State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Lowell P. Braxton
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J.
M/015/077

September 5, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 4968

Daniel C. Sheppard
GoldTerra, Inc.
P. O. Box 783
Price, Utah 84501

Re: Return of Notices of Intention (NOI) to Commence Large Mining Operations, GoldTerra, Inc., Blue Castle and Black Knight Mines, M/015/077 and M/015/078, Emery County, Utah

Dear Mr. Sheppard:

On August 7, 2001, the Division issued tentative approval for the Blue Castle Mine and informed you that the reclamation surety and reclamation contract needed to be provided by September 14, 2001. On June 17, 2002, we wrote and asked about your intentions for this project, and you responded with a letter dated July 16, 2002, indicating that sampling and testing details have taken a great deal more time than anticipated and that it appears you are still approximately six months from full-scale mining.

Inasmuch as we have not received the surety or the reclamation contract, we are returning your notice of intention and revoking the tentative approval. Once you have completed sampling and testing and are prepared to put forward the reclamation surety and reclamation contract and begin mining operations, you may resubmit the Notice of Intention to Commence Large Mining Operations.

The Notice of Intention to Commence Large Mining Operations for the Black Knight Mine was received August 13, 2001, and our review was sent to you November 5, 2001. We asked that you respond to the review by November 26, 2001, but we have had no further correspondence from you to address the deficiencies in the plan. Therefore, we have decided to also return this notice of intention.

If you resubmit these notices of intention before July 2003, you will not be required to resubmit the permit fees for the 2002-2003 billing cycle, since these fees have already been paid. However, any submittals after June 2003 will require that a new permit application fee accompany the application. We will also expect you to pay the cost of re-advertising any subsequent tentative approval for the Blue Castle Mine.

Please contact me at 801-538-5306 or Wayne Hedberg at 801-538-5286 if we can answer any questions in this regard.

Sincerely,

Mary Ann Wright
Associate Director of Mining

jb
Enclosure: Original NOI
cc: Dean Nyffeler, BLM
Will Stokes, SITLA
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