conference and on information in the files of the Division.

Order:

1. Cessation Order MC-06-01-01-08 issued on August 10, 2006 is hereby affirmed.
2. The CO will be modified to allow for the removal of product from the site, pending permit fee payment.
3. Permit fees must be paid in order to conduct mining operations in the current year. Mining operations include: product removal and grading of the disturbed area.
4. The CO will be modified to extend the time allowed for posting the reclamation surety to December 8, 2006, which will correspond to the Division's timeframe for having all small mines bonded.
5. The CO will be modified to change the requirement for submitting a notice of intent for a large mine, to complete the SMO transfer process and change the permittee from Ernie Hale to Barry Peterson by September 15, 2006.
6. Barry Peterson will notify the Division by November 1, 2006, of his intent to stay a small mine or pursue a Large Mining Operation (LMO).

A copy of the modification to the Cessation Order is enclosed. If you have any questions regarding the requirements of this letter or the modification, please contact me at (801) 538-5306. Thank you for your immediate attention to this matter.

Sincerely,

Dave R. Haddock

for Mary Ann Wright
Associate Director, Mining

vs:
Enclosures
cc: Agency
Mary Ann Wright, Associate Director
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CO

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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MODIFICATION of
Notice of Violation / Cessation Order

To the following Permittee or Operator: 7004 2510 0004 1824 4783

Name: Barry Peterson

Mailing Address: 160 East Cottonwood, P.O. Box 62, Oakley, ID 83346

Mine Name: Sierra Starlight Quarry Permit Number: M0030049

Utah Mined Land Reclamation Act, Section 40-8-1 et. seq., *Utah Code Annotated (1953):*

Cessation Order No MC-06-01-08 dated August 10, 2006

Part 1 of 1 is modified as follows:

1. Time extended to September 15, 2006 to transfer the permit from Sierra Stone, Inc to Gold Star Stone, Inc.
2. Time extended to December 8, 2006 to Submit Reclamation Surety.
3. Notify the Division in writing by November 1, 2006 as to whether a Large Mining Operation his operation will be expanded to a Large Mining Operation.
4. The Division will allow the removal of the palletted stone from the area currently permitted under Sierra Stone, Inc.

Reason for modification is: As per agreement reached during Stop Work Conference Held on August 16, 2006.

Date of service/mailing: August 24, 2006

Lynn Kunzler
Division of Oil, Gas & Mining Representative

Senior Reclamation Specialist
Title

Signature

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