United States Department of Agriculture
Forest Service
Sawtooth National Forest
Minidoka Ranger District
3650 South Overland Ave.
Burley, ID. 83318-3242
208-678-0430
Fax: 208-677-4878

File Code: 2810
Date: March 7, 2003

S/003/053

Mr. Jeff Sagers
Terra Resources, LLC
2016 South Montana Avenue
Provo, UT 84606

RECEIVED
MAR 1 2 2003
DIV. OF OIL, GAS & MINING

CERTIFIED MAIL/RETURN RECEIPT REQUESTED

Dear Mr. Sagers:

On July 16, 2002 and September 30, 2002 inspections were made of your mineral material permit at Clark's Basin in the Raft River Range. The inspector found that reclamation of this project had been partially completed. Completed reclamation included recontouring and placement of topsoil on the loading area at Pine Spring. The inspector also found items that had not been reclaimed. Specifically, several large slabs of quartzite stone at the Pine Springs site have not been placed back into the area from which they were initially quarried and as a result are visually out of place with the natural topography. The inspector also found that reclamation of the Shimmer Lady Claim had not been completed including the removal of broken pallets, cleanup of several abandoned piles of quarried stone, the recontouring of a small dozer cut at the quarry site, and areas of compacted soil from repeated equipment travel that had not been ripped.

Shimmer Lady Dozer Cut

Shimmer Lady Abandoned Rock Piles

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Pine Springs Loading Area

Pine Springs Loading Area

If the above items, including seeding with the seed list provided by the Forest Service, are not completed by May 15, 2003, the Sawtooth National Forest will complete reclamation of this project on its own. Since the reclamation bond for this project was in the form of a check that was not negotiable, reclamation costs incurred by the Sawtooth National Forest will be billed to you if we must complete this reclamation.

If you have any questions or comments, please contact Steve Flock, Minerals Management Specialist, at the above address or telephone number.

Sincerely,

Scott Nannenga

SCOTT C. NANNENGA
Minidoka District Ranger

cc. State of Utah
Division of Oil, Gas and Mining
Attn: Lynn Kunzler
1594 West North Temple
Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801