S/003/053

State of Utah

Department of Natural Resources

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Division of Oil, Gas & Mining

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Division Director

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Lieutenant Governor

September 9, 2004

Jeff Sagers
Terra Resources, LLC
2016 South Montana Avenue
Provo, Utah 84606

Subject: Removal from Suspension Status, Terra Resources, LLC, RMS 1/Mountain Spring Peak (S/021/024), Pine Spring/Clarks Basin (S/003/053), Dove Creek Pass (S/003/052), and Limestone Mesa/Desert Bronze (S/053/059), Iron, Box Elder and Washington Counties, Utah

Dear Mr. Sagers:

On August 10, 2004, the Division notified you that your mining operations were placed in suspension for failure to pay the required permit fees for year 2004. On September 8, 2004, we received your permit fees; therefore, the status of your mines is no longer listed as being in suspension and you may continue mining operations as before.

Regarding the Pine Spring/Clarks Basin mine site. While in the area performing site inspections, it was found this site had been satisfactorily reclaimed and the file was subsequently closed (see September 7th letter). If you wish to again resume operations at this site this year, you will have to file a new notice; however, the permit fee would not be required, as it has already now been credited as paid for the 2004 fiscal year.

Permit fees are required annually (by the last Friday in July) until the site has been completely reclaimed and you have received written notification from this office that the permit is officially closed.

Nonpayment of permit fees suspends an operator s right to mine. With the new enforcement rules now in place, notices of violation can be issued and penalties assessed for nonpayment of permit fees, or other violations of the Mined Land Reclamation Rules. We hope to avoid taking enforcement action against mine operators. Thank you for keeping your mine permit in good standing.

Sincerely,

Daron R. Haddock

Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program

DRH:jb
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