BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF TENTATIVE DECISION TO APPROVE A LARGE MINING AND RECLAMATION PLAN FOR GOLDTERRA, INC.'S BLUE CASTLE MINE EMERY , COUNTY, UTAH	: : :	NOTICE OF TENTATIVE DECISION TO APPROVE NO. M/015/077

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THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION, MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED IN SECTION 29, TOWNSHIP 16 SOUTH, RANGE 14 EAST, SLBM, EMERY COUNTY, UTAH.

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve the Large Mining Operations Notice of Intention for GoldTerra, Inc.'s Blue Castle Mine. Mining activities will affect the following area: E ½ Section 29, Township 16 South, Range 14 East, SLBM, Emery County, Utah.

GoldTerra, Inc. has submitted a permit application to expand an existing small mining project to a large mining operation. The operator will employ the following mining and reclamation techniques on approximately 135.56 acres of federal land.

During Operations: Open pit mining of the Mancos Shale (ore) will be accomplished using a loader and 15-ton haul trucks. The mined material will be hauled to the processing site where it will be crushed and stockpiled prior to removal offsite for further processing. Material will be mined beginning the first year at a rate of 500 tons/day, graduating to a rate of 5000 tons/day after year six and continuing at this level through out the life of the mine. Mining will take place on a year round basis. On 111.57 acres of the mine area, there are thin soils and numerous boulders on the existing slopes. As these areas are mined, terraces (benches) will be developed. Salvageable soils and boulders will be placed back onto these terraces, to the extent practical, during mine development. The soils contain existing vegetation which will serve as a natural, live seed source. The salvaged soils will be spread back onto the terraces shortly after stripping, thus OGM will not require supplemental seeding of the terraces, unless these revegetation efforts prove unsuccessful.

After Operations: Reclamation of the millsite (11.68 acres) will include regrading of the area, ripping of the compacted areas, spreading 12 inches of soil, upgraded to its original quality, followed by ripping and seeding. The haulroad to the minesite and a portion of the mine (total of 10.94 acres) will receive 8 inches of soil upgraded to its original quality, followed by ripping and seeding. GoldTerra's existing 5-acre small mine has been included within the scope of the large

mine plan proposal. The small mine will be operated until the large mine plan is approved. The current small mine load-out and access road (1.83 acres) will be reclaimed when they are no longer needed to support the mining operation. The balance of the 5-acre small mine disturbance will be reclaimed according to the approved large mine reclamation plan.

The person representing the company is Mr. Daniel C. Sheppard; Phone (435) 636-8888. GoldTerra, Inc. is fulfilling obligations under the Utah Mined Land Reclamation Act of 1975, Utah Code Ann. §40-8-18.

Any person or agency aggrieved by this tentative decision to issue approval is hereby requested to submit written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint. If no responsive written protests are received by the Division within 30 days after the last date of publication, the tentative decision of the Division will be final.

DATED THIS 7th day of Aug, 2001

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

Lowell P. Braxton

Lowell P. Braxton
Director

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Decision to Approve the Large Mining Notice of Intention for GoldTerra, Inc.'s Blue Castle Mine project, M/015/077 to be sent via facsimile, electronic mail, or mailed by first class mail, postage prepaid, the 7th day of August, 2001 to:

FACSIMILE: 237-2776 and
E-MAIL: naclegal@nacorp.com
Salt Lake Tribune
Advertising Department
116 Regent Street
P.O. Box 45838
Salt Lake City, Utah 84145

FACSIMILE: (435) 381-5431 and
E-MAIL: progress@etv.net
Emery County Progress
Legal Advertising Department
190 East Main Street
P.O. Box 589
Castle Dale, Utah 84513

CERTIFIED RETURN RECEIPT
7000 0520 0021 7582 9804
Daniel C. Sheppard
GoldTerra, Inc.
P.O. Box 783
Price, Utah 84501

Dean Nyffeler
Bureau of Land Management
Price Field Office
125 South 600 West
Price, Utah 84501

Bryant Anderson
Emery County Planning and Zoning
P.O. Box 1298
Castle Dale, Utah 84513

Joelle Burns

Joelle Burns, Secretary