Form MR-SMO
(Revised October 2, 2003)

This Section for DOGM Use:
Assigned DOGM File No.: S 1007 1038
DOGM Lead: PGB
Permit Fee $ 150 00 Ck # 7421

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

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I. GENERAL INFORMATION (Rule R647-3-104)

1. **Name of Mine:** "Italian Tan"

2. **Name of Person or Entity Applying for Permit:** Quality Building Stone, Inc.
Address: 993 W. 14730 South
City, State, Zip: Bluffdale, Utah 84065
Phone: (801) 255-2911 Fax: (801) 562-9597
E-mail Address: Q stone @ aros. net

Company ( ) Corporation (✓) Partnership ( ) Individual ( )
Other ( ) – specify type) _____
A corporation must be registered with the State of Utah, Division of Corporations. Are you currently registered to do business in the State of Utah? ☑ Yes ☐ No

Business License # 1208478-0142

Registered Agent (as identified on business license): Valina Miller

Address: 993 W. 14730 S
City, State, Zip: Bluffdale, Utah 84065
Phone: (801) 255-2911 Fax: (801) 562-9597
E-mail Address: Q stone @ aros. net

3. **Name of Operator (if different from #2)** _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

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DIV. OF OIL, GAS & MINING

If Partnership or Individual:
Name of 1st owner / partner: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

Name of 2nd owner / Partner: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

If Corporation or Limited Liability Entity:
Name of Officers: _____ Title: _____
_____ Title: _____
_____ Title: _____
_____ Title: _____

4. **Permittee / Operator Representative** (if different from #3):
Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

5. **Ownership of Land Surface:**

Private (Fee) ☑ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Utah Railway Co. Address 340 Hardscrabble Rd. Helper, Utah 84526
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

6. **Ownership of Minerals:**

Private (Fee) ☑ Public Domain (BLM) ☐ National Forest (USFS) ☐
State Trust Land/School Sections ☐ State Sovereign Lands ☐
Other (please describe): _____

Name Utah Railway Co. Address 340 Hardscrabble Rd. Helper, Utah 84526
Name _____ Address _____
Name _____ Address _____
Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s):_____

Utah State Lease Number(s):_____

Name of Lessee(s)_____

7. **Have the above surface and mineral owners been notified in writing?**
Yes ✓ _____ No_____

If no, why not?_____

Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration ***prior*** *to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Permittee / Operator have legal right to enter and conduct mining operations on the land covered by this notice?** Yes ✓ _____ No_____

II. PROJECT LOCATION & MAP (Rule R647-3-105)

1. **Project Location** (legal description):

County(ies): Carbon

_____ 1/4, of NE 1/4, of NE 1/4: Section: 14 Township: 13S. Range: R9E.
_____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____
_____ 1/4, of _____ 1/4, of _____ 1/4: Section: _____ Township: _____ Range: _____

UTM East _____ (if known) UTM North _____ (If known)

Name of Quad Map for Location: Helper

2. A topographic base map showing the location of the proposed small mining operation must be submitted with this notice. A USGS 7.5 minute series map is preferred. The areas to be disturbed should be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.

3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) **must** be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining**: Surface ☑ Underground ☐

2. **Mineral(s) to be mined**: Sandstone

3. **Amount of material to be extracted, moved or proposed to be moved:** Undetermined

4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
   Yes ☐ No ☑ If yes, please describe (add extra pages if needed)

5. **Provide a brief description of the proposed mining operation and onsite processing facilities** (add extra pages if necessary). Sandstone boulders will be cut in place and transported to Quality Building Stone's processing plant near Wellington, Utah.

6. ☑ **New Road(s)**: Length approx. 600 (ft) Width approx 10 (ft)

7. ☐ **Improved Road(s)**: Length_____(ft) Width_____(ft)

8. **Total project surface acreage to be disturbed**: Less than 5 (acres)

9. **Proposed startup date of project** (month, year) February 2004

10. **Proposed completion date of project,** if known (month, year) Undetermined

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining:

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*

5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*

6. *Remove all waste or debris from stream channels.*

7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*

8. *Conduct mining activities so as to minimize erosion and control sediment.*

9. *Reclaim all roads that are not part of a permanent transportation system.*

10. *Stockpile topsoil and suitable overburden prior to mining.*

11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*

12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*

13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*

14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Yes ☑ No ☐

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above, should be identified below and justification given for the variance request(s).

Item Number	Variance Request Justification
9	All roads will be left as part of a permanent transportation system.
[redacted]	

VI. SURETY (Act 40-8-7 [c])

The Utah Mined Land Reclamation Act (40-8-7 [c]) provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to approved *notices* consistent with on-site conditions. The surety amount is based on the following average calculations. These amounts are used as a general guide and may take individual discretionary judgment into consideration.
$5,000 for the 1st acre; and
$3,000 for each additional acre.

Note: Partial acreages are rounded up to the next highest #.

The surety must be provided to the Division prior to commencement of operations.

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7 (I)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30),

and revised July 1, 2002, permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

Exploration Notices require a $150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: Wes Hansen
Address: 993 W. 14730 S.
City, State, Zip: Bluffdale, Utah 84065
Phone: (801) 255-2911 Fax: (801) 562-9597
E-mail Address:

Name:
Address:
City, State, Zip:
Phone: Fax:
E-mail Address:

VIII. SIGNATURE REQUIREMENT

I hereby verify that the foregoing information is true and accurate and commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.

I have enclosed the required permit fee. I have also enclosed the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished. I further understand that I am not authorized to create any surface disturbance until the surety amount is posted and I have received written approval from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

(Note: If a company or corporation, this form must be signed by the owner or officer who is authorized to bind the company/corporation to this Notice.)

Signature of Permittee/ Operator/ Applicant: Wes Hansen
Name (typed or printed): Wes Hansen
Title/Position (if applicable): Operations Manager
Date: February 18, 2004

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GILLEN & ASSOCIATES
INSURANCE & BONDS
8138 SO. STATE ST.
MIDVALE, UTAH 84047
TEL: (801) 566-3981

03/02/04

TO WHOM IT MAY CONCERN

GILLEN AND ASSOCIATES HAVE SENT APPLICATION FOR RECLAIMATION BOND FOR QUALITY BUILDING STONE IN THE AMONT OF $14,000.00 EFFICTIVE 2/18/2004. THIS BOND WILL BE ISSUED THROUGH J.R. OLSEN & COMPANY.

SINCERELY
CURTIS SHIELDS
GILLEN & ASSOCIATES

Curtis Shields

RECEIVED
MAR 0 2 2004
DIV. OF OIL, GAS & MINING